Appendices to Line of Inquiry B
Faculty Senate By-Laws

Preamble
As the important role of faculty in shared governance in the formulation and assessment of academic curricula is widely recognized in the great majority of institutions of higher learning and, as the Faculty Senate of the San Francisco Art Institute is the officially recognized organization that represents Faculty views pertaining to the academic affairs of the Institute, be it resolved that the Board of Trustees of the San Francisco Art Institute adopts the following document into the By-laws of the Institute.

Article I. Mission
The Mission of the Faculty Senate of the San Francisco Art Institute is to oversee and review all issues that pertain to the academic programs of the San Francisco Art Institute. The Faculty Senate shall participate in shared governance with the Institute’s Administration and make informed professional recommendations to the Institute’s Administration and Board of Trustees. Such issues include, but are not limited to: the viability of any and all of the Institute’s curricular offerings, the allocation of resources and priorities, and the staffing of the academic programs with visiting faculty. The Faculty Senate shall also provide for formal and representative Faculty input into all decisions pertaining to the academic affairs of the Institute.

Article II. Composition
The Faculty Senate shall be comprised of all members of tenure and tenure-track Faculty of the Institute who shall be termed “voting members” of the Senate. The Institute’s Librarian, Vice President for Academic Affairs and Associate Vice President for Academic Affairs shall be ex-officio, non-voting members of the Faculty Senate. Currently employed non-ranking or visiting faculty who have taught three or more courses a year for two consecutive years are also eligible to be ex officio members of the Senate. (note: ex officio means not being able to vote on Senate resolutions, but otherwise having full floor privileges in both open and closed sessions of Senate meetings). Elected representatives from the Student Union and the League of Graduate Students shall also have ex officio status.

Article III. Meetings and Agendas
The Faculty Senate shall meet at least six times during the regular academic year (September to May). Senate Officers shall circulate Notifications and Call for Agenda Items for regular meetings seven to five days prior to the scheduled meeting. The President of the Senate shall also have the power to call special meetings if he or she feels that they are warranted by unusual circumstances. Any member of the Senate can place items on the Senate’s agenda by contacting the Senate President in writing at least twenty-four hours before the scheduled meeting. Senate Officers shall have the discretion to limit the number of agenda items in the interest of meeting time constraints. Tabled items shall be added to the agenda of the next Senate meeting.

Open sessions of all meetings of the Faculty Senate shall be considered public meetings.
open to all San Francisco Art Institute constituencies. During the closed, executive sessions the room shall be cleared of all save those who are voting or *ex officio* members of the Faculty Senate. Presenters invited to address the closed session of the Senate must leave following their presentations unless specifically invited to stay by the Senate President.

All members of the Senate are expected to attend all duly announced meetings. Senate members who are on sabbatical or other official leave are exempt from the requirement to attend meetings, and their absence will not count against the formation of a quorum.

**Article IV. Officers and Duties**

In April or May of each year, the members of the Faculty Senate shall elect a President, Vice-President, and Secretary. The term for these offices runs from July 1 of the year elected to June 30 of the following year. In March of every year the Senate shall also elect a slate of three nominees for one of the two positions of Faculty Representative to the Board of Trustees, for the two-year term specified by that Board. The Senate shall also elect two additional members to serve on the Academic Council. The President, Vice President, Secretary, and the two additional members of the Academic Council shall form an Executive Committee of the Senate. The Executive Committee of the Senate shall be recognized as having the power to represent faculty views during times when meetings of the full Senate cannot be convened.

The President of the Senate shall be responsible for announcing regular and special meetings, keeping the agenda for those meetings, and running such meetings in an orderly and respectful manner. In conjunction with the Secretary, he or she shall also be responsible for receiving, writing, and conveying all correspondence relating to the business of the Senate.

The Vice President shall serve in the President’s stead in the event that the President cannot fulfill his or her appointed duties.

The Secretary shall record and write the minutes of the Senate, and shall maintain those minutes in an orderly file. Complete copies of the approved minutes shall be made available in the Institute’s library and files shall be archived in the Office of Academic Affairs.

Any or all officers of the Faculty Senate may be removed from office by a recall vote. One third of the active Faculty Senate membership must petition to institute recall proceedings. A two-thirds vote of active voting Faculty Senate members shall be necessary for recall. Recall votes shall be by secret ballot.

**Article V. Resolutions**

No resolution shall be entertained without a quorum, defined as 50% plus one of the Faculty Senate’s voting membership minus any member who is absent because of Sabbatical or Official Leave of Absence. Any member of the Senate may propose a
resolution to be voted on by the group. For such a proposal to be entertained by the President, a motion must be made by a voting member and seconded by another voting member of the Senate.

With the exception of Officer recalls, all resolutions shall pass with a simple majority of a meeting where a quorum has been established (50% plus one). General voting procedure shall be by a show of hands, counted by the Senate Officers. The Senate President and any active voting Senate member may request a recount or secret paper ballot vote on any resolution. One Officer and one non-officer Senate member shall tally written ballots in such circumstances.

Article VI. Proxy Votes
In the event that a member of the Senate cannot attend a given meeting, he or she can designate in writing another voting member to hold his or her proxy vote. The President shall recognize such proxies only when they are signed and dated prior to the meeting in question. No member of the Senate may hold more than two proxy votes for any given meeting. Members of the Senate who are on sabbatical or other official leave may give their proxy to another member of the Senate for the duration of their leave. Proxy votes will be counted in the establishment of any quorum.

Article VII. Faculty Senate Committees

A. Standing Sub-Committees
To fulfill its mission while facilitating a fair division of labor, the Faculty Senate shall have the following standing and ad-hoc sub-committees.

1. Academic Council
Co-Chaired by the Vice President of Academic Affairs, includes Faculty Senate President, Vice-President, Secretary and two additional members of the Senate. Oversees curriculum and academic programs.

2. Program Assessment Committee
Co-chaired by Associate Dean of Academic Affairs and Faculty Committee Member 5-7 members
Oversees program assessment.

3. Grant Committee
Chaired by Faculty Committee Member 3-5 members
Oversees Faculty development and grants and other nominations for grant/fellowship opportunities for students and faculty as appropriate.

4. Peer Assessment/Tenure Advancement Committees
Chair appointed by Faculty Senate. Chair convenes individual assessment committees. Oversees Faculty assessment and advancement to tenure in accordance with procedures outlined in the Collective Bargaining Agreement.
5. Faculty Administration Feedback Committee  
Chaired by Faculty Committee Member  
3-5 members  
Establishes effective procedures that enable voting members of the Faculty Senate on a regular basis to provide feedback on the performance of senior administrators and administrative offices involved with academic programs.

6. Global Programs Committee.  
3 members.  
Chaired by Global Programs Advisor. Evaluates and oversees study abroad opportunities and eligibility for international exchange programs.

B. Ad-Hoc Committees  
Convened for 1-year term with the possibility to renew as necessary. These can be task driven appointments made by President of the Senate or by the Dean and Vice President for Academic Affairs in consultation with the Senate Executive Committee.

*Ratified by the San Francisco Art Institute Board of Trustees on September 23, 2014.*
Memo

December 4, 2014

To: Cynthia Plevin  
Chair of the Board of Trustees

From: Mark Van Proyen  
President of the Faculty Senate

Subject: Faculty Senate By-laws

At yesterday’s meeting of the Faculty Senate, we approved language to be added to the Faculty Senate By-laws to address earlier concerns raised by John Kern about a lack of specifics about proxy votes and the composition of what is now called The Global Programs standing sub-committee. We also changed the designation of one of our ex-officio members so as to reflect the current title of her position. I am working under the assumption that there is no need for a Board action on this as the Faculty Senate By-laws were accepted with the understanding that the requested clarifications would be made and communicated to the Board. If there is anything that I can do to be of further assistance, please feel free to contact me.

1. In Article II (“Composition”) change to “Associate Vice President for Academic Affairs.”
2. Add to Article VII, subsection 6. (“International Programs Committee”): re-title as “Global Programs Committee; 3 Faculty. Chaired by Global Programs Advisor. Evaluates and oversees study abroad opportunities and eligibility for international exchange programs.”
3. Add to Article VI (“Proxy Votes”)” Proxy votes will be counted toward the achievement of a quorum.”
Meeting of the Faculty Senate
February 5, 2014
Agenda
Room 25
4:15-6:00 PM

Announcements Mark Van Proyen
Appointment of Interim Secretary
Capital Campaign Update Charles Desmarais / Cynthia Colebrook
Dean’s Report: Rachel Schreiber

   a. December 11 Academic Council Meeting
   b. December 13 Curriculum Retreat
   c. January 29 Meeting with Jesse Villa-Lobos.

Union Update: Equivalency Issues Bruce McGaw and Nicole Archer

Old Business ??

New Business: Approval of December 04 Minutes
   Election of New Faculty Senate Secretary
March 5, 2014 Meeting of the Faculty Senate
4:15—6:00 PM, Room 25
Agenda

Open Session

Remarks from the Chair                             Mark Van Proyen

Graduate Admissions Report   Tony Labat/ Elizabeth O’Brien

Dean’s Report/ Academic Council             Rachel Schreiber

Closed Session

Old Business

Faculty Senate By-Laws

New Business

Part-time faculty categories             Rachel Schreiber

Election of (3) candidates for Board of Trustee position
April 2, 2014 Meeting of the Faculty Senate
4:15—6:00 PM, Room 25
Agenda

Open Session
Announcements                              Mark Van Proyen
Board of Trustees Report                    Paul Klein
Dean’s Report                               Rachel Schreiber
Academic Council                            
Curricular Discussion/

Closed Session
Old Business
Ratification of New Faculty Senate By-Laws
Faculty/ Administration Feedback Process

New Business
Approval of March 5 Minutes
Election of Faculty Senate Officers for AY-2014-2015
Election of Faculty Advancement Coordinator for AY 2015-2017
Election of Substitute Advancement Coordinator
May 7, 2014 Meeting of the Faculty Senate

4:15—6:00 PM, Room 25

Agenda

Open Session
Remarks from the Chair                                    Mark Van Proyen
Graduate Admissions Report                        Tony Labat/ Elizabeth O’Brien
Dean’s Report/ Academic Council                          Rachel Schreiber

Closed Session/ Old Business
    Faculty Senate By-Laws

New Business
    Part-time faculty categories    Rachel Schreiber/ Charles Desmarais
    Election of (3) candidates for Board of Trustee position
Agenda
September 3, 2014  Meeting of the Faculty Senate
McMillan Conference Room
4:15 to 6:00 PM

Open Session:

Opening Remarks                     Mark Van Proyen
Marketing Report                   Janette Andrawes
President’s Report                  Charles Desmarais
Dean’s Report                       Rachel Schreiber
Academic Council/Department Chairs

Closed Session:
Curricular Discussion
Committee Staffing

Adjourn to FUSFAI Meeting
Agenda
October 8 Meeting of the Faculty Senate
McMillan Conference Room
4:15 to 6:00 PM

Open Session

1. Call to Order and Announcements: Mark Van Proyen
2. President’s Report Charles Desmarais
3. Dean’s Report/ ACDC Rachel Schreiber
4. Response to MA Program Self-Study and related issues Robin Balliger

Closed Session

Approval of May 3 Minutes Meredith Tromble
Approval of September 3 Minutes Nicole Archer
Approval of September 24 Ad-Hoc Committee Minute Nicole Archer
Agenda
Ad-Hoc Meeting of the Voting Members of the Faculty Senate
November 5, 2014

1. Curriculum
2. "Department chairs will be appointed to represent majors offered at SFAI and the Liberal Arts. Multiple majors may be represented by one chair."

Definition (OED) “Regular Course of Study or Training”

Questions:
1. Do we have a curriculum?
2. Does it serve the needs of our students?
3. Does it prepare students for the emerging realities and opportunities on the horizon?
4. Do we have a sufficiently robust set of curricular options for our most advanced students?
5. Do we do a good enough job of monitoring student progress through our curriculum?
6. Does our curriculum sustain a sufficiently diverse set of options and outcomes that might serve a diverse student body?
7. What are the things about our curriculum that can be improved?
8. Student handbook definitions of coursework and contact hours.
   (6 in class and 3 outside of class)

Upcoming dates of import:

November 05: Faculty Senate Curricular Retreat
November 12: Regular Meeting of the Faculty Senate
November 19: Academic Council
December 03: Regular Meeting of the Faculty Senate
December 10: Academic Council
December 12: Undergraduate Curricular Retreat (Academic Affairs).
            Holiday Party
Meeting of the Faculty Senate of the San Francisco Art Institute  
Wednesday, November 12, 2014: 4:15 PM to 6:00 PM  
McMillan Conference Room  

Agenda  

Open Session  
Announcements and Opening Remarks  
Mark Van Proyen  

Reports:  
NSSE Survey Results  
Meghann Sept  
Fulbright Scholarship Opportunities  
Jennifer Rissler  
Faculty/Administrative Feedback Committee  
Meredith Tromble  
Dean’s Report/ Academic Council  
Rachel Schreiber  

Closed Session:  
Old Business:  
Student Exhibition Protocol  
Jeremy Morgan  

New Business?  

Important Dates:  
November 19  
ACDC Meeting  
December 03  
Faculty Senate  
December 10  
ACDC Meeting  
December 12  
Curriculum Retreat  
December 12  
Holiday Party
Meeting of the Faculty Senate of the San Francisco Art Institute
Wednesday, December 3, 2014: 4:15 PM
McMillan Conference Room

Agenda

Open Session

Announcements
Mark Van Proyen
Report: Visiting Faculty Assembly
Lee Worden (?)
Contemporary Practices Update
Paul Klein and Nicole Archer
(1st Year Program)
Program Assessment/ WASC Report
Jennifer Rissler
Dean’s Report/ Academic Council
Rachel Schreiber

Closed Session

Old Business
Approval of Minutes from November 5 Ad Hoc Meeting
Nicole Archer

Ad Hoc Committee on Student Exhibitions
Jeremy Morgan

New Business
Student Union Report: Department Chairs
Juan Solis
Faculty-Administration Feedback: Academic Restructuring Analysis
Meredith Tromble
FACULTY
SENATE MINUTES

MEMBERS PRESENT
Nicole Archer, Bruce McGaw, Paul Klein, Linda Connor, Reagan Louie, Dewey Crumpler, Mark Van Proyen, Christopher Coppola.

Ex Officio: Dean Rachel Schreiber

Guests: President Charles Desmarais, Cynthia Colebrook

ANNOUNCEMENTS
Mark Van Proyen called the meeting to order.
- 1/3 of the Tenured Faculty are coming up for Review.
- The deadline for handing in Review materials is April 1, 2014.
- The SFAI annual report will be available on the SFAI website by the end of the week.
- The WASC site visit has been pushed back to the Spring of 2015, which will coincide with the NASAD site visit.

REPORTS
Mark Van Proyen turned the floor over to SFAI President, Charles Desmarais and Cynthia Colebrook, VP for Institutional Advancement.

PRESIDENT'S REPORT
President Desmarais reported on his meeting with Ed Lee, Mayor of San Francisco, in which he updated the Mayor on the SFAI's expansion project. "The mayor was very supportive." President Damarais turned the floor over to Cynthia Colebrook.
Cynthia Colebrook delivered a report on the tripodial fund raising effort for the Capital Campaign.
The three categories are:
- Annual,
- Capital (Multi-Year)
- and Deferred

"The willingness of the community to support the SFAI has grown.
Annual - 2.2 million to annual operating support
Capital - 6.2 million pledged to the capital campaign
Deferred - 822,000 contributed to endowed funds

The number of donors has increased from 240 to 560.
The goal of the Capital Campaign is to raise 24 million. At their May 22nd meeting the Board will make the decision to either sign an agreement with Fort Mason to pay 300,000. dollars and give Fort Mason 13 months notice to begin construction; or the Board will conduct more fundraising and sign at a later date.
Cynthia Colebrook asked that the Faculty continue to:

- send alumni contact information;
- continue to share with Charles and her leads on when faculty have information about possible donors.
- Join the walk and talks every two weeks to Fort Mason.
- Volunteer as a campaign ambassador to meet with perspective donors.

The public phase of the campaign will begin when the SFAI has reached 50% to 60% of its' 24 million goal.

President Desmarais announced that Fort Mason has offered Pier 2, at no cost, for the MFA show next year. This will be an ideal time to kick off the public campaign.

Linda Connor asked if the 24 million was the cost of the Fort Mason Project. Cynthia Colebrook responded that the Board passed a motion that 17 million of the 24 million would be directed to the Fort Mason project; and 7 million would be designated for work on the Chestnut Street campus.

Mark van Proyen turned the floor over to Dean Schreiber

Dean Schreiber updated the senate on the faculty search. There were approx. 130 applications for the Print position; and approx. 330 applications for the Sculpture/New Genres position.

Interviews will take place in Chicago and on Campus and via Skype. In the coming weeks, there will be an opportunity for all faculty, students and the board to be involved in the process.

Marketing developed a new form for faculty bios. The intention is to streamline the forms and make the bios more current. The bios are an important tool for student recruiting.

Changes to the Summer low Residency MFA Program:
There are several major changes.
1. The Arts Criticism Conference will now be scheduled for the beginning of the Summer.

2. There will no longer be any 4-week studio course sessions. All of the courses will be 8 weeks.

3. Dean Schreiber reported that each student in the program will be assigned a dedicated advisor for the full three years the student is in the program. The details re: the numbers of advisors and advisees are still being worked out.

SFAI’s plan for going digital is moving along. This Spring the Graduate Students will be registering on line and next Fall the plan is for all students to be registered on line.
The marking department is working on putting together a new “identity” for the school in the form of a new logo. There will be a focus group seeking input to define the identity of the school before going to a graphic designer.

Dean Schreiber is giving everyone advance notice of the following requirement. All faculty are required to attend the orientation meeting at the beginning of the semester. The CBA does require all faculty; including tenured, tenure track and visiting faculty; to attend this meeting.

The Dean and Hesse have been “brainstorming” about fostering the Faculty and Student participation at the Visiting Artist and Scholar Lecture Series. “We have not been satisfied with the numbers in attendance and the breadth of the attendees.”

Dean Schreiber called for suggestions from the faculty. The suggestion was made to invite Hesse to the next Faculty Senate meeting to discuss with the faculty how to tie in curriculum, visitors, exhibitions, and to open up an interface between the faculty and the exhibitions program.

Mark Van Proyen reported on the December 11th meeting of the Academic Council.

A question was raised re: the Design and Technology name change. Paul Klein responded that a report on the proposed name will be submitted to the Academic Council by March 1.

Subsequently the proposed name must be submitted to NASAD for approval.

Bruce McGaw and Nicole Archer reported on the Equivalency Study. Bruce and Nicole have been meeting with the Dean who will present a memo to the Faculty Union by March 5th, with a proposal on how to change the form of compensation. The memo will be voted on by the Union in the form of a MOU and possibly added to the CBA.

MVP called for a closed session.

| OLD BUSINESS |
| Approval of the Minutes of the Dec 4, 2013 minutes: with the following amendments |
| 1. Linda Connor was not present for the meeting |
| 2. Change the typo to read. “that the same people doing the portfolio reviews should be the ones doing the interviews” |
| 3. on page 2 – change 400 level classes to advanced classes |
| 4. Regan Louie made the motion to support the Capital Campaign. The motion was seconded by Bruce McGaw |

Motion was made to approve the December 4th minutes by Bruce McGaw

The motion was seconded by Christopher Coppola

The minutes were approved with the 4 above amendments

7 yes and 3 abstentions
The Faculty Senate moved to elect a new Faculty Senate Secretary and a new representative to the Academic Council.

Meredith Tromble was nominated to serve as Secretary of the Faculty Senate. John Roloff was nominated to serve At Large, on the Academic Council. Motion to approve was made by Linda Connor and seconded by Bruce McGaw.

Motion passed with 8 yes votes.

Meredith Tromble is the new Faculty Senate Secretary
John Roloff is the new member of the Academic Council.

The topic of low attendance to Faculty Senate meetings was discussed. Mark van Proyen and Dean Schreiber resolved to co-author a letter to the Faculty apprising them of their responsibility to be active participants at Faculty Senate Meetings.

Linda Connor expressed her concerns about the Graduate Programs’ lack of declared majors. Dean Schreiber explained that NASAD has not approved the SFAI to issue master degrees with majors.
Dean Schreiber has plans to have faculty who are teaching Grad Seminars deliver 5 minute presentations describing who they are and how they run their seminars, to the incoming graduate students

Mark Van Proyen suggested that the Senate invite Tony Labat and Jana Rumberger, to the next Senate meeting to discuss the Graduate Incoming Review process.

Dean Schreiber announced that she has been contacted by the Fulbright Foundation who expressed an interest in coming to SFAI for an opportunity to have an information session for faculty on how to apply for grants. She would like the Faculty Development Committee to contact Fulbright and host the event.

Motion to adjourn the meeting was made and approved.

Mark Van Proyen adjourned the meeting at 6:05 p.m.
Overview of curricular changes related to directed study

The following curricular changes will be put into place beginning Fall 2014:

- Directed Study will be limited to guided studio instruction only. Directed Study cannot be used for Liberal Arts or Art History study or credits; nor for major requirements. Undergraduate students may use Directed Study credits towards the "studio elective" block only. Graduate students may use Directed Study for elective credits or for Grad Tutorial requirements.
- Courses that are major degree requirements, e.g. BA Colloquia, will be run as courses rather than Directed Study, with an assigned instructor.
- MA Thesis I instructor will serve as the reader on the committees of students enrolled in the course.
Faculty Senate March 5, 2014

In attendance:


1. Graduate Admissions Report. Elizabeth O'Brien was unable to attend and her report was deferred..

2. Message from Brett Reichman regarding inclusion of painters in low-residency schedule was read aloud, followed by brief discussion.

3. Dean's Report. Key points: online registration and course schedules are being introduced this Spring, search updates (info was distributed by email). Overview of directed study changes.

4. Notes from Academic Council will be distributed by email by Mark Van Proyen.

Closed session

5., 6. The bylaws committee and Faculty Administrative Feedback committee distributed documents for Senate response at a future time.

7. Minutes from the last meeting were distributed and approved with minor typo corrections. Berger moved for approval, Wessel seconded. Minutes were approved with one abstention.

8. Dean Schreiber showed the draft of changes to faculty categories. The specifics are included in the notes from Academic Council.

9. 3 Candidates for the Board position were nominated: Nicole Archer, Christopher Coppola, Jeremy Morgan. Candidates were unanimously endorsed.
Faculty Senate
April 2, 2014


Student Reps: Wesley Larios, Lauren Makenzie-Noice

Ex officio: Jeff Gunderson, Rachel Schreiber

Guests: Charles Desmarais, Laura Fantone, Lee Worden

1. Paul gave a report on board meeting March 14.

2. Mark distributed revised bylaws.

3. Rachel gave a report on search progress, faculty grant committee, summer symposium June 21, input session on Pier 2, honoraria policy for visitors, New search info: Noah Breuer will present April 16 for the printmaking search.

4. Paul announced that studio faculty are asked to rank honors studio candidates.

5. Mark presented notes from the Academic Council meetings including the previously circulated changes to directed study.

6. Christopher is running a California Arts Council committee and asked about SFAI being a hub for the committee.

7. Lee Worden asked about the plan for visiting faculty rotation

Closed session

8. Approval of minutes for March 5, 2014. 2 abstentions, no objections

9. Election of Officers
   Mark Van Proyen accepted position of President
   Tim Berry accepted position of Vice President
   Nicole Archer accepted position of Secretary
   John Roloff and Jeremy Morgan accepted positions on the Academic Council

10. Tim Berry accepted the position of Advancement Officer

11. Meredith Tromble accepted to be Chair of Mark Van Proyen's advancement committee in May

12. Deadline for Faculty Administrative Feedback forms extended to Sunday upcoming
13. The revised bylaws were discussed. An amendment to change numeric description of committees from six to seven was unanimously approved.

The Faculty Senate shall provide representatives to the AC in accord with article twenty-four of the CBA and the elected senate office plus two additional members of the faculty senate shall be elected as representatives.

The motion was passed unanimously.

The bylaws were adopted by unanimous vote.

Meredith Tromble
Www.meredithtromble.net
Faculty Senate May 7, 2014

Attending:

Faculty: Nicole Archer, Richard Berger, Tim Berry, Christopher Coppola, Dewey Crumpler, Paul Klein, Tony Labat, Bruce McGaw, Jeremy Morgan, John Roloff, Meredith Tromble, Mark Van Proyen, Hank Wessel

Student Reps: Wesley Larios, Lauren Makenzie-Noice

Guests/Ex Officio: Charles Desmarais, Jeff Gunderson, Hesse McGraw, Rachel Schreiber, Jennifer Rissler, Anne Shulock

1. Discussion with Hesse. 1) Exhibitions is working to catch schedule up so can have discussions about interface with curriculum. 2) Working on multiyear announcement of residencies, intent of Chamberlain residency to support artists to live and work in campus for three months of the year. Not intent to teach but could engage in ongoing courses or studio visits and advance public face of SFAI. 3) Possibility of artist demolition project with Board member Joy Oh. 4) Working with Bonnie Levinson on "Gate" project in San Leandro. Proposal for post-graduate studio space is in.

2. Nicole reported on development of institution-wide learning outcomes. They will be presented to the Faculty Senate in the Fall for comment. Assessment committee has also started to develop learning outcomes for new departments and is waiting for reviewer report in BA and MA programs.

3. Charles gave Strategic Plan Bi-Annual Report. Details are given in the handout prepared by Anne Shulock. In addition to the material in the handout, faculty was asked to participate in the technology survey initiated by Bruce Griffin, who should be invited to the Senate in the Fall. There is the possibility of instituting a technology committee of the Faculty Senate.

4. Hank and Pegan will have a retirement event June 4.

5. Rachel remarked on the success of the MA collaborative event, her one year anniversary with the Faculty Senate, and new staff hires and departures. She reviewed the summer programs including the first summer post-bac course, Face It symposium with Martin Berger, and the Aziz & Cucher-led lo-res program. She concluded with logistical information regarding the SEIU voting. The outcome will be determined by 51% of results of those who vote.

6. Charles gave the outline of the reasoning that SEIU was not the right union for this group of faculty. This material is on the website that has been put together in response to the union campaign.

7. Send faculty accomplishment info to Anne Shulock.

Closed Session

8. The minutes were approved as amended unanimously.

9. The bylaws were approved as amended.

10. The deadline for requesting revisions of quotes in the Faculty Feedback Survey is Monday May 12 at noon. Respondents who were not present will receive the document tonight by email. Unanimously endorsed.

11. The possibility of the Faculty Administrative Feedback committee working on evaluation of the pilot academic structure was discussed. Tony suggested that we add evaluation of Faculty Senate to the
feedback process and Nicole brought up that in the future we might discuss evaluation of Public Programs. Admissions was also included. Unanimously endorsed.

12. Staffing of that committee as Meredith, John and Jeremy was confirmed.
Faculty Senate
September 3, 2014
Minutes

In Attendance: Nicole Archer, Robin Balliger, Tim Berry, Christopher Coppola, Dewey Crumpler, Claire Daigle, Maria Elena González, Sharon Grace, Jeff Gunderson (ex-officio), Paul Klein, Frances McCormack, Bruce McGaw, Jeremy Morgan, Asuka Ohsawa, Brett Reichman, John Roloff, Rachel Schreiber (ex-officio), Meredith Tromble, Mark Van Proyen

By Proxy: Richard Berger (Mark Van Proyen): Tony Labat (Mark Van Proyen)

Guest: Charles Desmarais, Jennifer Rissler, Janette Andrawes

OPEN SESSION
Opening Remarks: Mark Van Proyen, Faculty Senate President
• A lot to do this semester, want to make it through all the items and respect the value of each other’s time -- i.e. work to stay on task.

• Welcome new members Asuka Ohsawa + María Elena González!

• Remember: Proxies must be signed, dated and physical copies must be given to the Faculty Senate President prior to the meeting.

• Note: Packet of information handed out at the meeting’s start (with the agenda) -- includes new by-laws, ratified last Spring, and the notes from the last Academic Council and Department Chairs (aka ACDC) Meeting
  • Mark Van Proyen is still working to get the Board to accept our by-laws, officially -- and to recognize them in their respective by-laws

Marketing Report: Janette Andrawes
• Welcome back and special thanks to any faculty who worked to help inform the SFAI identity re-launch.

• The identity/re-branding project produced some interesting findings -- particularly how consistent certain aspects of the SFAI experience are (whether speaking to a graduate from the 1950s or a current student), namely a consistent commitment to sort of mis-fit spirit.

• Soft-launching new website on Saturday. Email will be sent to Faculty on Friday, detailing the new website’s content, navigation, what is still to come, etc.
  • Special attention was paid during the re-design to faculty bio pages, as the Marketing Team wanted to better represent and respect faculty work on the site.
  • The site mobilizes a common language/vocabulary, which was identified during the identity/re-branding project.
  • Website -- better suited for current and potential student navigation.
• Question (Mark Van Proyen): Is the website suited only for new computers, browsers? Is it smartphone friendly?
  • Answer: They are testing browser compatibility and yes, it is smartphone friendly.
  • There will be a way to report back on functionality, give thoughts on the new identity, the language that is used to tell the story, etc. -- please watch for information on how to do this.

• Comment (Charles Desmarais): Wants to make note of the incredible amount of work that went into this project and commend Janette and her team.

1 of 7 - Faculty Senate Minutes - September 3, 2014, 4.15 - 6.00 pm
President's Report: Charles Desmarais

- Formal, written response to Administrative Feedback Report was distributed
  Quick highlight of the response was delivered:
  - Desmarais appreciates hearing what areas the faculty thinks need attention.
  - He appreciates that the report commended many individuals who aren't always called-out by
    name; these accolades have been shared with them, individually.
  - One of the biggest take-aways: He hears that faculty want to spend less time downloading info in
    meetings and more time using their collective time to help steer decisions / decision-making,
    particularly in terms of curriculum.
  - He asked how to better inspire more work across the entire Faculty Senate, and not just allow the
    same faculty members to do all the 'service work.'
  - Noted critiques of the new Chair structure; acknowledged that the Chair structure is still being
    refined and we need to learn from the first year.
    - Plan to do a formal evaluation of this organizational change this year (spearheaded by the
      Faculty Administration Feedback Committee)
  - Improvements to HR and Technology are being made -- of special note is the hire of Bruce Griffin,
    AVP for Information Technology.
  - Noted the Faculty's desire for more detailed financial information, said that Espl Sanjana (Chief
    Operating Officer) would happily share more detailed financial information with the Senate this
    year.
    - To that end, wanted to note that there have been great strides in student retention, and the
      faculty is key to making happen; this is greatly improving SFAI's fiscal health.
  - Office of the President: Will continue to work to highlight faculty accomplishments, foster diversity
    and appreciates the positive feedback he received on this front.
    - Thinks the Strategic Plan is a valuable tool that will be used to measure progress and
      success, as we continue to move forward.
  - Heard concerns re: transparency and what has been perceived as a top-down management
    style
    - On transparency: Wants more feedback on this, as he believes he is open and always
      ready to share information -- even when he knows it won't be popular.
    - Continues to hold open office hours: Tuesdays, 1:30 -- please email Tamara
      Lowenstein for an appointment (tlowenstein@sfa.edu)
    - Continues to hold semestery meetings with all faculty and students with open Q&A
      sessions.
  - Top-down Management Style: Understands why he is accused of this and is working to
    improve on this front. Believes shared governance is a right and a responsibility -- invites
    ways for faculty to share this responsibility. Noted that he sees the new Chair structure as
    an attempt to better streamline and negotiate discussions, for example.
    - Wants to encourage more meaningful opportunities to share governance along a
      couple key lines:
      - Review new Chair structure, thoughtfully.
      - Contribute, give thoughts on what role of visiting faculty should be -- for instance:
        - Should VF be voting members of the Faculty Senate?
• Should there be long-term commitments/contracts offered to VP?

• How do we want to set the terms of evaluation of VP? What role should Tenure(-Track) Faculty play in such evaluations?

• Comment (Robin Bailiger): Wanted to note that full-time faculty have discussed this before, many of these thoughts were formalized and included in earlier CBA talks -- this could be opened-up as a starting point, i.e. we aren’t and don’t need to act as though we are starting from nowhere.

• Comment (Rachel Schreiber): Noted that next meeting with VF/SEIU negotiation team is 2 weeks from now, another 2 weeks after that. Thus far, the VF at those meetings have stated that one of their aims is a role/voice in shared governance and that RS responded by suggesting that that would possibly necessitate discussions with the Full-Time Faculty Union -- as our CBA might stipulate who makes-up the Faculty Senate.

• Comment (Brett Reichman): Wanted to note that there was also a discussion of this at the December 2012 Faculty Senate Meeting -- a report was written-up and delivered on the topic of the Strategic Plan and the State/Status of Visiting Faculty at SFAI.

• Tenure(Track) and Rank Advancements
  • Desmarais reported that Promotion Committee members have asked him for more guidance on advancement issues, and he wants to figure out a way to have a formal discussion about this and answer these questions bearing the thoughts of the Senate in mind.
  • Asked what matters to the Senate vis-à-vis Advancement applications -- i.e. what do we mean by 'professional achievement,' of 'service'?

Dean’s Report: Rachel Schreiber
• Welcomed back Faculty.

• Wanted to note that a lot of what she’s reporting on was discussed in the ACDC meeting / her report would also serve as an update on the ACDC -- please see notes, distributed (as mentioned above) -- with the meeting agenda.

• We will conduct FOUR Tenure(-Track) searches this year.
  • Going by the numbers -- the areas where the least number of courses are taught by the least # of Tenure(-Track) Faculty are:
    • New Genres, Photography, Art + Technology
    • History and Theory of Contemporary Art
  • The searches will be run in these areas; more details to follow.

• Accreditation / Review Issues
  • NASAD approved Art + Technology name change in June
    • Thinks, more than a name change this process really helped her and others to think critically about the curriculum and the identity of the program
    • First A+T majors will matriculate in Fall 2015; all current D+T students will finish out as D +T (as students are held to their catalog of entry)
• External Program Review of BA/MA Degree Programs
  • We have now conducted self-studies and external program reviews for all programs.

  • Meeting was held earlier today with BA/MA Chairs and BA/MA Full-time Faculty, to start thinking about what actions need to take place in light of the review and how to prioritize them.

  • One decision that was made by the Administration in-light of the review, current student numbers, discussions with Admissions, and the recent discovery (in preparation for the 2015 NASAD/WASC visit) that SFAI was not running the Urban Studies BA/MA programs in a way that was NASAD compliant:
    • SFAI is suspending recruitment and admissions for Urban Studies.

    • This decision was made so time could be taken to think about how we might make this area as meaningful and successful as possible, while also running it in a way that is compliant with NASAD.

    • BA/MA Faculty will be working on this and sharing their thoughts and recommendations with the Senate, as a whole.

    • Comment (Robin Balliger): Wanted to go on the record as saying that the BA/MA Self-Study was done while she was on sabbatical -- despite her being the US Chair for 7 years prior. While she has high regard for her colleagues who prepared the doc, she feels the report was flawed in certain regards and she's not sure that she agrees with the decision to suspend US admissions and recruitment. She is currently speaking with other US faculty about the issue. Thinks that the grad program might be a different situation than the undergrad program, as the undergrad program experienced more success / functioned differently within the institution versus the US grad program.

    • Comment (Rachel Schreiber): Wanted to acknowledge Balliger's concerns and note that the conversation is still open, the decision wasn't based on review alone, and she looks forward to hearing from BA/MA Faculty on their recommendations.

• Additional Report (Jennifer Rissler): Please note WASC + NASAD will be here the same week, to complete their respective Accreditation Reviews. This is not a Special Visit, but a regularly scheduled visit.

  • Noted that re-accreditation is an important process that will require a fair amount of work on everyone in the community's behalf -- so as to produce a polished report and so as to properly attend to WASC + NASAD's visits and their questions.

  • April 8-10th: VISIT -- all-hands on deck!

  • Need to do a lot of work with the Assessment Committee, in particular, to prepare for these visits/ review. Asked for 2 additional faculty members to join the Assessment Committee in order to complete all the work and answer all the requests made by WASC and NASAD.

  • Rissler also expressed that she wanted to invite herself onto the Faculty Grant Committee, to help develop more outside funding streams for Faculty Development.

  • There was discussion, which indicated she would be welcome to join.

  • Finally, she wanted everyone to know that she is available if any has additional questions re: Assessment (jriessler@sfa.edu).
• Curricular Related Issues that the Dean would like the Senate to formally attend to this year.
  • List of issues identified by the Dean is located on page 2 of informal, ACDC notes (dated August 27), distributed (as indicated above) with the meeting agenda packet

• Wants to hear how faculty wants to weigh-in on these issues
  • Comment (Mark Van Proyen): Noted that, to this end -- he wants to propose having a series of ad-hoc Senate meetings that would attend to this list of issues. Suggested that those meetings be held on Wednesdays that are free, based on the meeting schedule distributed with the meeting agenda. Van Proyen also suggested that these meetings be guest free, i.e. not be attended by the Dean, etc.

In addition to the Curricular Issues detailed on the Dean's list, Van Proyen noted that another key issue is how we (Full-Time, Tenure[-Track] Faculty) want to welcome and integrate Visiting Faculty into the Senate? Into the process of Shared Governance?

• MOTION: Meredith Tromble moved that "We make Sept 24th an ad-hoc Faculty Senate meeting for discussion of the role of Visiting Faculty and Shared Governance?"
  • Motion seconded by Dewey Crumpler; no discussion on the motion ensued.
  • Call for vote: 18 in favor; 0 against; 1 abstention

• Comment (Rachel Schreiber): Noted that she expects the Visiting Faculty Union/SEIU will make specific proposals, re: what they want / how they want to participate in shared governance, but this hasn’t been received yet. Also, anyone in a management position, i.e. in a position to evaluate this group can’t interfere in the negotiations/ask them what they want.

• Comment (Charles Desmarais): Bearing above comment in mind, wanted to encourage that the Senate think of this in philosophical terms, i.e. what does the current Faculty Senate think about this, philosophically.

• Comment (Meredith Tromble): Noted that she believed thinking about this vis-à-vis the question of tenure is important -- i.e. this is an opportunity for us to reflect on what the responsibilities of tenure(-tracked) faculty are.

• Comment (Christopher Coppola): Noted that a representative of the Visiting Faculty Union emailed him a request for Coppola family wine for a Visiting Faculty Union/SEIU meeting. Said he would provide this as a personal ally of his colleagues -- but was curious if this is OK, legally/technically.
  • Comment (Charles Desmarais): Noted that if there was concern about this, he would follow-up with a question to our attorney, re: the extent to which Tenure(-Track) faculty can participate in Visiting Faculty Union affairs/programs, etc.

• MOTION: Frances McCormack moved to amend the previous motion and ask that the September 24th meeting officially be "an Ad-hoc Faculty Senate Committee Meeting for voting-members of the Senate"
  • Motion seconded by Jeremy Morgan; no discussion on the motion ensued.
  • Call for vote: 18 in favor; 0 against; 1 abstention

• Comment (Robin Balliger): Wanted to note that she felt a little uncomfortable with the conversation’s use of the designation “Visiting Faculty” -- as more than 70% of the Faculty are ‘visitors’ and have been here/visiting for many for many, many years.
  • Discussion ensued about why “Visiting Faculty” designation and not Adjunct?
• Comment (Rachel Schreiber): Noted a technical reason -- at the moment, legally speaking, it is the only rank that this group holds; anyone not tenure-track, tenured, or emeritus is a visiting faculty member, eligible to teach up to 4 courses a calendar year.

• Retention Efforts
  • Schreiber reported being really eager to have faculty involvement in retention efforts.
  • Part of this is having faculty work as mentors for first-year students.
  • Wants to think about how Academic Affairs can better manage/be in control of those retention efforts that are under the purview of Academic Affairs.

• Final Announcement: Note that Megann Sept (Dean of Students) will be announcing that mandatory Title IX, Cleary Act + FERPA trainings are coming Sept 16 and 17th 12-1pm in the lecture hall.

Academic Council/Department Chairs Report - folded into Dean's Report
• Comment (Mark Van Proyen) - Wanted to note that additional Ad-Hoc Committee Meetings will need to be called in the future (i.e. in addition to the Sept 24th meeting noted above), so as to cover the longer list of Curricular Issues detailed in the ACDC notes that were distributed at the Meeting’s start.

CLOSED SESSION
Curricular Issues
Wait-List Policy: Brett Reichman
• Wanted to talk about how the current wait-list system doesn’t work.

• Reported on this from the perspective of his class.
  • 15 enrolled, 5 wait-listed -- 1st week;
  • Before walking into Senate, after 2nd week of class -- his official roster listed 11 enrolled, 2 slots open -- this doesn’t begin to represent his current situation where, by his count, 10 are persisting and 5 are no longer members of the course
    • 4 never attended his course, 1 dropped out of school entirely, but still appeared on the roster

• Was told that wait-listed students won’t be contacted until this week (post-Add/Drop) ... and by now many of them have lost interest. If they decided to take the class at this point-- they would doubtlessly have to change their whole schedules around.

• Wants to propose that faculty be allowed to add even just 1 student to a full class (per their discretion).
• Wants to argue that the class at large would benefit from having highly motivated students, who were actively trying to add the course -- vs. leaving space for students who aren’t attending...

• Discussion ensued on whether students who didn’t attend Week 1 were administratively dropped, or not. Many thought any unexcused Week 1 absences would result in immediate administrative drop, but many others noted that it hasn’t.
  • Comment (Mark Van Proyen): Noted that there appears to be two issues here:
    • 1. What is Registrar’s responsibility to, in fact, administratively drop student’s who don’t attend in Week 1?
    • 2. Should Faculty have the ability to add 1 student, per their discretion -- and even to a full course?
  • Comment (Nicole Archer): Wanted to note that if we get this approved (i.e. the ability to add 1 student, etc.), which she isn’t against, we should loop the Union in -- as class size is a Union/CBA issue, and this effectively means that we’re agreeing to over-enroll our courses.
MOTION: Mark Van Proyen moved that the Faculty Senate ask "that a more precise instrument for removing students who do not attend in Week One be implemented and that faculty be enabled to add 1 or 2 students to a course, per their discretion."
- Motion seconded by Clarie Daigle; no discussion of the motion ensued.
- Unanimous/All - in favor; 0 - against; 0 - abstentions

Committee Staffing: Mark Van Proyen
- **Academic Council:** 4 Chairs, Faculty Senate Leadership + Jeremy Morgan and John Roloff
- **Faculty Grants Committee:** Jeremy Morgan (Chair), Christopher Coppola, Dewey Crumpler, Sharon Grace (+ Bruce McGaw -- if unable to join Program Assessment Committee, per meeting schedule)
- **Program Assessment Committee:** Claire Daigle, Paul Klein, Nicole Archer,
  - Bruce McGaw, Francis McCormack and Bruce McGaw - pending meeting schedule, as Tuesday AM's will not work for them
  - REQUEST: Committee Chair (Jennifer Rissler) contact all proposed members to try and determine a schedule that will work -- so the 3 new members can join
  - **Comment (Robin Balliger):** People used to be paid a 1/4 of a CU to Chair/te on the Assessment Committee
- **Peer Assessment/Tenure Advancement Committees:** Tim Berry (Chair)
- **Faculty Administration/Feedback Committee:** Meredith Tromble (Chair); Maria Elena González; Jeremy Morgan; Brett Reichman; John Roloff
- **International Program Committee:** Robin Baliger; Aisuka Ohsawa; Christopher Coppola
- **Ad-Hoc Committees:** -----  

Bruce McGaw moves to adjourn; Christopher Coppola seconded - Unanimous/All - in favor; so moved.

Minutes Taken By: Nicole Archer, Secretary
Faculty Senate Minutes 8.October.2014

In Attendance: Nicole Archer; Robin Balliger; Christopher Coppola; Claire Daigle; Tim Berry; Jeff Gunderson (ex-officio); Maria-Elena Gonzalez; Paul Klein; Tony Labat; Frances McCormack; Bruce McGaw; Jeremy Morgan; Brett Reichman; Rachel Schreiber (ex-officio); Mark Van Proyen

By Proxy: Pegan Brooke (Mark Van Proyen); John Roloff (Paul Klein); and Meredith Tromble (Paul Klein)

Guests: Charles Desmarais, Laura Fantone; Jennifer Rissler, Juan Solis (Student Union Representative)

Announcements:
Mark Van Proyen (MVP): Minor Correction, the Board of Trustees did approve our By-Laws, and do not need to review them again, but want two points of clarification. Before providing clarification -- MVP wanted to speak to Senate.

The Questions are noted in the track changes: 2 sentences detailing International Program Committee -- MVP will answer both

Also, asked for common consent to redact Jennifer Stein’s former title, as listed in the doc, and rewrite as new title.

Introduce (MVP):
Welcome Juan Solis, new Undergraduate Student Representative; Grad representative is reportedly coming next meeting -- waiting to hear who they will be.

Introduce (MVP):
Charles Desmarais, President’s Report

Charles Desmarais:

**SFAI Concentrate** -- SFAI’s public display of student work, open house, and alumni weekend Nov 15 and 16. Hopes all can attend.

“This is a great opportunity on a number of levels -- per student experience, we want students to engage community - show work and engage public on their work. I’d love it if you would encourage students to participate. The call just went out to students. No competition -- simply reserving their place, need to know what they are going to show, they are allotted the best place to do it. They are welcome to display and sell $5000 canvases, but might want to encourage that they sell multiples, holiday-oriented, craft items.”
Bi-Annual Strategic Plan Report.
“Happy to report that the Strategic Plan has been used to develop a number of initiatives across the institution.”

DISTRIBUTED: PAGES from report ‘that lay out progress on strategic priorities.’

Announced that the Annual Report will be available, in full, as a .pdf Thurs or Fri -- trying to keep costs down and reserve printed copies for smaller distribution, primarily for fundraising

Details of the hand-out were discussed:
Identity
* It was reported that the new website going well, more to come -- as it was only in its earliest stage of development /roll-out.

Student Success
* Retention numbers are up. FTF +4% this past year, 6% over 2 years (Question of whether this is 4% or 4points ... think it’s points -- it was noted that the President’s Office needs to fix this)

* Diversity Scholarship: Proud of this $250,000 set aside; 12 diversity scholars currently enrolled -- making incremental difference, would like to see more gains here.

Faculty
* Have added 2 new people -- thanked Maria-Elena for joining; shout-out to Asuka Ohsawa, who wasn’t in attendance.

* Spoke of the four new appointments planning to make at the end of this year. Explained that if this works out, we’ll hope to continue to do more than 2 in future years, but will remain committed to 2 at least.

* Names the search areas for this year: Photography, New Genres, Art + Technology, History and Theory of Contemporary Art.

Public Education
* 23% enrollment increase.

* Announced that Barbara Garber has put a lot of energy into rethinking the program and her efforts are really working.

* Not a huge difference in income, but that he is constantly cognizant of what we do for the public and what we get from the public. “We need to serve an important role in the cultural life of the city -- share the SFAI ethos and way of thinking about art.”
* Comment (Rachel Schreiber): “Public Education programing is also evolving into something exceptional, and rather cool. For instance: Alison Miller, our Diebenkorn fellow taught a 1-week intensive for Public Education (seperate from the Diebenkorn selection committee) and some really great folks -- Board Members -- were students in that class. Encourage people to meet with Barbara and Hesse

* Comment (Christopher Coppola): CA Art Council meeting was just handed $5 million in funding for ‘California Core,’ about $500k in that for teaching artists how to teach art (“Create CA”)... Does SFAI apply for grants at the CAC -- all Coppola has to do is leave the room, if deliberating an SFAI application. Might want to look into this ... note made by CDesmarais.

* Noted that we’ve given priority to current students and alumni to teach in public educational program -- they have to qualify and compete, but officially get first priority.

**Facilities Plan**

* Have reported on this a lot. Occupies a lot of the Board and Charles Desmarais’ staff’s time -- happy to show further images and show how construction is progressing, to date -- if anyone is interested.

  * Question: Do solar panels defray our electric bills?
  * ANSWER (Charles Desmarais): ‘No, they feed all of Fort Mason and we buy at same rate ... but it’s nice to know power needs are being taken care of by sun vs. coal or burning oil.’

  * Question (Bruce McGaw): Have we thought about installing solar panels, here, at Chestnut?
  * ANSWER (Charles Desmarais): ‘Not so easy... need to upgrade electricity, power here.’

  * Question (Robin Balliger): Was there more discussion of what was going to be over there vs. here?
  * ANSWER (Charles Desmarais): New facility -- primarily grad studio, hope is that in bringing them closer -- graduate students will use this (Chestnut Street) facility more. Reuniting undergrads and grads is a major facet of this effort. Fort Mason will exist primarily as studio space and a gallery, and a black box theater for presenting film, video, etc. Gallery is intended primarily for fostering more interaction between student-artists and public; give opportunity for student exhibitions to get more attention.

* We’ve raise $7 million, need $17M for Fort Mason, goal is $24M -- so Chestnut can get some love, as well.
* Question (Frances McCormack): Is move-in date linked to fundraising?
* ANSWER (Charles Desmarais): ‘Yes, but it is also tied to Fort Mason. They need to know when they can stop renting the space to folks that are not us ... so, probably we are not going to be able to do Aug 2016 because of a series of technical issues -- probably looking at Jan 2017. They are OK with that - that’s where we are headed. Official word is that we are shooting for Aug 2016, accepting fact that we might not make that date.’

New Technology
* ‘Hiring Bruce Griffin has been a huge change, but only the beginning -- as Bruce has plans, making progress in that area too.’

Additional Notes
* Exceeded our enrollment goals this year. Wants to note that the Strategic Plan does not call for us growing more than 5% in terms of student numbers. We want to grow in terms of number of applicants, grow reputation, provide increasingly better working conditions for all.

* Question (MVP): What is the projected drop-off enrollment between Fall and Spring
* ANSWER (Charles Desmarais): ‘Our understanding is yes, this happens and we budget accordingly. Spring semester drop is part of the nature of higher education -- improved retention is improving this drop-off number.’
* ANSWER 2 (Rachel Schreiber): ‘Increasing retention could be enough to meet 5% ... again, allow us to be increasingly selective in applications.’

Introduce (MVP):
Rachel Schreiber, Dean’s Report and Report on ACDC
Announcements on upcoming intensives and visiting faculty
* Chip Lord teaching an intensive this Jan --cross-listed, on San Francisco’s Northern Waterfront as a cultural corridor.

* Keith Boadwee, will be taking students to New Orleans, LA for Prospect in a January Intensive, as well.

* Next Summer, Stanya Kahn will be the distinguished artist in residence in the Summer Low-Residency Program
* Alongside Stanya, Laura Richard -- an Art Historian, will be a faculty head where she will be the chief program adviser, help with admissions and be a year-long presence. Over next 3 years, she will play an administrative role in the program.

* Asked that we start thinking about a possible distinguished artist in residence for Summer 2016? - 8 week commitment, needs to work well with that population. Give Academic Affairs your thoughts.
* Peter Plagens and Laurie Fendrich Fall 2015
* Question (Christopher Coppola): Pay can make this difficult? How do we make this happen? i.e. How do we get high-profile artists to be distinguished artists in residence?
* ANSWER (Rachel Schreiber): It is a true residency, especially over summer -- with studio space, etc. This helps.

**Searches Update**
* Art and Ed announcement coming out on Friday, then jobs announcement will be up on the website; still working on forming committees, but want to get this out there.

* Studio searches might not be tied to CAA; HTCA search will.
  * Last year, both final hires were interviewed by Skype in the first round--so we do not see skype interviews as a disadvantage. This is in an attempt to better schedule the interviews and the eventual candidate visits (NOTE: there will be 12 in the Spring!).
  * HTCA will be tied to CAA -- that discipline is different and CAA is expected.

* In coming weeks -- requests for committees will be coming.

* Posting an ad on our website --asking for applicants to our visiting faculty pool. Please note that the Visiting Faculty already teaching here do not need to apply, this will not effect them -- just want to make sure we’re attracting people far and wide (within the region); doing our due diligence, seeing who is around and interested in teaching -- please encourage people to apply via this format.

**Update on SEIU negotiations**
* ‘Not a lot to say. Negotiations are proceeding -- fielding proposals and ideas, not in actual negotiations yet. Waiting for all proposals to be submitted prior to commencing negotiations, expecting that to occur in the next 1 or 2 meetings (which in the past have been about 2-3 weeks apart).’

* Question (Robin Balliger): “Haven’t checked in handbook, has the article on how to proceed with faculty searches been put in the current faculty handbook, as was agreed during the last Contract negotiations?”
* ANSWER (Rachel Schreiber): “No - not in a formal state, in formulation.”

ANNOUNCEMENT (Rachel Schreiber): Procedure has been established to develop a pool of faculty interested in teaching at SFAI — if you know someone who is interested in applying for future teaching, please direct them to the website, under ‘work at sfai’
* Question: “Would current Visiting Faculty need to apply to pool?”
* ANSWER (Rachel Schreiber): ‘No - absolutely not; the pool is to increase the funnel for needed positions. Current Visiting Faculty will not need to apply [they are already members of the pool].’
* Question (Christopher Coppola): ‘What do you mean by pool? Are applications ongoing, rolling?

* ANSWER (Rachel Schreiber): ‘It was devised as a way to organize cold-call inquiries -- provide something more formal than our current system, so inquiries don’t [fall through the cracks]. The process requires that they send a letter of interest and CV only to begin with, we’ll follow-up if we want more.’

Introduce (MVP):
Robin Balliger and Brett Reichman to speak about clarifying department definitions and responsibilities

Robin Balliger: ‘There is still continuing confusion in terms of Departments, what responsibilities are, wanted to bring a few things up and discuss with Faculty Senate.

“Last fall -- many departments were brought together under four departments (multiple majors) ... name ‘program chair’ has dropped out.

Comment (Charles Desmarais): ‘Titles are due to the CBA. CBA designates ‘Department Chairs’ ... I’d prefer another name, but thought this was required by the CBA.’

Comment (Frances McCormack): ‘The four Chairs are Program Chairs ... Chairs of degree programs ... with multiple majors.’

Comment (Charles Desmarais): ‘Let’s negotiate a better name; it requires the Union to make the suggestion -- because of the CBA, but I’d welcome it.’

Robin Balliger: ‘Second point, problem of having ‘BA Department’ and a ‘BFA Department’ ... who is in what? How do we have meetings? Who is invited?’

Comment (Frances McCormack): ‘Structure needs to make sense to us and to the outside wold.’

Robin Balliger: ‘We need to lay out who is in the department? -- both in terms of Tenured(Track) and Visiting Faculty? Who attends meetings?

‘For students, if a prospective student is interested in a major -- they want to look and see what faculty teach under what concentration? If you want to go somewhere -- want to know who teaches what?

‘The lack of clarity has already effected who participates in Program Review, Curricular Meetings ... for example, Painting meeting -- Tenured only, Critical Studies meeting -- Visiting Faculty and Tenured(Track). [MA/BA] Self-study last spring -- confusion around who participated in that -- not as inclusive of Visiting Faculty, as in years past. Broad faculty participation [in all activities] is central.'
'Last year, there was a curricular-December meeting talking about Liberal Arts -- odd, bit tense, not sure who was there, why. Big decisions came out of it -- Math/Science and Hum changes. There is another this curricular-December meeting coming up...

'We might want to think of some recommendations [in light] of all this?'

Brett Reichman: ‘A few things that really strike me about Chairs being consolidated, not being departments has created a [curricular, social] disconnect and its beginning to seep into [overall culture] ... this was intensified for me, when I went on the new website -- under degree program of study ... no faculty listed in relation to that major ... prospective students could be seriously turned off by this, by not knowing who they might get to work with.

‘Also, having served on prgmr assessment - we went through learning outcomes, there are many that are quite different -- diff disciplines require different Learning Objectives ... [consolidating risks consolidating these objectives] there is reason, here, why we should maintain those department identities.’

Comment: What is the difference between Departments and Majors?

Brett Reichman: Department meetings are being recategorized as being lead by Student Union, seems to be a collapse re: what a dept mtg means, is

Comment (Charles Desmarais): ‘Confused and concerned about semantics There are 4 Depts -- can change name; and we have majors, multiple majors. There are many schools that have an Art Dept and many majors.

We can change the name; call it whatever you want.’

Comment (Frances McCormack): Returning to where/how faculty are listed -- ‘Will a High School student thinking about studying art -- will they be frustrated if they don’t have easy access to who is teaching in the major?’

Comment (Rachel Schreiber): ‘Website is in Phase I ... we can come back to marketing ... regardless of name, I see no reason why when you click on painting -- there can’t be a link to faculty who are or have taught painting ...

Robin Balliger: To return to earlier issue -- ‘Who goes to diff department meetings?’

‘Second Issue -- student reps call major meetings -- student lead, faculty attend. Should Tenured(track) and Visiting Faculty, alike, attend all meetings, including larger curriculum meetings?’
Comment (Rachel Schreiber): Curriculum Retreat in December -- retreats which all voting members of Senate are invited because all voting members have a say in curriculum

Comment (Charles Desmarais): ‘Isn’t there a reason why some people have Tenured(Track) appointments -- they set the curricular goals?’

Comment (Rachel Schreiber): ‘Retreat is a vehicle to make decisions in addition to a reg Faculty Senate meetings.

‘The might not seem like a union issue -- but if we want to rethink department vs program, etc. -- I’d suggest to the union that if that phrase ‘department chair’ is changed in the CBA. Then, we could move forward ... another question to tackle -- MFA doesn’t have majors, how do you name this?’

Brett Reichman: ‘I think confusion is effecting curriculum.’

Comment (Jeremy Morgan): ‘I recently went to Grad Portfolio Day -- I was confused, to learn from Admissions that [the MFA] was all Studio Art.’

Comment (Jennifer Rissler): ‘There was a discussion over a year ago; we were out of compliance with NASAD ... this goes back 10 years, curriculum was changed without NASAD approval -- as articulation officer ... I did this ... initiated the MFA in Studio Art with an optional area of emphasis (i.e. an optional major or discipline).’

Comment (Frances McCormack): ‘I think after 2000 years of saying Department -- confusion is understandable.’

Comment (Juan Solis): ‘I agree, recently went on website -- tried to find a faculty member for a friend interested in the school and couldn’t find them ... I sent [my friend] to the website and he couldn’t find the faculty member I was pointing him towards. This was confusing.’

Comment (Charles Desmarais): ‘The website is under construction, and we need to highlight this somehow.’

General Discussion ensued about the ‘usability’ of the website -- whether we could add a search function, so it was more generally legible, inclusive, and all could better participate in its development.

Comment (Charles Desmarais): Returning to question of 4 ‘departments’ -- ‘The evaluation of the changes made ... where does that stand? Faculty Feedback Committee? --

Response (Brett Reichman): ‘We’ve met 2x and are moving forward with ideas.’
Comment (MVP): I think the Faculty Senate needs to have another of its meetings on the subject of curriculum (vs shared governance) in early Nov or late Oct.

Comment (Nicole Archer): ‘Agree the names don’t best capture the work being done by Chairs or the structure, institutionally. We need to better describe them, consider Department or Program and Majors or Areas of Concentration?’

Comment (Frances McCormack):‘Perhaps we can think about how this is articulated at other institutions?’

Comment (MVP): What institutions should we compare ourselves to?

Further, general discussion ensued about the website. A general sense of dissatisfaction was communicated, ranging from design to usability, to the language used to describe departments, etc.

It was confirmed that it was in ‘Stage 1’ and more work would be done.

CLOSED SESSIONS:
Distributed notes. from previous faculty senate
Asked for amendments? no requests for amendments
Bruce McGaw motioned to approve Tony Labat seconded;
approval: 10 in favor; 0 oppose; 6 abstain
motion carries
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Sept 3 Notes
Asked for amendments?
Frances McCormack cannot be on Assessment Committee, as suggested in last notes (schedule didn’t work); she is now on Faculty Grants Committee; MVP is on Assessment Committee
Robin Balliger motioned to approve, Claire Daigle seconded
approval: 13 in favor; 0 oppose; 3 abstain
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Sept 24 Ad Hoc Notes
Robin Balliger motioned to approve, Brett Reichman seconded
approval: 11 in favor; 0 oppose; 5 abstain
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Comment (Rachel Schreiber): ‘As an ex-officio member, are these documents I can take and use outside this room ....?’

Motion (MVP): Should redact notes of AdHoc meeting -- motions public, course of discussion are here for our records only -- that is, redacted for public consumption.
Motion to approve redaction, Brett Reichman; Christopher Coppola seconded 12 in favor; 0 agains; 4 abstain

**Rachel Schreiber on Student Exhibitions:** ‘Reporting on a discussion at ACDC ... I have asked in discussion with retention working committee -- lack of clarity around how work is chosen to be shown, how its shown, consistent application process -- from murals to other displays. In response: staff stepped in to lead, that should be a faculty role ... I really want faculty to take ownership of this ... haven’t felt like the mural walls have been strong ... would love for this group ti propose and take on a way to make these as topnotch as possible.’

Comment (Brett Reichman): ‘I agree that exhibitions should be faculty driven. I served on retention ,invited to sub committee meeting on exhibitions, decisions were implemented in a way that disenfranchised faculty and students ... at least in painting ... student sand faculty came together and determined a plan we could all get behind .. not sure who will implement for us ...

Rachel Schreiber: ‘I can help get studio staff to help?’

Comment (Tony Labat): ‘Can we stop calling it the mural wall ... I propose that we call it the breezeway.’

General discussion of the different exhibition spaces and their past and current use ensued.

Rachel Schreiber: ‘Should senate create an Ad hoc committee on exhibitions?’

Comment (Frances McCormack): ‘One format for all sounds goood ... ‘

Comment (MVP): ‘Best thing -- adhoc committee?’

**Christopher Coppola on Annual Fundraising:** ‘I was asked to be the faculty fundraising guy -- 3 things to say: 1. I'll be matching funds ... I'll donate 500, if faculty can match; 2. there will be an auction; 3. There will be a thumb wrestling contest.’

Return to Exhibitions Comment (MVP): Ad Hoc Student Exhibition issue ... painting model could be extended with diff faculty taking responsibility ... Proposed Members: Jeremy Morgan ; Christopher Coppola; Tim Berry

Motion to form a adhoc committee by Claire Daigle; Jeremy Morgan seconded

Approval: All approve; 0 oppose; 0 abstain

**Adjourn (MVP); Minutes Taken By: Nicole Archer, Secretary**

10 of 10 - Faculty Senate Minutes, Oct 8, 2014 - 4.15-6pm
Faculty Senate  
Nov 12 Meeting of the Faculty Senate  
McMillan Conference Room  
4.15-6.00 pm  

In Attendance:  
Nicole Archer, Tim Berry, Robin Balliger, Christopher Coppola, Claire Daigle, Laura Fantone (ex-officio), Rebecca Goldfarb (ex-officio), Maria-Elena Gonzalez, Sharon Grace, Jeff Gunderson (ex-officio), Paul Klein, Tony Labat, Fred Martin, Frances McCormack, Bruce McGaw, Jeremy Morgan, Asuka Oshawa, Brett Reichman, John Roloff, Rachel Schreiber (ex-officio), Meredith Tromble, Mark Van Proyen  

Regular Guests:  
Charles Desmarais, Jennifer Rissler,  

Undergrad Student Union Rep:  
Juan Solis  

LOGS Rep:  
Tim Kopra  

Additional Guests, from Sign-In Sheet:  

Open Session  
Announcements  
NSSE Survey Results - Rachel Schreiber for Megann Sept  
- Survey Results were distributed.  
- Explained what NSSE was -- National Survey of Student Engagement  
- Read over highlights of the notes  
- Students surveyed consisted of: Freshman enrolled Fall 14 or Spring 15; Grads enrolled in Sp or Summer 15 - 37% overall  
- SFAI chose to participate during a 3 year period along with our peers  
- ‘Take this, read it. If there are further points that people want more information on, for further consideration.’  

Comment (MVP): Is there anything that you [Rachel Schreiber] think we should focus on  
Response (RS): ‘I would need to think about it.’
Fulbright Scholar Opportunities (Jennifer Rissler):
If anyone is interested, as faculty, to speak with representatives from the Fulbright organization and learning about funding opportunities -- they will be here Feb 12-16 [it was noted that this overlaps with CAA].

If one is interested -- JR will deal with and make arrangements, just email her

Question (Laura Fantone): Is it open for Visiting Faculty?
Response (JR): YES

Comment (Robin Balliger): ‘As someone who has received a Fulbright -- these are great opportunities.’

Comment (MVP): What about student options?
Response (JR): Will ask if they can also address this

Comment (RB): ‘Since there are students in the room, I really want to advocate that you also consider doing this. It’s a great opportunity. ’

Comment (JR): Sara Wanie takes care of student applications. please note there is a meeting next week, students should check that out.

Announcement (MVP): Faculty Administration Feedback Committee, waiting for Chair of Committee (Meredith Tromble), who is in transit

MVP -- decided we will move onto next item

ACDC/Dean’s Report - Dean Rachel Schreiber

Comment: 1st Announcements is one I’ve been asked to make by others’
FERPA -- if an external person asks if you could recommend students who could help with a website, etc. -- please remember that you can’t give out names or contact info for students, you can post the option. Best option is to contact Sara Wanie [swanie@sfai.edu] -- who is in charge of career resources and can post it.

In Fall, we spoke a little, at orientation about FERPA ... if we want our FERPA officer, Megann Sept to provide a more full discussion, we could do so

Comment (MVP): Is it not permissible to put student work up and make comparative comments?
Clarification (RS): How? In what context? In a class

MVP: In class, Ok.
RS: No, that’s not a problem. It’s sharing outside class with other faculty, students, or parents ... parents are a key one. If a student doesn’t have a FERPA waiver, you can’t discuss their progress with parents.

Question (Maria-Elena Gonzalez): Job Opportunities?
   Answer (RS): You can share info and students can respond, you can’t forward student info on your own.

Non-Exempt Staff and Input into the Administrative Structure -- hand over to Charles Desmarais for announcements
Charles Desmarais: ‘I had a great meeting with non-exempt staff, they had the suggestion that their perceptions of the new chair structure would be valuable -- and wanted to pass this onto Tromble, in hopes that she’d follow-up ...’

Question (MVP): Does this take the review beyond the Faculty Senate’s purview?
   Answer (CD): Could be info for faculty to consider

Comment (Meredith Tromble): Committee did decide to focus on faculty during their first meeting, rather than adding other people from the institution ... but we could discuss that again. we’re gathering information right now.

Comment (CD): Could be as easy as just writing and asking for their perspectives.

Comment (MT): Sounds good to me, want the committee to discuss it before agreeing.

Return to Overview of last ACDC Meeting - Rachel Schreiber
Rachel Schreiber: ‘Need to refine to Chair Review Process. Spring 15 is 4th semester for current appointments. We can’t wait until Spring to determine -- as course planning is effected

‘My goal would be to have appointments confirmed before Fall registration begins

CBA says Faculty Senate could make nominations, suggestions.

‘Have asked each of 4 Chairs to write a self-evaluation, have a tenured member of the faculty write a review, and will solicit input from additional faculty before Holiday Break ...

Discussion of Senate Resolutions --
Rachel Schreiber: Wanted to ask what the function is of Senate Resolutions, what happens after a resolution/recommendation/advise is sent to the office of the Dean, etc>
For EX: Instructor’s ability to enroll 1+ students beyond -- adhoc, don’t want to drop without advisement .. if 1st mtg, student not there, others who want to add, notify Dean’s office and request that that student be administratively dropped

Comment (Brett Reichman): That occurred in Fall, students took slots in a class -- weren’t dropped and it made the waitlist somewhat moot ...

RS: ‘So at the end of the meeting, shoot email -- ask to drop, so we can get others in... perhaps send to Dean’s Office and Registraton. Same for add extra, contact me and we’ll consider the exception.

Other resolution, per document
MVP: made on Dec 5 2012 ... outlines a process for developing program change and initiative ... outlines a 7 step process, was brought-up per the suspension of the US program ... Discussion ensued in regards to what extent we had (not) followed these steps.

RS: To return to bigger / broader question -- what do we do when Faculty Senate gives something like this to the Dean’s Office?

[To return to above] Feeling was that the protocol was being met and was in process ...

MVP: Question was was it fair to suspend while working through the process Discussion said that there was an ethical obligation not to recruit students while a program’s future was under review.

Robin Balliger: Appreciate this discussion and suspect some newer faculty and other people might not understand the context of what we’re talking about here ... In terms of Shared Governance ... this seems to be key -- the question of what is appropriate to bring to union, what is appropriate to bring to the Senate.

What is being raised now -- When we, the Faculty senate make resolutions, what weight does that actually have? How is it going to be followed or not? As RS just said, it is advisory ... which may or may not have that much weight ... the weight that it really has might not be as much as it seems at teh time ...

Now, coming to this issue yes -- Faculty Senate approved this Dec 2012, how programs would be initiated or discontinued.

MVP: For ex, Part 1 -- supporting data: 10 years under performing enrollment, NASAD rejected the name US, program review which included comments from external reviewers ..

RS: Are we revisiting decision? Or, talking about process?
MVP: No, just giving reasons as to ...

RS: No written proposal --

MVP: Program has not been ended ....

RB: Suspended

MVP: Recruitment suspended, program and curriculum has not been suspended.

Juan Solis: US is not gotten rid of?

MVP: A series of concerns are being examined and enrollment has been suspended.

Juan: [Concerns that are] not just the name?

MVP: Can’t just change name, also issue of where such a course of study might best live?

RS: Enrollment suspended, potential changes to meet the needs of the accreditor, to ensure the program is viable, and the program is keeping with our mission -- such revisions have the potential to be significant enough that it could be more serious than a name change ... as much as a degree change, as simple as a name change, but feeling is that its a significant enough decision that to continue to enroll students would be [unethical], suspending students.

Nicole Archer: We [the liberal arts faculty and effected students] want to propose a course of action and will do so next semester

Tim Kopra: Is this something we could discuss in a Town Hall?

Robin Balliger: Worth noting that HTCA have been about equal in enrollment, I would like to have the students to have a bigger voice ...

NA: ‘I would welcome opportunity to discuss this in a town hall, in the future.’

ADDITIONAL STUDENT COMMENTS
Margo Arada - primary concern is with registration difficulties with senior seminars ... petition to express our concerns ... limited spaces for SS and limited scope with faculty ... find that in our interdisciplinary studies or our scopes ... options are quickly filled, not exactly what we need.

MVP: Petition, forward to student union, SU make a resolution to speak to FS
RS: I want to respond to this, though -- I can answer pretty quickly. We didn’t have enough. We added another today and we promise that there will be more Heard recomm for faculty, taking into consideration. Recently fielded sim request from GS and we opened a section.

Also, senior seminar is intentionally interdisciplinary... not just painters with painting faculty.

If we want to change that we can ... but this is the current role of the course

Advise/encourage you to work with someone you don’t know

Apologize for not enough

We will make sure you all get into a class

MVP: Do go through SU,

Pedro Verdin: Here to ask about 9 and 10, future of NG dept, recently got bunker -- still don’t have a space, our past meeting with RS she mentioned a contractor named RKelly -- Margo saw 2 men come out, we asked how long, they said no longer than 6 months ... why are 5 years into this? Why aren’t there any plans

They are such historical places and could offer more history? What’s going on

Charles Desmarais: ‘Decision was because people said they were getting sick; were told it was unrepairable; also had financial difficulties.

‘In last 2 years working with board to crate a holistic plan to address facilitates needs -- one part is Fort Mason, another $7 M at Chestnut.

‘I think capital needs should be funded through fundraising -- not tuition... i.e. not on backs of students.

‘In process of figuring out, Mark doesn’t make decision ... it’s a board decision.’

Margo: ‘It was an assessment on behalf of contractor that was expressed to me.’

CD: ‘Yes, we need good space. Something I and Faculty believe in .’

Pedro: ‘Seems half-hearted ... we’re getting there, keep wishing and hoping and I think NG is done getting those responses ... we pay a lot, need a space .. we need these areas .. why are we here -- not somewhere with space....

‘We are here now, want to see some action....’
JS: ‘How about a pay cut [for the President]?’

CD: ‘I agree with what you said.’

Brett Reichman: ‘I also agree, its great to see you [students] all here; it would be great to have regular reporting; more organized ... i don’t know if its an oversight, or lack of understanding ... your official representative should ask to be a part of the meetings.’

CD: ‘2 other formats, 1 - reg meeting with students 2x a year ... coming to that 2nd -- on Tues, open office hours, make an apt with my asst. Tamara Lowenstein.’

Erin Smith: ‘Speaking on behalf of Photography, while on the topic. Since I’ve been here I’ve noticed that a lot of important people are leaving, that prof leaves and that leaves us ... Darcy Padilla recently resigned after 10 years as a part-time prof, she’s the best ... register that there is faculty attrition She’s an import doc photographer.’

MVP: ‘Photo dept suffered from 2 long time retire simultaneously, 2 others with sabbaticals, 1 return in spring.’

RS: ‘1 of the 4 searches is in photo ... be happy to meet with SU about being involved.’

Jon Asega: ‘Want to talk about Diversity Scholarships, as mentioned in Strategic Plan -- 12 students awarded 10000 .... curious about the remainder amount? not all has been allocated?’

CD: ‘Not entirely sure how they are handled on a mechanical basis. One of first things I did when getting here, wanted to see more racial diversity

Money set aside, been spending it, on what?

Where is the money?

Fin Aid is the place to talk about the mechanics ... the scholarships exist. there is a process, obviously -- whole amount.’

CD: ‘Working to expand, it means a lot to me, I know its truly not fast enough, but trying to balance...’

MVP: ‘To echo what Brett said, you are welcome to come -- but best way to bring issues to our attention is via LOGS or Undergraduate Student Union.’

William Kofsky: ‘I hear you, but want an actual legitimate platform ... cut-off
‘I know it’s not pleasant, but eventually we need to talk about these things that are not met with actual answers ...’

Rachel Bustieres: ‘The issue isn’t organizational strategies, it’s really difficult from what I’m hearing from Madison.’

Fred: ‘I propose that we schedule another meeting on another day, to talk about anything that anyone wants to talk about.’

‘I move that we schedule another meeting;’ second—Christopher Coppola.

Frances McCormack: ‘I have a lot of sympathy ... I think this is a teaching moment, students don’t know best process, they need someone to teach them -- but I think this is the moment to figure that out.

An additional meeting with no agenda

Counter Motion - Brett, there is another Faculty Senate meeting in Dec we can’t set aside time for this?

MOTION: ‘That we schedule another meeting on another day, to talk about anything that anyone wants to talk about.’
9 in favor; 1 oppose; abstain 6
motion carries

Immediately Schedule Meeting: NEXT student union meeting 19th 12-1 in MCR

CD: Won’t be able to be there ...

Asuka -- ‘Can you [students] give us an agenda in advance?’

student name unknown: ‘When do we need an agenda by -- ? ...Students who want to discuss an agenda can meet mon at lunch.’

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MVP: ‘Does this satisfy all?’

Madison: ‘This will do for now.’

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Meredith Tromble takes the floor, process for feedback on the EXPLAINED PROCESS AND METHODOLOGY
Ex-officio list was read -- questionnaire for Ex-officio and another questionnaire for others.
Criteria for ex-officio membership was discussed, as defined in Faculty Senate by-laws. It was unclear whether all ex-officio members were, indeed, on the list that had been read aloud.

MT: ‘I will 2x check that she has the right list of ex-officio members.

‘Survey questions are directly correlated to the roles of the academic restructuring, or to concerns raised by Faculty Senate ... committee looked at list, prioritized some concerns.

‘Trying to cover every point or goal in the questionnaire .... sometimes this is because not everything is a manner of concern or opinion, but fact ... so, the questionnaire focuses on issues of concern or opinion

‘On each question, we’ve given the possibility of both a quantitative rating and make a comment -- having both would make it really helpful.

Listed goals of the restructuring, as issued from President’s Office, originally.

‘In some cases, its hard to assess ... some of the goals.

‘Would be great to get 100% participation in this ... deadline by next Wed ... so we can finish this.’

MVP: ‘Problem, design of the questions haven’t been vetted or without an input.’

Brett Reichmann: ‘Will they/we receive these in their boxes? Thought was email wasn’t private enough?

John Priola: ‘Why are there differences between Ranked and non-ranked [survey questions]?’

MT: ‘We edited questions out that didn’t apply to non-ranked faculty. …ranked fac have diff responsibilities and these are different questions. Teaching is not all we [ranked faculty] do.’

Laura Fantone: Do you want some replies from faculty that are not ex-officio?’

Closed Session
Old Business
AdHoc Committee Report - Dec 3 a report will be made

Amended by common consent

C Daigle moiton to approve minutes, as amended, motion 2nded Jeremy Morgan
in favor - 15, oppose - 0
3 + proxuy abstain

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New Business

Brett Reichman: I don’t know how pervasive this is. It was brought to my attention by Visiting Faculty -- but there are freshman enrolled in upper div painting class… these students did not have drawing 1 … and that was the pre-req.

‘We just had a mtg calling for more details -- can’t have students taking courses out of turn.

‘Again, don’t know how pervasive…'

Paul Klein: ‘There was a slip-up … 1st semester, pilot of online registration and about 30-35 students were able to mistakingly take 200 level classes.’

RS: ‘Can we check-in about this, I think its more involved.’

Christopher Coppola: ‘I want to bring up that did our PAH fest went well Tony was there to set proclamation about SFAI being a major influence in art in CA … gracious of tony to accept … appropriate … don’t know where to keep it …'

Jeff Gunderson: Agree to take into library ...

Nicole Archer: ‘To return to question of students of different standing in certain courses — I have a lot of Grads enrolled in my undergrad course … this might not be fair to undergrads. Grads register first + they are at a different place in their studies … can we consider capping the # of grads that can enroll in an undergrad class?”

Bruce McGaw: ‘Check out the shameful thing our RASMIA ODEH … check out the shameful thing that our goverment is doing to this woman … it’s a horrible story.’

Brett Reichman: ‘Repeat recommendations from last time -- that folks on agenda for faculty senate be given a certain allotment of time to complete their agenda time …. I did it timed for 2 years .. not impossible …

‘I suggest that student rep from the student union be given their slot in open session ….’

Jeremy Morgan: ‘Also think a town hall is needed.’
Jeff Gunderson: ‘I hope everyone does their best to attend that meeting. A huge retention issue with students who are very much attached to this place. . .’

Bruce McGaw: ‘Think about NESSE and score that are a little bit shocking and how these issues interrelate.’

Motion to Adjourn Tony Labat, Maria-Elena Gonzalez 2nded all in favor
First, let me express my appreciation for the effort the Faculty Senate put into this evaluation of the SFAI administration’s performance over the last year. Such feedback is crucial to continuing to improve our work. Your notes of commendation to individual staff were also very thoughtful.

I shared and discussed this document with the President’s Cabinet, and now offer some responses to the evaluation and commentary.

**Academic Affairs**

Academic Affairs will aim to include faculty in decision-making processes (around curriculum, in particular), and to take up less meeting time with downloading of information. (Some of the comments presented are a bit contradictory—some faculty felt that there are too many meetings, while others express more desire for engagement in decision-making. This is likely because the comments were made by different individuals.)

Dean Schreiber was pleased to hear the positive comments on the faculty hiring process and diversity efforts, as there will be more to come!

Some comments from the 2012 review, in contrast to this current review, demonstrate areas of improvement. In 2012, a few respondents noted that there was inadequate supervision of the Graduate Programs by Academic Affairs, and that the Graduate Program felt isolated. Since that time, we have enacted the following efforts to integrate the Graduate Programs into Academic Affairs:

- Associate Dean Jennifer Rissler spends one day per week at 3rd Street
- Zeina Barakeh, Director of Graduate Administration, attends bi-weekly Academic Affairs office meetings at Chestnut Street

Comments persist from the last review to this one regarding the uneven levels of faculty engagement and involvement in service work. This is a hard challenge to solve—clearly the individuals who make strong contributions are asked to continue to do so. It should also be pointed out that the Faculty Senate has a significant tool to address the issue, within its responsibility for faculty evaluation and advancement.

The addition of more full-time faculty will help spread the workload, and we expect the new, tenure-track people will be willing to energetically engage in this work. We will need to be diligent in fostering a culture of contribution, particularly among these new faculty.

**Organizational Structure**

As some note, we are still refining this structure. Importantly, it is scheduled for review this year, and we will work closely with the Senate on this evaluation. We will seek to more deeply engage full-time faculty in department work and decisions. Additionally, we will work this year to
ensure the effectiveness of the Academic Council and enhance its role in college-wide decisions.

Others do note that the new structure has positive aspects. To these comments, I add that, again, I see improvements in areas that had been identified by faculty as problematic in the 2012 review. One specific example is a previous concern that Academic Affairs could “do a better job of monitoring the ‘personal relationship policy’ in hiring visiting faculty.” Dean Schreiber believes we are seeing far less of this problem in the current structure.

**Operations**

*Human Resources*

The administration recognizes that the Human Resources function has posed a particular challenge in the past year. Following the departure of the HR Administrator in October 2013, Controller Susan Wayland took responsibility for HR on an interim basis, and performed an analysis of the department’s strengths and areas needing improvement. Rita Loeza-Sullivan joined SFAI in March 2014, and assumed the position of Senior HR Administrator in June. She has more than 13 years of Human Resources experience, including extensive knowledge in recruitment, employee relations, development and training, and compensation and benefits plans. The administration will continue to work to improve performance in this critical area of the institution.

A notable improvement in the area of operations and infrastructure is the Assistant Vice President of Technology position, which was filled this year by Bruce Griffin.

*Information about Benefits*

One comment asked for better and more timely access to information about benefits. It is a challenge to provide such information to faculty prior to the end of the Spring semester: our benefits insurance carriers do not provide our broker with renewal information until early April, and then administration reviews the program and negotiates lower costs and better benefits. This year, however, we will give faculty more advance notice about when updated benefits information will be available and the dates of the informational meetings.

*Financial Updates*

In response to the comment about benefitting from receiving regular financial updates, Espi Sanjana will be glad to share financial information with the Senate. He has not been asked to do so in a couple of years.

**Student Affairs**

Reviewing the survey responses in comparison to 2012-2013, Vice President for Enrollment Elizabeth O’Brien was pleased to see a marked improvement following a period of transition in Student Affairs.

To ensure that all faculty understand the range of programs and services that Student Affairs provides, from accessibility accommodations and counseling to efforts of the Retention Working Committee, Dean Schreiber asked representatives from Student Affairs to present at the
mandatory faculty meeting at the beginning of the Fall semester. O’Brien and Dean Schreiber are also eager to involve faculty more in retention work, and will work together and with the faculty leadership to develop an effective mode of engagement.

Please also note that there were two questions in the Student Affairs section of the survey that perhaps should be re-framed or reconsidered, as neither the Cabinet or the faculty seemed to understand them:

2. Does Office of Student Affairs demonstrate respect for the faculty in performing their professional duties of overseeing the curriculum and performing academic evaluation?
3. Does the Office of Student Affairs support faculty grading criteria?

**Office of the President**

Overall, I am very pleased to see the positive marks for highlighting faculty accomplishments, providing information about plans for the future, setting a positive tone and clear goals, advocating for diversity, and fostering innovation. In the coming year, as we pursue ambitious facilities and fundraising initiatives and build the full-time faculty, I will continue to emphasize these areas. I will also continue bi-annual updates on the Strategic Plan at Faculty Senate to enable discussion of progress and next steps (the next update is planned for the October 2014 meeting).

The survey did note some concerns about transparency and top-down management. Again this year I will hold open office hours, and Board Chair Cynthia Plevin and I will hold Town Hall meetings for faculty and staff (and separate meetings with students) in the Fall and Spring semesters; we will circulate a recap and recording of the session for people who are unable to attend. My office is also developing a more robust presidential communications effort for the campus and external community. Finally, as work progresses on the Fort Mason project and improvements at Chestnut Street, faculty involvement will be very important, and I look forward to working with the faculty on this problem-solving and planning.

**Areas Not Addressed**

Two key departments in the institution were not covered by the survey questions: Advancement and Public Programs. The Cabinet would like to better understand how these areas are functioning in relationship to the faculty.

**Advancement**

We would like to engage the faculty in meeting SFAI’s fundraising goals, both annual and as part of the Capital Campaign.

- Does the Advancement Office provide the faculty with information about SFAI’s fundraising goals such that faculty can serve as advocates and connectors for contributions?
- Does the Advancement Office provide training on how to participate in the continuum of development activities?
• Does the Advancement Office provide clear protocols for the receipt of in-kind contributions?
• Etc.

Public Programs

In future surveys, we would ask that the Senate solicit faculty input regarding SFAI’s exhibitions and public programs to support our evaluation of these programs’ achievement of goals set forth in the strategic plan.
Department Chair Review and Reappointment Process
Adopted October 22, 2014

As stated in the Faculty Union of SFAI CBA, Department Chair appointments are for a term of two years, with the possibility for reappointment.

At the midterm point of the third semester, the Dean of Academic Affairs will ask each Department Chair to write a self-evaluation, addressed as a letter to the Dean, and submit by the end of the semester. Each Department Chair will also request one tenured faculty member teaching in their department to write a letter of recommendation for reappointment (assuming reappointment is sought), which will focus on an assessment of the Department Chair’s fulfillment of that role (that is, the letter need not focus on the Department Chair’s scholarship, artistic practice, or teaching). The Dean will also solicit feedback from any faculty (tenure-track, tenured, and Visiting Faculty).

Determination of either reappointment or a new appointment will be made at least one month prior to fall course registration, to allow adequate time for planning of administrative releases from teaching for the following semester.
5 min. - Intros
- Session overview
(ask if there are any unresolved questions or comments re. last session?)
5 min. - Intros

- Session overview (ask if there are any unresolved questions or comments re. last session?)

10 min.

**TODAY’S SESSION**

1. Preparation for applicant reviews and interviews
2. Examine implicit bias
3. Identify strategies for difficult dialogues
4. Review of best practices for the campus visit
COMMUNITY AGREEMENTS

1. Comfort with discomfort
2. Actively listen
3. Speak from your own experience.
4. Step up, step back
5. Confidentiality with other’s stories.

5 min.
When we assume “that cultural, racial, ethnic, and gender biases are simply nonexistent [in] screening and evaluation processes, there is grave danger that minority and female candidates will be rejected.”

-Caroline Sotello Viernes Turner

just read aloud as a way to frame the discussion
ARTICLE/BROCHURE: IMPLICIT BIAS

1. In a process that is so subjective, is it possible to be objective enough to mitigate the effects of implicit bias?

2. Does this research cause you to reevaluate your own biases?

3. Suggestions for minimizing bias? Processes?

10 min. (5 & 5 min)
pair share (person to your left)/report back

“A lifetime of experience and cultural history shapes the review process.”

- Internalized isms and stereotype threat inform our biases, even as members of targeted groups
- “Incongruence” between stereotypical gender roles and leadership
RESEARCH BASED STRATEGIES TO MITIGATE BIAS IN REVIEWS

5 min.
review handout
SHORTCUTS THAT LEAD TO BIASED ASSESSMENTS

VIDEO: "INTERRUPTING IMPLICIT BIAS"

UNIVERSITY OF WASHINGTON
ADVANCE - CENTER FOR INSTITUTIONAL CHANGE

5 min.
review handout
SHORTCUTS THAT LEAD TO BIASED ASSESSMENTS

VIDEO: "INTERRUPTING IMPLICIT BIAS"

UNIVERSITY OF WASHINGTON ADVANCE - CENTER FOR INSTITUTIONAL CHANGE

5 min. review handout

"INTERRUPTING IMPLICIT BIAS"

10 min: (5 min. video, 5 min. reaction/comments) Questions from guide:

- What did you notice in the film?
- What privileges, biases, and cognitive shortcuts did you observe?
- What might be motivating each of the characters’ behaviors?
- What would you do differently?
1. Have you taken time to reflect on potential biases you may hold? If not, why not?
2. If committee members were to be expected to challenge one another on their potential implicit bias, what might be the implications?
3. Can you suggest strategies that have worked for you in attempting to raise difficult issues with colleagues?

10 min., pair share (person to your right)
10 min. -review handout

-Shared objectives and measure promote consistency and equity in reviews.
-Indicators that we should consider adding?
-Deducting?
THE INTERVIEW:
ASSESSING EQUITY AND DIVERSITY QUALIFICATIONS

10 min.
handout/sample questions to promote equity and diversity qualifications
LEGAL CONSIDERATIONS FOR INTERVIEWS

3 min. - just to overview/acknowledge handout
10 min. faculty split into committees,
1. discuss/modify questions to best fit their search
2. identify concerns and possible limitations, suggest alternatives
BREAK!
10 min.
MODIFICATION OF INTERVIEW QUESTIONS:

SMALL GROUP REPORT BACK

10 min.

- observations/comments?
1. Do you feel the data and narratives in the article are applicable to other underrepresented groups? If yes, how so? How not?

2. Does the article raise concerns you have for incoming faculty relevant to potential institutional barriers at SFAI?
HANDOUT: ADDRESSING POTENTIAL BIAS IN COMMITTEE DELIBERATION

5 min. overview/comments & questions
HANDOUT: NAVIGATING EMOTIONAL RESPONSES TO TRIGGERS

5 min. overview/comments & questions
COMMITTEE DELIBERATION SCENARIOS

- 3 small groups, 2 by committee, one group non-committee members
15 min.
SCENARIOS REPORT BACK
THE CAMPUS VISIT:
EQUALITY V. EQUITY

“...the unexamined assumption that every candidate should be treated exactly the same may unintentionally favor some candidates over others. Some candidates will have ample opportunity to meet with potential colleagues who share salient demographic characteristics and interests (e.g., white candidates in predominately white departments; male candidates in predominately male departments). Unless specifically built into the process, UR candidates often don’t have the same opportunity to learn about the common experience of those who share their salient demographic characteristics or interests.”

-“Best Practices in Faculty Hiring”, University of Oregon
BEST PRACTICES FOR THE CAMPUS VISIT

10 min. - review handout of best practices;
1. brainstorm additions
2. comments/questions
COMMITMENTS TO ADVANCE EQUITY AND DIVERSITY

1. Hopes I have about the faculty search process:

2. Fears I have about this process:

3. Particular knowledge I will pursue to more fully contribute to diversity and equity at SFAI:

4. Relationships I will work to develop or strengthen to more fully contribute to diversity and equity at SFAI:

5. Ways that I might offer support to my fellow faculty members in this work:

notes/contemplative time
5 min
WRITTEN SESSION FEEDBACK

5 min.
Hello all,

I look forward to seeing you this Wednesday, 4:30-6, in 16B for our Academic Council meeting.

Below is our agenda.

Best,
Rachel

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Academic Council 2.26.14

- Curriculum changes in regard to Equivalencies
- Status update for Online Registration and Summer/Fall course schedule
- Search updates
- Part-time faculty categories
- Low-Res advisors
- Policies for honoraria

Rachel Schreiber, PhD
Dean and Vice President for Academic Affairs
San Francisco Art Institute
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San Francisco, CA 94133
415-749-4583
rschreiber@sfai.edu
www.sfai.edu
Hello everyone,

Below is the agenda for tomorrow's Academic Council meeting.

Best,

Rachel

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Academic Council Agenda, March 12 2014

- Announcements:
  - NASAD update
  - BA/MA external review
  - Please promote participation in BFA exhibition
  - Check-in re: faculty categories
- Honoraria and faculty absences
- Future meetings
- Space re-programming
- Other business
Hi all,

So sorry to only be e-mailing this to you an hour ahead of time!

Below is today’s agenda. I will bring hard copies to 16B, see you at 4:15.

--Rachel

Academic Council Agenda, April 9, 2014

- End of year events
  - MA Collaborative Project: May 3
  - Gala at the Mint, May 14
  - Thursday May 15: MA symposium, MFA Film screening, BFA exhibition reception
- Post-bacc (now accepting students to begin in summer)
- Summer symposium
- Assessment of new Chair structure, how will we approach this? (Meredith)
- Reminder to faculty: students who are not enrolled cannot attend classes
Academic Council + Chairs, Agenda, 4.30.14

- Update on Searches
- Next year’s searches
- Process for assessment of Chair structure
- Senior Review requirements (Paul)
- Upcoming election for Visiting Faculty to join SEIU
Agenda

1. Follow up on Faculty Questionnaire Feedback Summary

2. Programmatic changes: Urban Studies/Art & Technology

3. Visiting Faculty Recruitment for open positions

4. Faculty Searches planned for 2014-15

5. Title IX complaint

6. Curricular work that needs to be done this year:
   a. Student Handbook policy on “Repeated Courses for Credit”
   b. Final Exam policy
   c. Syllabus template
   d. Interdisciplinary Honors major
   e. December retreat: majors curriculum


8. Additional items/other business

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Fall 2014 Meeting Dates (all 4:15-5:45 in McMillan Conference Room):

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<td>August 27</td>
<td>ACC (off site, 3:30-6:30)</td>
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<tr>
<td>September 3</td>
<td>Faculty Senate</td>
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<td>December 03</td>
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Updates/announcements:
  o New identity/web site
  o Online registration
    ▪ First group of UG will register online this spring
      (among with all Grad)
    ▪ E-advising
  o Facility Use Form — planning of events, no event can be
    promoted until it’s been fully approved

Timing of committee assignments

Undergraduate off-campus study requirement (if CP is to count
for this, then not sure it’s worthwhile)

Nomenclature
  o SIS/SSP
  o Departments/Chairs
  o Full-time faculty

Chestnut Street plans
Academic Council and Department Chairs, 10.1.2014

AGENDA

• Announcements:
  • Summer Low-Res plans
  • Update on Board meeting
  • Concentrate/Alumni Day
• First Pre-tenure review process
• Full-time searches
• Student exhibitions
• Faculty Advising
  • Off-campus study (budget and number)
• Institutional learning outcomes (JR)
• Scheduling template for 2015-2016 (PK)
• Goals for Ad-Hoc Faculty Senate Committee on Curriculum in regard to December retreat (PK)
• December retreat goals (PK)
• Update on assessment work (PK)
Academic Council + Department Chairs Meeting
October 22, 2014

Agenda

1. Chair review (Rachel)
2. Response to Senate Resolution (Rachel)
3. Protocol for Developing Program Changes and Initiatives at SFAI (Mark)
4. BFA Exhibition Course Requirement (Paul)
5. 100 Level Course Waiver Reviews (Paul)
6. Visiting Faculty Call for Proposals (Paul)
7. Course Readers/Moodle (Nicole)
8. NSSE data (Rachel)
9. Academic Affairs Annual Goals (Rachel)
Academic Council and Department Chairs, 11.19.2014

AGENDA

• Fall orientation: 2 choices:
  ◦ Wednesday, August 26, 2015 afternoon, 3-6
  ◦ Thursday, August 27, 2015 evening, 6-9
  ◦ Mandatory health and safety will be Thursday, August 27, 1-5
• Note taker for ACDC and Senate meetings
• AICAD post-MFA fellowship
• 12/10 ACDC meeting time (MVP)
• Status of Studios 9/10 (MVP)
• Diversity Scholarship allocations (MVP)
• Full-time faculty review of course proposals and schedule (PK)
• Institutional Learning Outcomes (JR)
• Search committees
• Update on Senate curriculum meeting and planning for December retreat
• Off-campus study
• Senior seminar
ACDC Agenda 12.10.14

- Library update
- Full-time faculty retreat
- Agenda for Friday's
- Search committee composition (PK)
- BFA Exhibition
- MFA Admissions reviews (TL)
ACADEMIC COUNCIL MEETING  
26.February.2014 - 4.15 PM; 16B

IN ATTENDANCE: 
Nicole Archer (note-taker); Tim Berry; Charles Desmarais; Paul Klein, Tony Labat, Jennifer Rissler; John Roloff; Rachel Schreiber; Meredith Tromble; Mark Van Proyen

ABSENT: 
Claire Daigle

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FIRST TOPIC: 
Does the academic council need to meet 2x a month? or 1x a month -- freeing up space for the 4 Chairs and the Dean to meet on one Wed a month? 

Discussion: 
If a decision needed to be made, re: curriculum -- the Academic Council could be called to meet an additional, second time. Otherwise, there is general consensus that the full council only needs to meet once a month -- allowing time for an admin meeting between the 4 Chairs and the Dean.

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SECOND TOPIC: 
Job Searches

Dean’s Report: 
All 6 candidates have been contacted and have accepted the invitation to move forward in the process. Dean Schreiber is currently writing an email that will introduce all the candidates to the SFAI community -- including links to their work and the schedule for each of the candidate’s campus visits.

Members of both committees are very excited about the candidates. Also very happy to announce that there is a lot of diversity represented by these 6 candidates -- in terms of their practices, where they are coming from professionally, personally, culturally, etc.

Dean Schreiber also noted that students are excited, and has asked that the faculty all work to keep students involved and interested in the process -- esp. asking them to be in attendance at the candidates’ public talks.

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THIRD TOPIC: 
Curriculum Changes in Regard to Equivalences (not compensation or Union related part of this larger issue, which will be addressed at the Faculty Senate).

Dean’s Report: 
Beginning Fall 2014:

* Directed Study will be limited to guided studio instruction only. Directed Study cannot be used for Liberal Arts or Art History study or credits.
* Undergraduate students may use Directed Study credits towards studio electives only.
* Graduate students may use Directed Study for elective credits or for Grad Tutorial requirements.
* Courses that are major degree requirements, e.g. BA Colloquia, will be run as courses rather than Directed Study, with an assigned instructor.
* MA Thesis I instructor will serve as the reader on the committees of students enrolled in the course.

Group Discussion: 
What of exceptional situations where faculty think BA students, for instance, should petition/ be advised to use the Directed Study in the pursuit of a highly specialized project that would lend itself to a liberal arts credit? This would not be impossible, but should be thought of an exceptional, and not an expected path
to degree. Students in this situation would have to petition the Dean’s office for an exception to the policy to be granted.

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FOURTH TOPIC:
Online Course Registration for Summer/Fall and Course Catalog

Dean’s Report:
Grads will start using web advisor to enroll/register this semester; undergrads next year. That said, all students will use web advisor to search for their classes / construct their schedule this year.

Really hoping that this helps to manage course enrollment, manage expectations around what courses are full and what is available.

PLEASE NOTE: No catalogs will be printed, nor will there be an online .pdf catalog. Instead, everything will be on web advisor -- meaning undergrads will also have to research their classes via the online portal -- even though they won't register online until next Academic Year.

This will be a big switch and students, faculty and staff will no doubt find it a bit disorienting -- but Jeremy Hobbs has run a variety of scenarios and has assured Academic Affairs that the course listings / search functions are workable, readable, and searchable.

NOTE: A new AVP of Technology, Bruce Griffin, has just started, after holding a similar roll at Ohlone College and Claremont College. Griffin will be working with Jeremy Hobbs on managing this project, moving forward.

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FIFTH TOPIC:
Low-Residency MA Advisor

Dean’s Report:
Dean Schreiber would like to add year-long faculty advising to the low-res program, perhaps following the same model as how grad advising works within the full-time grad program.

Would like to budget 1 CU to have someone—who ideally also teaches in the Low-Res program—to advise the Low-Res students throughout the year.

Discussion:
Questions arose: Since so many low-res students are not in residence/the Bay Area outside of the summer -- how would the advising happen? How many advisors would we want? What would their role be? Would they be asked to do (remote) crits?

Discussion opened up then to consider what advising really looks like at the grad level? Is Zeina doing the technical advising, are the faculty advisors doing crits only/mainly?

The group spoke about the differences of advising undergrads (who have more degree requirements and more complicated curriculum record audits) and graduates (who don’t need as much help/‘hand-holding,’ but might need want advice on a variety of extra-curricular issues).

Also, do low-res and full-time grad students need the same kind of advising? Have the same kinds of questions/issues?

In the end, it was determined that while there were similarities, perhaps low-res advising would be a bit different from full-time graduate advising. The job description and further details will be to follow.

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SIXTH TOPIC:
Part-time faculty categories

Dean’s Report:
Dean Schreiber presented a first draft of what new (visiting) faculty categories could look like -- i.e. a formal elaboration of what’s articulated in the strategic plan, discussions in Faculty Senate, etc.

This plan will be presented at the next Faculty Senate meeting. Faculty Senate President Van Proyen will determine whether this will be in open or closed session.

Plan, in general:
Create a new set of categories for what is currently covered under the blanket category of ‘visiting faculty.’

Proposing 2 main kinds of faculty categories: Full-time and Part-time
* Full-time would include: Tenure and Tenure-Track Faculty + a series of differently ranked adjunct positions.
* Part-time would, similarly, include: a series of differently ranked (truly) visiting positions.

Plan is to, eventually, have 60% of the faculty be ‘full-time’ contracted faculty (50% Tenure or Tenure-Track + 10% ‘Senior Adjunct Faculty’ -- Note: ‘Senior Adjunct Faculty’ is one of the proposed faculty categories that the Dean will present to the Faculty Senate during the March meeting).

ASKED TO NOTE THAT: This plan is prospective; an additional plan will be outlined to transition those visiting faculty that might already meet requirements to place them on different places within the plan.

ALSO: The plan still needs to be vetted by SFAI’s HR professionals, etc. -- Dean Schreiber and President Desmarais want to share it at this point, to hear faculty thoughts and share their thinking on the matter while it’s still being finalized.

Discussion:
Group was excited to see the plan and appreciated the thought that went into it and how it promised to better address the diverse members of SFAI’s faculty, and their varied contributions.

It was also agreed that the plan would not only help to acknowledge the different kinds of workloads that different visiting faculty contribute, but that it could allow the college to have formal review structures for all faculty -- full and part-time -- and to open pathways towards professional development for all faculty members. This was received favorably for a variety of reasons.

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SEVENTH TOPIC:
Facilities Plans

President’s Report:
President Desmarais reported that we need to move aggressively forward on considering the plan for changes and improvements to the Chestnut campus and to the proposed Fort Mason facility, in order to present the board with details on how we envision the relationship between the two spaces working itself out.

To do this as comprehensively and quickly as possible, President Desmarais’ office will require that various faculty members be available to discuss the use of these buildings, and answer questions on current usage, etc. There will be a concentrated effort to do this over the next couple months, and it is requested that faculty be available for such discussions even with relatively short notice and that faculty be understanding if they are unavailable and discussions help without them.

Discussion:
How can we make these spaces as flexible as possible? Allow the space to work for SFAI, and not the other way around. As curriculums and programming change, space needs to be flexible.
Academic Council + Department Chairs (ACDC)
27. August 2014
3.30 - 6.00 pm
INFORMAL NOTES

In Attendance:
Nicole Archer, Tim Berry, Claire Daigle, Charles Desmarais, Paul Klein, Tony Labat,
Jeremy Morgan, Jennifer Rissler, John Roloff, Rachel Schreiber, Mark Van Proyen

NOTES
• Follow-up on Faculty Questionnaire Feedback Summary
  • RS Appreciated feedback; wanted to close some loops.
    • Wants to make sure meetings are more interactive and agendas are
circulated sooner -- that there is less ‘reporting,’ more substantive
conversation and problem-solving during meetings.
    • Don’t have an answer on how to entirely resolve this - but thought
focusing on curricular-level issues and then thinking about a meeting
structure, or another form of response/development in response to these
particular issues. Design meetings, in other words, with an eye for how to
best resolve/develop a given issue.
    • One example of how to do this: Proposes hosting ‘curricular discussion
meetings,’ that address specific issues on a Wed different than the
general Faculty Senate Meeting (please see the list of issues
suggested by RS below). These meetings would have no committee
reports -- just be issue-based discussions. These meetings could feed
into the Winter Faculty Retreat (see below).
    • Another example: Continue to have Winter Faculty Retreats -- wherein
the Dean and the Faculty could discuss those Curricular Issues
discussed at the aforementioned meetings and collectively make some
decisions on how to resolve these issues -- develop action plans, etc.
  • NEXT STEPS, on this issue: RS has asked MVP to ask the Faculty
Senate to consider holding Wed curricular discussion meetings on the
issues she’s proposed (below) and any additional issues that the Faculty
Senate wants to add.

• RS noted there were some comments that were a little contradictory in the
Feedback Questionnaire -- on one hand, some faculty wanted opportunities
for more input; on the other hand, some expressed wanting less meetings.
• Discussion ensued on how to encourage participation from those who are
often reluctant to do ‘service work.’
  • Practically speaking, we could develop an annual faculty report on
work and accomplishments -- wherein people are asked to record:
courses taught, conferences, exhibitions, publications, committee
served on, etc. This would let the faculty see, as a group, who is doing what in terms of service annually -- vs. the current system where people simply report these activities at the time of step advancement.

- Discussion then moved to the question of how to better integrate institutional service in regards to step assessments and other forms of advancement.
  - Determined that this is, perhaps, a matter for Faculty Senate to consider, thoughtfully--particularly in light of all the tenure-track faculty that are being added to the ranks and how this might effect their advancement.
  - The question also arose in regards to whether this is something that needs to be considered by the Faculty Union vis-à-vis the CBA language on these issues.
  - **NEXT STEPS, on this issue:** CDesmarais asks that ACDC ask the Faculty Senate to form an Ad Hoc Committee for the Criteria on (Pre)Tenure and Full Professor Reviews.

- **List of Curricular Work/Issues that need to be attended to this year were distributed:**

  Issues below are suggested by the Dean -- as noted above, this list can be be added to, as the Faculty Senate deems appropriate:
  - **Student Handbook Policy on ‘Repeated Course for Credit’**
    - Current form is too broad, while certain courses are certainly ‘repeatable’ others are not.
  - **Final Exam Policy**
    - Handbook currently says ALL non-studio courses require a final exam. It seems that this should be (re)considered -- as certainly not all non-studio courses currently use the exam as a final assignment.
  - **Syllabus Template**
    - Needs to made formal, current one is only a guideline. It was put together by Academic Affairs without direct input from Faculty -- need to have buy-in.
  - **Interdisciplinary Honors Major**
    - It was reported that a group of BFA students approached PK to say that they didn’t want to be corralled by a single major -- or even the terms of the major/minor; same group also felt that their education was being stymied by continually working in courses with peer groups that are too varied in terms of ‘level’.
PK invited some students from the group to the Dean’s office to talk about what they wanted (last Spring). The possibility of an Interdisciplinary Honors Major, which students would need to apply for and be accepted into (or not).

- Discussion ensued as to previous incarnations of an Interdisciplinary BFA degree, which wasn’t an ‘honors’ degree and lacked substantive oversight, advocacy, or curriculum development, according to many in the meeting. Questions were raised about:
  - How we might learn from this past degree / re-think it?
  - How a degree like this would sit vis-à-vis New Genres, which is interdisciplinary?
  - What about students who want an Honors Degree, but also want to remain on a single disciplinary track?
  - Where is Honors Studio in all of this?

- **NEXT STEPS, on this sub-issue:** Clearly need to have a faculty-wide discussion of what to do here. Perhaps this should be one of the first curricular meetings, based on the vibrancy of the discussion that followed in the ACDC meeting?

- December Retreat: To Discuss Above Issues + Majors Curricula

- **NEXT STEPS, on this issue:** Distribute this list of Curricular Work / Issues to Faculty Senate and ask if additional items should be added. Then, determine a schedule for meetings to discuss the issues, so people can attend any and all that they want. Suggestion, as noted above, is that this meetings should happen on non-Faculty Senate Wednesdays.

- **Programmatic Changes: Urban Studies / Art and Technology**
  - **Urban Studies**
    - RS reported that recruitment and admissions have been suspended for US.
    - Discussion ensued on some of the reasons for this:
      - The MA and BA Department Review determined that we were in non-compliance with NASAD, who approved the degree as Urban Studies (Art)
      - To date, there have not been enough students to make a robust curriculum.
      - Discussion then turned towards the difference between US and HTCA, another small BA program, where the curriculum is already, necessarily robust because of the role that Art History plays in the BFA path to degree.
• It was reported that students who have already matriculated will be given the opportunity to complete their degrees and we will offer the courses necessary for them to do so.

• Finally, CDesmarais confirmed that while US recruitment and admissions have been suspended, he acknowledges that the final decision regarding whether the program will be closed down or changed in form will require discussion with the Faculty Senate. If the Faculty Senate wanted to propose a different path for the degree, etc. -- this would absolutely be considered by the Administration

• **NEXT STEPS, on this issue:** Make Faculty Senate aware of this situation and hold a discussion.

• **Art and Technology (formerly Design and Technology)**
  • NASAD’s report on the acceptance of the A+T designation was distributed
  • **NEXT STEPS, on this issue:** Report back to Faculty Senate make sure all are aware of the name change approval, etc.

• **Visiting Faculty Recruitment for Open Positions**
  • PK reported that we had more than a dozen Visiting Faculty drop-out of previously secured teaching positions for the Fall; also reported that it is difficult to get a hold of Tenure(-Track) faculty who teach in different majors to talk about replacement hires in the Spring.

  Bearing this in mind, PK proposed posting an open call for 2015/16 and developing some kind of procedure to review applicants that would involve the appropriate Tenure(Track) faculty during the school year and include an interview process that would lead both to appointments and the development of an agreed-upon pool, to have to draw from if/when replacement hires are needed.

  CDaigle, TL and NA all agreed that this would benefit their areas. All Chairs believe this is also an opportunity for the Tenure(-Track)Faculty to be included in the process of vetting and hiring any new faculty in their areas of specialty, in a programmatic way.

  Discussion ensued and suggested that:
  • This would require Tenure(-Track) Faculty to agree to join visiting faculty interviewing committees. It also requires that we think about what we would want the interview process to look like -- Do we want to see Letters of Recommendation? Portfolios of their Students’ Work? Previous Teaching Evaluations?
  • Another hope for an ‘open-call’ is that it would aid in diversifying the faculty, along a variety of vectors.
• Hand in hand with this, it was asked whether the Faculty Senate would want to develop a process to then review the teaching of visiting faculty, considering that there are peer review processes in place for tenure(-track) faculty? (And this is something that many Visiting Faculty are asking for.)

• Folks already teaching, as Visiting Faculty, would automatically be included in the pool

• **NEXT STEPS, on this issue:** ACDC all agreed that an open call would benefit everyone, as would the development of a pool -- now need to report back to Faculty Senate and ask who/how we want to structure the interviewing and possible reviews for faculty.

• **RS announced that we will conduct FOUR Tenure(-Track) searches this year!**
  • It was reported that the ratio of classes taught by Visiting Faculty vs. Tenure(-Track) faculty is lowest in Photo, New Genres, Art + Technology, and History and Theory of Contemporary Art. If we were to move on this fact alone -- these would be the four searches. ACDC agreed unanimously that this makes sense and these areas need to run searches.
  • Discussion ensued about what the committee would look like?
    • It was mentioned that this would require 12 finalists visits -- we will need to consider how to manage this. Perhaps we do interviews and determine finalists in January, i.e. before CAA, for the 3 studio positions?
    • Need at least one faculty on each committee representing the disciplines being searched.
  • **NEXT STEPS, on this issue:** RS will think about how these searches might be run, etc. and will report to the Faculty Senate.

• **Academic Affairs Goals for 2014-15**
  • 2013-14 goals document was distributed. ACDC was asked to consider what is done on this list/can be removed, what needs further work, and what might need to be added to this list. This will be up for discussion during the next ACDC meeting.
  • It was reported that no program or dept-level reviews will be done this year -- the school wide accreditation review will take precedent.

• **Title IX Complaint**
• It was reported that some graduate students complained that there was a non-equitable environment for people of all genders in critique seminars and in the graduate studios.
• This was followed-up with a formal investigation during Summer 2014.
• The findings were that there was merit to the complaint.
• Academic Affairs is working to prevent recurrence of such situations, to ensure that the environment is equitable.
• Discussion ensued about how to ‘critique the critique’; how to develop spaces where we can talk about how to handle these situations, as faculty -- perhaps host workshops for faculty, students and/or staff? How to address our civil rights policy in our syllabi, etc.? How to distinguish offensive and hostile scenarios and situations of ‘artistic freedom,’ etc.

NOTES TAKEN BY: Nicole Archer
1. Meeting called to order at 4:25 PM  
2. Chair Review: Rachel reported that a performance review of the four department chairs was underway, in advance of potential renewal of 2 year appointments. Letters from invited tenured Faculty have been solicited, and each chair is tasked with writing a self-evaluation.
3. Response to 9-5-2014 Faculty Senate resolution (pertaining to dropping non-attending students during the first week and giving faculty members discretion to add one or two students to course roster. Procedural difficulties difficult to overcome. Faculty who want to move ahead with either dropping non-attending students or adding students beyond the course cap need to contact registrar and academic affairs office to get permission to do so.
4. Response to concerns about procedure for suspending recruitment in Urban Studies major in relation to a December 5, 2012 Faculty Senate resolution about (see text attached). President Desmarais pointed out that we have an ethical responsibility to the students who we accept and if there is any doubt that we will be able to deliver what we promise, we need to suspend recruitment of said students. Group noted that the suspension is different than termination of program, and that time is needed to conduct the 7-part analysis indicated in the resolution (we are only at phase 1 to 3 of that process. Given issues raised by patterns of poor enrollment, non-compliance with NASAD, who rejected our proposal to name a degree “Urban Studies”), and evaluations from most recent self-study and program review, the suspension seemed justifiable in relation to the period of time needed to complete the process indicated in the December 5 2012 resolution.  
   Additional discussion pertained to the fact that a Faculty Senate recommendation would require administration acceptance before it becomes SFAI policy. (What wasn’t precisely said, but what seems to make sense, is that while the Senate can certainly create its own procedures and processes for its deliberations when they apply only to Faculty, it can’t dictate what the Dean or other administration must do as a matter of procedure.)
5. Update on the requirement that all BFA students who entered Fall 2013 or later must participate in the BFA Exhibition. This year, there are about 25 transfer students to whom this applies. All other graduating seniors have been invited to participate. Participation will require a 150.00 USD administration fee, which will also cover the cost of an exhibition catalog, and students will register for a 0-unit course. By Spring 2017, this will apply to all graduating BFA students.
6. There was a discussion about the process for students to apply for a 100 level waiver for 200 level prerequisites. Review committees being set-up for week of 10-28-2014.
7. It was noted that SFAI has put out a call for applicants for a Visiting Faculty hiring pool, beginning Spring 2015. There is no truth to the rumor that the school is planning to replace current visitors on a wholesale basis. This is simply a means to identify new prospective faculty, and a way to direct teaching inquiries in a manageable way.

8. Nicole, in responding to a request from faculty teaching academic classes, asked about the school’s policy for printing course readers, post-Moodle. It is still possible to do so, but very expensive and students would be expected to bear the costs for such readers. The related issue of overuse of library printers for printing out readings from the moodle server was also discussed.

9. NSSE (e.g., National Survey of Student Engagement) Data compilations were distributed, show several ways that SFAI ranks in relation to all other AICAD schools and other comparable liberal arts colleges. Maybe useful in preparation for curriculum retreats planned for November 5 and December 12. Meghann Sept will be invited to address the full Faculty Senate on these findings.

10. Rachel presented a draft of the 2014-15 Academic Affairs Goals for discussion. Among the topics discussed was the possible development of an interdisciplinary honors major for undergraduates was discussed. Brief discussion about how this might differ from the Interdisciplinary major we’ve had in the past. Request was made to consider a Ceramics major as well.

11. Meeting adjourned at 5:50 PM
1. Faculty search update  
2. WASC off-site visit report  
3. D&T name change  
4. Changes to Low-Residency program  
   a. Course scheduling  
   b. Advisors  
   c. Summer Symposium  
5. Revising part-time faculty categories

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1. AICAD post-MFA Teaching Fellowship  
2. SFAI Institutional Learning Outcomes  
3. December curriculum retreat  
4. SEIU update  
5. Student concerns shared at Faculty Senate  
6. Update on WASC and NASAD planning  
7. Other business
Curriculum Retreat, December 12, 2014

Agenda

- Alignment of BFA majors’ curriculum (30 minutes)
  - What is the balance between technical and conceptual instruction?
  - 300-level courses: how do we ensure that they are at a consistently high level of challenge?
  - 100-level courses
  - How do we ensure sequentiality?
  - Should we develop level descriptions that apply across the disciplines?

- Contemporary Practice (Paul Klein, 20 minutes)

- Junior review (30 minutes)
  - Currently there are two cross-disciplinary experiences: Contemporary Practices and Senior Seminar. We have done a great job of writing and implementing the BFA Rubric in both of these experiences. A mid-point review between the two would enable us to ensure that students are on the path to meeting the objectives in Senior Seminar.
  - Discuss ideas for timing and format.

- "History of the major" courses (Nicole Archer, 30 minutes)
  - Currently they are led in a range of ways—as studio or art history courses.
  - Do we want to align? Should more of them be available to non-majors as art history electives? What would have to change to make this happen?

- Interdisciplinary Honors or Individualized Honors major (30 minutes)
  - What are we trying to accomplish?
    - Increased retention of high performing students
    - Ability to design a unique curricular path for high performing students
  - What would be the best form?
  - What other approaches to honors curriculum might we consider? E.g., 400-level courses?

- Professional practice (30 minutes)
  - How can we ensure its place in the curriculum and co-curriculum
  - How can Academic Affairs be more meaningfully involved in Career Services
  - Multiple career paths should be presented
San Francisco Art Institute
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SFAI Board Officers and Committee Memberships  
2014-2015

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Committees

Executive Committee  
Membership per by-laws: Officers and Committee Chairs  
Chair: Cynthia Plevin

Members: Jenny Emerson, Penny Finnie, Diane Frankel, Charles Hobson, Jay Kern, Bonnie Levinson, Chris Tellis  
Staffed by Tamara Loewenstein, Administrative Assistant to the President

Academic Affairs Committee  
Focus: Academic policies, plans and programs (including relation of programs to enrollment and development goals)

Chair: Penny Finnie  
Members: Nicole Archer, Sandra de Saint Phalle, Paul Klein, Jeff Magnin, Cynthia Plevin (ex officio)  
Staffed by Rachel Schreiber, Dean and Vice President for Academic Affairs

Audit Committee  
Focus: Meeting once or twice a year with the auditor (choice based on persons not on Finance)

Chair: Howard Oringer  
Members: Janice L. Sears, Cynthia Plevin (ex officio)
Staffed by Espi Sanjana, Chief Operating Officer

**Campus Planning Committee**
Focus: Maintenance of 800 Chestnut’s physical environment; expansion and addition of new facilities

Co-Chairs: **Jenny Emerson**
Members: Joe Brennan, Rod Freebairn-Smith, Joy Ou, John Sanger, Chris Tellis, Cynthia Plevin *(ex officio)*
Staffed by Heather Hickman, Director of Operations

Subcommittee on Fort Mason:
Chair: **Cynthia Plevin**
Members: Joy Ou, John Sanger, Chris Tellis
Staffed by Espi Sanjana, Chief Operating Office; Susan Wayland, Controller; and Anne Shulock, Senior Assistant to the President for Strategic Planning and Communications

Subcommittee on 800 Chestnut Street:
Co-Chairs: **Jenny Emerson**
Members: Joe Brennan, Rod Freebairn-Smith, Joy Ou, John Sanger, Chris Tellis, Cynthia Plevin *(ex officio)*
Staffed by Heather Hickman, Director of Operations

**Committee on Trustees**
Focus: Nominating persons to the Board; Nominating Committee for the election of Officers to the Board, and Board Governance

Chair: **Diane Frankel**
Members: Candace Gaudiani, Elizabeth Ronn, Cynthia Plevin *(ex officio)*
Staffed by Cynthia Colebrook, Vice President for Institutional Advancement

**Development Committee**
Focus: Cultivation, fundraising, and alumni relations
Chair: **Jay Kern**
Members: Penny Finnie (focus: Parents), Bonnie Levinson (focus: Sponsorship), Jeff Magnin (focus: Annual Campaign). Additional trustee membership on subcommittees to come.

**Capital Campaign Cabinet**
Co-chairs: **Diane Frankel, Charles Hobson**
Honorary Co-chairs: Agnes Bourne, Beverly and George James, Howard Oringer, Jack and Betty Schafer, Cissie Swig
Members: Diane Frankel, Candace Gaudiani, Charles Hobson, Jay Kern, Bonnie Levinson, Pam Rorke Levy, Jeff Magnin, Amanda Peters, Cynthia Plevin, Kate Rittmann, Jeremy Stone, Chris Tellis

**Key** Italicized: Non-trustee committee member
Finance Committee
Focus: Financial integrity and reporting; facilities planning and maintenance
Chair: **Chris Tellis**


  Investment subcommittee: Steven Spector, Chris Tellis (investment monitoring)
  Staffed by Espi Sanjana, Chief Operating Officer

Public Programs Committee
Focus: Exhibitions and Public Program policies and plans (including relation of programs to academic priorities and development goals)

Chair: **Bonnie Levinson**

Members: Sandra de Saint Phalle, Candace Gaudiani, Lara Ritch, Pam Rorke Levy, *Jamie Lunder*, Cynthia Plevin (*ex officio*)

Staffed by Hesse McGraw, VP for Exhibitions and Public Programs

Ad Hoc Rebranding Committee
Focus: SFAI’s brand and visual identity

Chair: **Elizabeth Ronn**

Members: Penny Finnie, Mickey Hill, Pam Rorke Levy, Jennifer Morla, Lara Ritch, Dana Smith

Staffed by Janette Andrawes, Director of Marketing and Institutional Messaging

Ad Hoc Committee on LGBT Initiatives
Focus: Sharing SFAI’s LGBT history and outreach to the LGBT community

Chair: **Teresa Johnson**

Members: *Al Baum, Megann Sept*, Cynthia Plevin (*ex officio*)
Finance Committee Meeting
August 26, 2013
3-4pm
Room 16B

Attendance:
Trustees: Hank Feir, Michael Jackson, Cynthia Plevin, Chris Tellis
Committee Members: Frank Mainzer, Steven Spector
Staff: Charles Desmarais, Tamara Loewenstein, Elizabeth O’Brien, Espi Sanjana, Anne Shulock, Susan Wayland

I. Welcome and Approval of the Minutes

Chris Tellis welcomed the committee and called for the approval of the minutes. Espi Sanjana noted the misspelling of Elizabeth O’Brien’s name on Page 2 of the minutes. Chris Tellis made a motion to approve the minutes with the corrected spelling of Elizabeth O’Brien's name and Hank Feir seconded the motion. A vote was taken; all were in favor and the motion passed.

II. Results for the Total Year 2012-1013

Revenue and Expenses
Mr. Sanjana began by stating that like May, June was a low revenue month. The summer term started mid-June and enrollment was lower than budgeted. June revenues of $579K were $128K above budget due to $195K above budget Contributions and “Other Revenues.” Operating expenses of $1.4 million for the month were $74K under budget, resulting in being $204K better than budget Operating Deficit of $815K.

Total Year 2013 revenues are $20.1 million, which is $1 million (5%) lower than budget but $334K (2%) above last year’s level. Details are:

- Net Tuition and Fees of $17.1 million is $1.4 million (8%) lower than budget and $61K (.4%) below last year. This is mostly due to under-budget enrollment in the Fall 2012 semester, and summer revenues that are $113K below prior year. In addition, institutional aid was nearly a million dollars ($927K) above last year’s level.
- Total Contributions of $849K are $103K (11%) lower than budget and $6K (1%) above last year’s level – events was $14K above last year’s level;
Contributions were $8K below last year’s level.

- Housing revenues of $1.5 million are $126K (9%) higher than budget due to higher than budgeted occupancy. For the Total Year Housing is a $148K net contributor to the operating surplus.

- Other Revenues of $623K are $405K (170%) above budget. This is because in February we received unbudgeted $99,422 as SFAI’s share of settlements by the State Attorneys General with Wachovia Bank. In May we received $112K due to cancellation of forward delivery agreements partially offset by $72,500 premium paid on prepayment of the Series 2002 bonds. IRMS revenue (mostly printing services) of $64K was $26K over budget.

The total year budget shortfall in revenue of $1 million is offset by $1.8 million (9%) lower than budget expenses, which, for the total year 2013, was $18.3 million. Expenses in most areas are under budget due to continued tight control of expenses and delays in filling certain positions. City Studio expenses were over budget due to purchase of computers offset by a donation for this purchase, which is included in Contributions. IRMS was over budget due to above-budget expenses for printing supplies offset by the above-mentioned revenues included in Other Revenues. HR was $10K above budget due to above-budget advertising expenses. Development expenses were $82K over budget principally due to the unbudgeted $47K paid for the feasibility study and above-budget travel expenses.

Overall, the total year Net Operating Surplus is $1.8 million. This is $819K (85%) better than budget, but $281K (14%) below last year’s level.

2012-2013 completes 5 years of operating surpluses. Mr. Sanjana noted that SFAI, including the Trustees, have to focus on getting the message out that SFAI is in good financial health and growing stronger.

Enrollment numbers shown on the Dashboard are Spring semester end numbers.

Institutional Aid
As previously noted, Institutional Aid was $927K higher than last year, and above budget. This is due to:

- Grad students with higher amount of necessary aid joining SFAI, and
- Higher than budgeted ratio of undergrads (who receive more aid) than grad students.

Endowment
The endowment portfolio had a $240K loss in June, on top of a $143K loss in May. Financial markets have been volatile. For the total year we have a $700K (9%) gain on the portfolio – capital gains and dividends.
**Balance Sheet**

Mr. Sanjana noted that the Balance Sheet is strong. Cash at $15K is below budget. $1.25 million was used for part of the bond payoff. Student Receivables are $13.3 million - represents mostly Fall 2013 billings.

**Debt**

Long-term debt (line 27 on the balance sheet) is $2.3 million below budget, a result of the refinancing. Offsetting this is unbudgeted borrowings on the line of credit of $700K. With the refinancing we have managed our cash flow better than budget.

**III. Results for the Month Ending July 31, 2013**

Mr. Sanjana next reviewed the totals for the Month Ending July 31, 2013. He began by noting that the summer months seasonally are low-revenue months and, due to high fixed costs, there is a deficit during these months.

**Revenue and Expenses**

July Net Tuition and Fees of $445K are $121K (21%) below budget due to lower enrollment. They are $162K lower than in July 2012, which was lower than in July 2011. Mr. Sanjana emphasized that this trend has to be reversed, and that over the next few months SFAI has to develop and implement plans for an increase in summer 2014 enrollment and better utilizing the available facilities at both Chestnut and 3rd Street.

Contribution revenues of $85K are $96K above budget – a good start (the budgeted contingency, which is same for every month, exceeded the budgeted contributions). Housing revenues of $88K were $2K above budget. Other revenues of $19K are $16K over budget mostly due to unbudgeted facilities rental.

Total revenues of $638K are $5K (1%) under budget and $59K (8%) below the prior year.

The revenue shortfall versus budget of $5K is more than offset by costs being $277K (17%) below budget. Since July is the first month of the fiscal year, it always looks good because of the accrual of costs in June.

The above results in a Net Change before Depreciation and Investment Income of minus $654K versus minus $926K budgeted, a $272K improvement from budget.

**Endowment**

In July the investment gain on the endowment portfolio was $202K. The annual draw of $315K was taken in July.
Balance Sheet
Mr. Sanjana noted that SFAI’s Balance Sheet is strong. Cash is above budget due to better than budgeted performance during the prior year. Student Receivables are below budget due to lower than budget summer billings. The highest borrowings during July were $700K versus the $1.25 million we expected – we used $1.25 million from cash in May to pay off the $7.25 million in bonds outstanding – and this $700K was paid back from Fall 2013 tuition collected in late July. (The tuition due date was August 1.)

Having set high goals, 2013–2014 will be a challenging year. With expected above-budget enrollment in Fall 2013, and its continuing effect in Spring 2014, Mr. Sanjana believes SFAI should be able to offset the summer revenue shortfall.

IV. Action Plans and Next Steps for the Fort Mason and 800 Chestnut Campus Renewal

Charles Desmarais presented updates on the capital campaign with Cynthia Colebrook. They noted that that it will be important to set ambitious, yet achievable goals for Board participation. BuildingBlox has suggested a goal of between $8-12 million in Board giving.

There was discussion among the committee members regarding contingent gifts, the solicitation and pledge period for the campaign, and the timing of the lease at the 3rd Street campus. In particular there was concern regarding the timing of signing a new lease at Fort Mason, and the need to ensure security for the future of the graduate studios while maintaining prudence in the strategy and execution of next steps and legally binding decisions.

Hank Feir brought up the idea of engaging alternative platforms for fundraising such as crowd funding through online resources. Mr. Desmarais thought that would make sense for gifts falling under $25K, and emphasized that now the campaign planning is focused on major gifts. The committee discussed how to tap into the tech world wealth for SFAI’s campaign and the need to reach out to Silicon Valley’s young professionals that might have a vested interest in supporting the arts.

The committee’s discussion returned again to the question of what degree of certitude around fundraising is necessary before SFAI could take the risk of signing legally binding contracts that would hold not only SFAI, but also the Trustees, to their decisions. Mr. Tellis noted that we will have information relatively quickly about Board giving.

V. Fall Enrollment – Preliminary Outlook
Elizabeth O’Brien provided a preliminary report on Fall enrollment. She noted that there had been a $1 million increase in financial aid and that her department was looking for ways to increase summer enrollment. She and Mr. Sanjana noted the benefit of a new employee Hasib Khan, Student Accounts Cashier, who was making a very positive, noticeable difference in the student tuition collections. Ms. O’Brien noted that enrollment numbers were up at 661 FTE students for the Fall compared to 638 in Fall 2012.

VI. **Other Business**

With no other new business Mr. Tellis adjourned the meeting.
Finance Committee Meeting
Monday, October 21, 2013
3-4pm
Room 16B

Attendance:

Trustees: Hank Feir, Charles Hobson, Michael Jackson, Cynthia Plevin, Chris Tellis
Committee Members: Frank Mainzer, Steven Spector
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Elizabeth O’Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:

Staff: Hesse McGraw

I. Welcome and Approval of the Minutes  Chris Tellis

Chris Tellis welcomed the Committee and called for the approval of the minutes from the August 26 meeting. Frank Mainzer noted that he was listed as absent in the minutes and requested that they be changed to reflect his attendance. Chris Tellis made a motion to approve the minutes with this change made. Charles Hobson seconded the motion. A vote was taken; all were in favor and the motion passed.

II. Results for the Three Months Ending September 30, 2013  Espi Sanjana

Revenue and Expenses

Mr. Sanjana began by stating that in spite of under-budget revenues, due to controlling costs SFAI’s Operating Deficit of $567K is $145K (20%) better than budget.

He noted that what is disturbing is the trend versus last year. Revenues are just below last year’s level, which is entirely due to low summer revenues being $266K below prior year level. Meanwhile costs are $225K (5%) above last year’s level. He urged the Committee to consider what would be a sustainable model in the long run.

Mr. Sanjana then noted that there has been an increase in fixed costs without an increase in revenues, which decreases the margin of safety against potential
drops in enrollment. He stated that actions to increase Summer 2014 revenues need to be planned and implemented in the next couple of months.

Year-to-date Total Revenue of $4.1 million is $288K (6.6%) lower than budget. Details are:

- Year-to-date September Net Tuition and Fees of $3.55 million are $380K (10%) below budget and $57K (2%) below last year’s budget. These variances can be attributed to low summer registration. The elimination of summer Pell grants (due to federal policy changes) is a factor in lower summer registration. Fall tuition is $394K above last year.

- Year-to-date Total Other Revenue (Contributions, Housing, etc.) is over budget by $92K (64%). Housing contributed $70K of this favorable variance and miscellaneous income from facilities rental, printing fees, etc. is responsible for $37K of the variance.

Mr. Sanjana noted that the Revenue shortfall from budget of $288K is more than offset by expenses of $4.6 million being $432K (9%) below budget. He noted that Instructional expenses are above budget due to $94K of timing differences between budget and actual Visiting Faculty Salaries, which will even out by the end of the semester. Public Programs is above budget due to above budget cost of exhibitions and unbudgeted costs for repairing the Walter and McBean Gallery walls. Institutional Support costs are above budget due to timing differences: the Datatel annual contract budgeted in October was paid in September. There were $34K of unbudgeted costs approved by the Board of Trustees for the 800 Chestnut Street and Fort Mason Center architectural studies.

Net Change before Depreciation and Investment Income is a $567K deficit, which is $144K (20%) lower than the $711K budgeted deficit, but $227K higher than the $339K deficit in the prior year.

Endowment

September investment gains on the endowment portfolio of $269K resulted in a year-to-date investment gain of $227K. As shown on the Dashboard, the portfolio value is $8.1 million after the $315K annual draw in July.

Enrollment and Institutional Aid

Enrollment at the end of September of 639 FTE was 1 FTE above budget. Institutional aid is 0.8% above budget. This is due to incoming undergraduate students receiving, on average, nearly 36% in institutional aid versus a goal of 32.8%. Initial examination shows a higher quality of students with higher
GPA’s and higher portfolio scores. Fewer California residents enrolling at SFAI than in prior year results in unmet needs (these students receive no Cal Grants), which is partially met by higher institutional aid.

Balance Sheet

The balance sheet is stronger than budgeted with $3.6 million in Cash, which is $1.3 million higher than budget mostly due to better collections of tuition. Student Receivables is nearly $1 million lower than budget. A delay in planned Capital Expenditures is the other major contributor to being under budget – this will catch up as the railing project is completed during the next two months.

Conclusion

2013–2014 will be a challenging year to meet our budget. Higher than budgeted Spring new starts and higher than budgeted retention between semesters is the key along with cost control.

III. Quarterly Investment Portfolio Performance  Michael Jackson

Michael Jackson presented updates on SFAI’s endowment portfolio. He reported that at the end of the September quarter the portfolio was up by about 3.5% and for the year up by about 7%. Overall, he noted that we are fulfilling our objectives with a 4.5% yield.

Mr. Jackson reported that he is looking into changing SFAI’s account manager. He feels it would be beneficial for SFAI to move from our current manager, located on the East Coast, to someone local.

Mr. Jackson and Mr. Sanjana will hold a second meeting with Anthony S. Hooker, Senior Advisor to the investment team at Ashfield Capital Partners, to discuss his ideas and strategies. Mr. Hooker graduated with his MFA from SFAI in 1995 and works in San Francisco, which Mr. Jackson feels allows an important opportunity for better integration into the SFAI community. Mr. Jackson invited anyone who was interested in joining the meeting to contact him. If after their second meeting the firm seems like a good match for SFAI, Mr. Jackson and Mr. Sanjana will invite Mr. Hooker to make a formal presentation to the Finance Committee.

IV. Update on Fort Mason and 800 Chestnut Facilities Projects  Charles Desmarais

Charles Desmarais began by noting that Charles Hobson would follow with a report on the pre-campaign activities. Mr. Desmarais reviewed three potential schedules for planning and construction at Fort Mason for the Committee’s review. They are:
Mr. Desmarais noted that the three options project an August opening for the fall semester, though there would be flexibility for a January opening if we preferred. Option A, which would entail putting a security deposit down now and beginning construction in July 2014, would require that SFAI take action quickly and is likely too fast a turn around for our current schedule. Options B and C, alternatively, would be more natural progressions. Mr. Desmarais urged the Committee to consider a number of reasons why it would be important not to wait too long before moving forward. These reasons included:

- The current enthusiasm for the project.
- The fact that a move to Fort Mason is strategic and will be an important recruiting tool for SFAI. The earlier we have this tool available to us, the better.
- The fact that costs go up the longer we wait, in the amount of approximately $800,000 per year.
- Additionally, the lease at the 3rd Street graduate studios expires in 2018. Mr. Desmarais believes that SFAI can negotiate, either fully or partially, out of it. He noted that $800,000 annually is what is currently spent on our lease at 3rd Street, so exposure to double rent is balanced by cost escalation due to inflation.

Mr. Desmarais said that the two logical schedules and building possibilities would be Options B and C. Should the Board decide to move forward with a Capital Campaign at the November 14 Board meeting, in order to proceed with Option B SFAI would need to exercise the Option to Lease and pay a $300,000 security deposit by June 2014. (The current unsigned term sheet states that SFAI must give Fort Mason 13 months of notice between exercising the Option to Lease and the date of the Lease Commencement, which in Option B is July 2015.) This would still allow SFAI one and a half years of a quiet phase of the Capital Campaign before possibly announcing a goal and launching a public phase. He reminded the Committee that SFAI needs to allow for some leeway for unanticipated setbacks that may arise. Mr.
Desmarais then emphasized the importance of securing gifts during construction, as cultivation opportunities such as hard-hat tours can tangibly engage potential donors. Mr. Desmarais concluded his report and asked the Committee for any questions.

Mr. Hobson asked about the tax credit. Mr. Desmarais responded that Fort Mason’s current tax credit project has a rolling 24-month period, and he does not believe SFAI’s work can get done during that period. Fort Mason can apply for a five-year tax credit project, where work completed by December 2017 is eligible for credits.

Mr. Sanjana added that the Bank of America has agreed to purchase the tax credits that Fort Mason is receiving, so would also need to agree to purchase the credits for SFAI’s work. After fees and administrative costs, savings from the 20% tax credit would be about 15%.

Mr. Hobson then noted that major campaign costs need to be considered as we move forward. Ms. Colebrook confirmed that the Capital Campaign budget includes $700,000 for campaign administration, such as: a public kick-off event to promote public awareness, campaign consultant fees, and an additional staff person (campaign associate). Mr. Hobson added that these campaign costs would be covered by the payment of campaign pledges.

V. Update on Capital Campaign Progress

Charles Hobson

Mr. Hobson, co-chair of the Pre-Campaign Planning Committee with Diane Frankel, began his presentation by distributing an un-attributed Board Pledge spreadsheet listing pledges for the Capital Campaign, deferred gifts, and annual fund.

Mr. Hobson noted that the results of the Board phase are still very much in flux with solicitations and follow up conversations ongoing. He believes that we are receiving very positive support and that many individuals stand behind the campaign with great excitement and enthusiasm.

Mr. Spector asked for clarification on the deferred column of the Board Pledge spreadsheet. Ms. Colebrook replied that they are testamentary gifts. Although testamentary gifts do not go directly to the Fort Mason campaign, they will support the future success of the Institute. Ms. Colebrook noted that at this early stage, a policy for has not yet been approved for how testamentary gifts will be counted in this campaign.

The question was posed, what is the total amount of the remaining asks? Mr. Hobson noted $3.5M. Mr. Hobson stated that he and Ms. Frankel feel confident that they will be able to secure close to the $8-10 million range,
which is the goal for Board giving, during the pre-campaign solicitation period.

Mr. Tellis asked if the deferred (or testamentary) giving would be included in the $8-10 million figure. Mr. Hobson said he was not yet sure, but emphasized that testamentary gifts are important for building up an endowment. He also reminded the Committee of the importance of the Annual Fund in supporting the operations of the school. Mr. Hobson explained that we would know more at the Finance Committee meeting on November 11, following the pre-campaign meeting on November 8 with BuildingBlox.

Frank Mainzer asked for clarification if the annual column is a five-year sum, and Mr. Hobson confirmed that it is.

As a last note, Ms. Colebrook expressed that the Capital Campaign and Annual Fund pledges are a great demonstration of trustee generosity. With no other questions on the table, Mr. Hobson concluded his presentation.

VI. Other Business

Chris Tellis

With no other new business Mr. Tellis adjourned the meeting.
Consolidated Meeting of the Executive, 
Finance and Pre-Campaign Planning Committees 
November 11, 2013 
3:00-5:30 pm 
Room 16B 

Attendance: 
Trustees: Jennifer Emerson, Hank Feir, Diane Frankel, Charles Hobson, Michael Jackson, Bonnie Levinson, Cynthia Plevin, Chris Tellis 
Staff: Janette Andrawes, Cynthia Colebrook, Charles Desmarais, Heather Hickman Holland, Tamara Loewenstein, Hesse McGraw, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland 
Committee Members: Steven Spector 

Absent: 
Trustees: Penelope Finnie 
Staff: Elizabeth O’Brien 

I. Chair’s Welcome 
Cynthia Plevin 
Ms. Plevin welcomed all asked Ms. Frankel and Mr. Hobson to present the Pre-Campaign Planning Committee Report. 

II. Pre-Campaign Planning Committee Report 

Board Phase Results 
Charles Hobson/Diane Frankel 
Ms. Frankel reminded the group that at the last Board meeting, she and Mr. Hobson were charged with meeting face-to-face with all Trustees and Trustees Emeriti to make Capital Campaign solicitations. She then reported that the solicitations have amounted to $3.8 million in outright pledges, with $875 thousand in testamentary giving, for a total of nearly $4.7 million. When combined with the Annual Fund pledges the total amounts to $5.8 million, with three Trustees and one Trustee Emeritus remaining to be solicited and several Trustees yet to confirm their pledges. 

Mr. Hobson noted that he was impressed with how positive the responses had been, and that no one had expressed anything but support for the concept of Fort Mason and reuniting the campus.
Ms. Frankel introduced Nate Levine of BuildingBlox Consulting (BBC) to present their final Feasibility Study Results.

Feasibility Study Results                                      Nate Levine, BuildingBlox

Mr. Levine reminded the Committees of the three critical building blocks that will determine the success of the Campaign: a compelling case for giving is a pipeline of probable major gift prospects and strong leadership.

Mr. Levine then outlined the three key milestones of a Capital Campaign: 1) the Planning Phase, 2) the Quiet Phase, and 3) the Public Phase. In the Planning Phase, lasting 6-9 months, Trustees and Trustees Emeriti are invited to give, making up 20-30% of the Campaign goal. The Quiet Phase, lasting 9-12 months, reaches out to additional major gift prospects and brings the total to 50-65% of the Campaign goal. Lastly, the Public Phase, lasting 12-24 months, reaches out to a broad public, incorporating gifts of all sizes, and reaches 100% of the Campaign goal.

Mr. Levine reminded the Committees that the feasibility study conducted by BBC included 212 probable donors. He also noted the importance of having the bandwidth to conduct the Capital Campaign and that, when asked in a survey, SFAI’s faculty, staff and Board asserted the willingness to conduct 1,900-2,800 cultivation and solicitation visits over a 3-year period. Mr. Levine indicated this as a very positive sign of support, considering the total need for visits over the major gifts period is between 675-1,125.

Mr. Levine congratulated Ms. Frankel and Mr. Hobson for their role in launching the Pre-Campaign and helping to ignite a great amount of enthusiasm. He reiterated the importance of having full Board participation and excitement for the Campaign. He indicated that not every Trustee needs to solicit on behalf of the Campaign, but that there are many other opportunities to engage potential donors: introducing, thanking, providing tours, hosting events, and acting as face-to-face ambassadors on behalf of the Institute.

BBC’s fundraising probability study found that Trustee giving for the Capital Campaign alone would likely be between $6,075,000 (low projection; 80% confidence) and $9,435,000 (high projection; 60% confidence). Five-year annual commitments from Trustees were projected as between $1,239,950 (low projection; 80% confidence) and $1,363,945 (high projection; 60% confidence). This results in total Trustee giving between $7,314,950 and $10,798,495.

BBC estimates the Institute has the capacity to raise between $22 million and $30 million of Capital and Annual giving combined.

III. Preliminary Schedule of Capital Projects                          Charles Desmarais

Mr. Desmarais began by stating that he believes maintaining excitement is critical to launching the Capital Campaign and emphasized the reasons to move capital projects forward with a sense of urgency:
• It is important to maintain the momentum of the Campaign

• The construction phase of a project is a key opportunity to cultivate donors and secure major gifts

• While SFAI is on par with, or ahead of, other art schools in terms of faculty and student quality, the Institute is far behind on facilities (as seen during Mr. Desmarais’ recent retreat to Philadelphia and AICAD conference at MICA in Baltimore). This makes it more difficult for Admissions to recruit students.

• The disjunction between the two campuses is hurting the school

• There is demand from students for better resources at 3rd Street, but Mr. Desmarais is resistant to invest in upgrades at a site with a relatively short-term lease

• There is an enrollment opportunity cost for each semester without the new facility

Mr. Desmarais presented a recommended timeline (please see Page 8) to proceed with building at Pier 2 and upgrades at Chestnut Street. This timeline ends with a target opening date for Pier 2 of August 2016.

Mr. Desmarais emphasized that the timeline does not require any financial commitments, except for those pertaining to fundraising, until June 2014 at which time a $300,000 deposit to Fort Mason would be due.

Mr. Desmarais suggested that if the Capital Campaign proceeds with success, it would be ideal to begin accessibility upgrades at Chestnut Street over Summer 2014. This could include moving printmaking downstairs.

Mr. Desmarais then noted that if the Campaign does not proceed as hoped, there are several potential “exit ramps” or “safety valves”:

1. Decide to pull back before the June 2014 deposit
2. Decide not to spend money at Chestnut Street in Summer 2014
3. Pull out before construction (a less attractive exit ramp, because money would have been spent on architects and fundraising)

There was discussion among the Committees about the readiness of the Institute to embark on next steps under this timeline, and concern about what would happen with the money early donors gave if SFAI didn’t proceed with the project. Ms. Plevin noted that each donor contract would establish what happens if things don’t go as planned.

Mr. Desmarais recommended that SFAI keep charging forward toward its goal, knowing that there are “Plan B” options, and reiterated that until June 2014 there is virtually no financial risk.

Overall, the Committees expressed enthusiasm and a deep commitment for building the graduate center at Pier 2.
Mr. Tellis explained that Mr. Sanjana and Ms. Wayland had looked at eight different cash flow scenarios, and he was presenting the one that worked the best. Walking the Committees through the spreadsheets, he explained that the bulk of the spending would be from Summer 2015-Summer 2016, and that the plan would require significant bridge financing, peaking at $11.2 million in quarter 4 of 2015, which is a major issue.

The Committee members discussed how to secure bridge financing, and whether money would be borrowed against pledges, the endowment, or the Chestnut Street building. Mr. Desmarais clarified that most of the building’s value had already been leveraged (with about $4 million left), and that securing against pledges would be ideal. Ms. Wayland clarified that the first borrowing to take place would be for the quarter ending June 2015 in the amount of $945,000 to cover costs not covered by contributions. Ms. Plevin noted that by that time, the Board would have more clarity on how the Campaign was proceeding.

Mr. Tellis reiterated that he understands everyone agrees it is essential to move the graduate center to Pier 2, but it is also the Committee’s responsibility to protect the school and make decisions that move forward while minimizing risk. He reminded the Committees that the hope was to have raised $10 million in Trustee giving prior to the November 14 Board meeting, and so far the Campaign had achieved roughly 40% of that number. He invited the Committees to consider a revised timeline for opening Pier 2, one year later, which would save over $1 million in financing, and duplicate lease payments. He urged the Committees to review alternative scenarios, keeping in mind that this will be the biggest decision the Institute has made in its history.

Mr. Desmarais commented that being good stewards is of great importance, while reiterating that proceeding with enthusiasm for the Campaign’s goal costs nothing until June 2014.

Other points and clarifications that arose in the discussion included:

- Though SFAI didn’t receive the hoped-for $5 million gift, the BuildingBlox gift chart was for a $34 million campaign, so for a $24 million campaign SFAI wouldn’t need a $5 million gift
- SFAI will review pledges and expenditures on a monthly basis to continually inform the plan
- Pushing the timeline back a year would not impede on the ability to receive tax credits, assuming Bank of America agrees to buy the credits
- 100% Trustee giving is important to demonstrate Board support to foundations and outside organizations
- There is the need to recruit an honorary Campaign Chair with a big name and influence in the community
V. Discussion of Recommendation to the Board

Cynthia Plevin

Ms. Plevin asked the Committees to discuss the recommendation that will be sent to the whole Board in advance of the next meeting in three days. Mr. Tellis urged the Committee to continue the conversation, in order to look more closely at the scenarios.

Mr. Levine reminded the Committee that the decision being made at that point was to continue with fundraising. Mr. Desmarais reiterated that the numbers will continue to be refined, and that SFAI needs more information, but that staff and Trustees need the order to move forward to continue with the work.

Other points and clarifications that arose in the discussion included:

- Ms. Colebrook will be adding a staff position to coordinate the Campaign, and BBC could support with coaching, training, and strategy
- The incoming cash flow projections are based on a spreadsheet Ms. Colebrook created. The model assumes that major gift solicitations will take place over three years, and that people have five years from the point of a pledge to pay it out. These numbers are necessarily projections, and incoming campaign revenue will support or contradict them.
- Financing deals with banks are an unknown, but Mr. Sanjana cannot have discussions with banks until the Board authorizes moving forward
- More knowledge of planned giving is necessary; Mr. Feir will be pulling information together

The Committees then discussed what recommendation should be put forth to the Board. They finalized the recommendation to state:

*The Executive, Finance and Pre-Campaign Planning Committees jointly recommend that SFAI embark on a Capital Campaign of $24 million for improvements at the 800 Chestnut Street campus and to establish a graduate center at Fort Mason (the Project).*

*At each Board meeting, the Trustees will review the progress of the Capital Campaign, and no major financial commitments in connection with the Project will be made without prior Board approval.*

Mr. Tellis made a motion to approve the resolution, and Mr. Hobson seconded the motion. The vote was unanimous and the motion passed.

VI. Approval of Gift Counting Policy

Charles Hobson/Diane Frankel

Mr. Hobson read the following policy for counting gifts to the Campaign:

1. The campaign will be administered with a rolling 5-year pledge period through 2016, meaning that pledges made before 2017 would still have five years to pay
the pledge, yet the full pledge amount will be counted. Pledges from 2017 forward should be paid no later than 2022.

2. Expectancies, in which a defined gift commitment is specified to be fulfilled by the planning instrument and documented by an estate document or bequest provision, will be counted toward the Campaign, as long as the donor is 65 years or older by the end of the campaign period, and the pledge is accompanied by sufficient legal documents to make the gift irrevocable.

The full, seven-page Gift Counting Policy will be reviewed by legal counsel for the technicalities of certain testamentary gifts, and they will be consistent with the Gift Acceptance Guidelines approved by the Board November 2012.

Ms. Levinson made a motion to approve the gift counting policy, and Mr. Tellis seconded. The vote was unanimous and the motion passed.

VII. Other Business

Distribution of WASC Report

Mr. Desmarais reported that the Western Association of Schools and Colleges (WASC) requires the distribution of its report to the Executive Committee and also noted that it is required to be available online, on the SFAI website. Mr. Desmarais then distributed a report to each Committee member.

Minutes

Ms. Plevin recommended that the Committee approve the October 21 Finance Committee minutes. Mr. Tellis noted that he had several small changes, and made the motion to approve pending those changes, which he would provide outside of the meeting. Mr. Feir seconded the motion. All were in favor and the motion passed.

Ms. Plevin then recommended the approval of the October 21 Executive Committee minutes. Mr. Tellis made the motion to approve the minutes, and Mr. Hobson seconded the motion. All were in favor, and the motion passed.

Holiday Party

Mr. Desmarais announced the annual SFAI holiday party will take place on December 13 from 1-5pm in the Café and invited all members of the Board to join in the festivities.

Liam Everett Fellowship, Lecture, and Reception

Ms. Colebrook invited all to attend a reception on November 18 at 6:00pm in the Diego Rivera Gallery prior to the lecture by Liam Everett, SFAI’s 2013 Richard Diebenkorn Teaching Fellow.
**Kori Newkirk Lecture**

Mr. McGraw announced the Kori Newkirk lecture that evening and invited all to attend, noting he is a very interesting multi-media artist who has shown with the Jessica Silverman Gallery in San Francisco for the last few years.

With no further business, Ms. Plevin thanked all for their time and service and adjourned the meeting.

*Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson*

*Respectfully submitted,*

*Bonnie Levinson*
*Secretary of the Board of Trustees*
San Francisco Art Institute  
Capital Projects Schedule

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Notes:
- If Fort Mason switches to the five-year tax credit project, SFAI will earn credits on expenditures through December 2017.
- Current unsigned term sheet states that SFAI must give Fort Mason 13 months of notice between exercising the Option to Lease and the date of the Lease Commencement.
- Exercising the Option to Lease requires paying a $300,000 Security Deposit.
Finance Committee Meeting
Monday, December 9, 2013
3:00–4:00 pm
Room 16B

Attendance:

Trustees: Diane Frankel, Charles Hobson, Michael Jackson, Cynthia Plevin, Chris Tellis
Committee Member: Steven Spector
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Elizabeth O'Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:

Trustees: Hank Feir
Committee Member: Frank Mainzer
Staff: Hesse McGraw

I. Approval of Joint Committee Meeting Minutes from Nov. 11

Chris Tellis

Mr. Tellis recommended approving the minutes from the Joint Committee meeting of the Executive, Finance, and Pre-Campaign Planning Committees held on November 11, 2013. Ms. Plevin noted she has several edits that she would pass on to Ms. Loewenstein after the meeting. Mr. Tellis made the motion to approve the minutes with these edits, and all were in favor. The motion passed.

II. Results for the 4 Months Ending October 31, 2013

Espi Sanjana

Mr. Sanjana reported that year to date the Total Revenue of $6.9 million is $484K, or 6.5%, lower than budget. SFAI has an operating surplus, and September and October were normal revenue months. Mr. Sanjana reported in detail as follows:

Net Tuition and Fees

Year to date October Net Tuition and Fees revenue of $6.2 million is $469K, or 7%, below budget, but $226K, or 4%, above last year. Nearly the entire variance versus budget is attributable to low summer registration, which was negatively impacted by the lack of summer Pell Grant availability. Fall tuition revenue is $784K above last year.
Total Other Revenue

Year to date Total Other Revenue (which includes contributions, housing, etc.) is under budget by $15K, or 2%. Housing is $68K above budget and miscellaneous income from facilities rental, printing fees etc. is $58K above budget. Contributions and events (net) is $141K under budget mostly due to loss at the Alumni Day event.

The revenue shortfall of $484K is more than offset by expenses of $6.3 million being $657K, or 10%, below budget. All areas are under budget. The largest variance is in Marketing, up by $282K, which is due to timing differences. For example, $50K budgeted for the rebranding campaign in September will now be spent in January.

Net Change before Depreciation and Investment Income is a $667K surplus, which is $173K, or 35%, better than the $494K budgeted surplus and $63K higher than the $605K surplus in the prior year.

Endowment

October investment gain on the endowment portfolio of $257K results in a year to date investment gain of $484K. This is the result of strong performance of financial markets during October. The portfolio value is $8.3 million after the $315K annual draw in July.

Dashboard

Enrollment at the end of October was 639 FTEs, which is 1 FTE above budget. Institutional aid is 0.8% above budget, which is due to incoming undergraduate students receiving nearly 36% in institutional aid versus a goal of 32.8%. Overall, SFAI is seeing acceptance of a higher quality of students with higher GPA and portfolio scores. Fewer California residents joining SFAI than in prior years resulted in higher Estimated Family Contributions (non-residents don’t receive Cal Grants), which were partially met by higher institutional aid.

Balance Sheet

The balance sheet is stronger than budgeted. $2.6 million in Cash is $1.2 million higher than budget mostly due to better collection of tuition. Student Receivables is nearly $0.8 million lower than budget. Delay in planned CapEx is the other major contributor, which will catch up as the railing project is completed during the next few months.

Conclusion

It will be challenging to meet budget for 2013–2014. Mr. Sanjana noted that key to staying on track will be higher-than-budgeted Spring new starts, higher-than-budgeted retention between semesters, and controlling costs.
The Committee discussed the loss of Pell grant funding and its impact on summer revenue. Mr. Sanjana noted that SFAI still does offer Cal Grants, which help, and that local for-profit schools had recently lost their Cal Grants. Ms. O'Brien added that it is important to have multiple buckets to ensure meeting revenue and enrollment goals, and believes there are many opportunities for bringing in revenue through the graduate and low residency programs. Ms. Schreiber added that there are a number of reasons for lower summer enrollment numbers beyond the Pell grant issue, which she and Ms. O'Brien are discussing.

Mr. Sanjana added that Spring 2014 enrollment is strong. Ms. O'Brien attributes this success to retention initiatives, and feels confident that Admissions will meet or even exceed their enrollment goals. Currently there are 25 FTE new starts for Spring.

III. Tuition and Institutional Aid Options for 2014-2015  

Mr. Sanjana presented two possible options for increasing tuition and institutional aid for the 2014-2015 academic year. He noted that even if SFAI were to increase tuition by 5% for undergraduate programs, the school would still remain less costly than other top-tier AICAD schools. At the graduate level, SFAI’s tuition is more mid-range.

The Strategic Plan lays out a tuition increase of 4% for undergraduates and graduates, and an institutional aid rate of 30%. Mr. Sanjana presented the Administration’s new recommendation of a 4.5% increase in undergraduate tuition and a 4% increase in graduate tuition, with an institutional aid rate of 31% institutional aid. He noted the proposed tuition changes result in an average additional cost of $524 per student. Mr. Desmarais added that the reason for this change from the Strategic Plan is to increase institutional support, and that even a 1% increase in support will aid in recruiting.

Ms. Plevin inquired as to the effect of the increase in tuition last year. Ms. O'Brien replied that incoming students are not as aware because they are enrolling for the first time, whereas continuing students feel the impact. SFAI does maintain funds for an appeals committee, and will increase that allotment in the coming year.

Mr. Hobson suggested sending a letter to all students and parents updating them about exactly how the increases in tuition are invested to improve the student experience through facility upgrades, more tenured faculty, etc.

Ms. Plevin moved that the Committee recommend a tuition increase of 4.5% for undergraduates and 4% for graduates, with 31% institutional aid rate. Mr. Jackson seconded the motion. All were in favor, and the motion passed.

IV. Fort Mason Project Update  

Mr. Desmarais noted that he would be meeting with Rich Hillis, Executive Director of the Fort Mason Center, later that week to discuss the Term Sheet and other items. Mr. Desmarais then invited Ms. Plevin and Mr. Sanjana to provide their Fort Mason project
Ms. Plevin reported that she recently spoke with Said C. Kordestani, an attorney with Farella Braun + Martel, LLP, who specializes in tax issues and is handling the tax credits for the Fort Mason Center. Mr. Kordestani advised that the Institute does not need legal counsel for seeking tax credits, since it is the Fort Mason Center's responsibility to obtain the credits and deliver them to SFAI. Mr. Sanjana noted there would be some legal fees associated with this process.

Mr. Sanjana reported that he met with bankers from Bank of America, which is purchasing the tax credits from Fort Mason. Everything is in order for Bank of America to purchase additional tax credits from SFAI’s portion of the project, but SFAI needs to get the dates fixed (so tax credit buyers can be arranged) and sign the Term Sheet.

Ms. Colebrook added that on Tuesday, December 17 at 4:30pm, SFAI Trustees were invited to tour Pier 2 with architect Marsha Maytum, to view the substantial progress being made and to begin to envision the site as SFAI’s future graduate center. Ms. Frankel noted the importance of emphasizing that the Fort Mason Center is investing $20 million dollars in renovations.

Mr. Tellis suggested that that this tour presents a very exciting event and an opportunity to move forward from the feeling of disjuncture at the prior Board meeting and acknowledge everyone’s hard work.

Ms. Colebrook noted that SFAI signed a new contract with BuildingBlox Consulting (BBC) for the Campaign, and has a kick-off meeting on Thursday. The fees for service include payments of $10K per month for the first six months, $8K per month for the next six months, and $5K per month for the next two years, phasing out as SFAI gets systems and processes in place. The firm will work with campaign leadership on on-going campaign strategies, individual prospect cultivation and solicitation strategies, solicitor trainings, campaign tracking and management systems, and solicitation collateral development.
Ms. Colebrook thanked Mr. Jackson for underwriting a new position of Campaign Coordinator, which Meagan Stasz recently filled. Ms. Colebrook noted that the new position and a second one for a Campaign Assistant will make a huge difference in Campaign capacity.

Ms. Colebrook reported additional efforts being made to ensure Campaign readiness:

- Pre-Campaign Co-Chairs Ms. Frankel and Mr. Hobson are in the process of recruiting a Campaign Cabinet
- Legal review of campaign pledge forms is in progress
- Individual meetings with Trustees are being held to enlist involvement in cultivation efforts, such as reviewing the prospect list and hosting events
- Solicitation materials are being developed
- New software modules are being implemented to ensure accurate accounting of actions
- The newly-staffed department will be establishing the parallel work structures of annual and Campaign fundraising
- The upcoming Valentine’s Luncheon will be a cultivation event

Ms. Colebrook concluded her report, and thanked the Committee for their service.

**VI. Bridge Financing Indication**

Espi Sanjana

Mr. Sanjana presented an example of loan terms prepared for SFAI by First Republic Bank for a $10 million loan. Mr. Sanjana referred the Committee to a *Capital Campaign Loan Estimate* handout (see pages 7-8). He reported that SFAI could obtain bridge financing against Capital Campaign pledges. He noted that in this loan proposal, he does not agree with Item D, which notes the school's Endowment as collateral until an acceptable amount of pledges are confirmed. Mr. Sanjana noted that the tax-exempt option includes high legal fees.

Mr. Desmarais emphasized that these terms are one bank's initial estimate, and should be considered a framework.

Mr. Hobson added that as the Institute nears the need to borrow, we could approach donors to advance their pledges in order to help lower borrowing fees. Mr. Sanjana noted that July 2015 is the earliest SFAI would need to borrow funds, so having cash in hand in early 2015 would be helpful. The Committee inquired about whether the cited interest rates were fixed, and Mr. Sanjana noted that they could go up over time. He explained that once the project timeline is clearer, a firmer financing estimate can be issued. Mr. Sanjana believe this will be in the middle of the next year.

**VII. Other Business**

Mr. Jackson announced that beginning in January 2014 he will be spending six months in Florida. He inquired if someone else should step in as the Chair of the Investment
Subcommittee. Ms. Plevin urged the Committee to consider taking advantage of Skype to allow Mr. Jackson to telecommute to future meetings. The Committee unanimously supported this idea and expressed their hope that Mr. Jackson would continue chairing the Investment Subcommittee because all were very pleased with his work. Mr. Desmarais suggested that Mr. Mainzer could be deputized to search for a new Endowment Manager and the Committee agreed.

**VIII. Adjourn**

With no further business, Mr. Tellis thanked the Finance Committee and adjourned the meeting at 5:00pm.

*Minutes prepared by Tamara Loewenstein, and reviewed by Cynthia Plevin*

*Respectfully submitted,*

*Cynthia Plevin  
Chair of the Board of Trustees*
Capital Campaign Loan Estimate
First Republic Bank
December 6, 2013

Highlights: Construction line that has a draw period and then converts to a term loan that matches the pledge collection schedule for repayment. Bank and borrower to mutually agree on a construction monitoring company.

Capital Campaign: The ratio of loan outstandings to confirmed, written pledges to be collected prior to maturity shall be at least 80%. Advance on construction facility can only begin once acceptable pledges signed and are in hand.

Collateral
   a. UCC-1 first priority security interest in all business assets
   b. Leasehold deed of trust
   c. Assignment of campaign pledges
   d. Endowment of the Borrower until an acceptable amount of pledges are confirmed

Taxable - Prime + .25% during draw construction period, then loan outstandings’ with the fixed period of: 5 yr. 4% fixed, 7 yr. 4.65% fixed both converting to LIBOR + 3%, 1 pt fee. Bank and borrower can discuss a term loan at the end of capital campaign loan if balance remains.

Tax Exempt – Prime -50 % during draw period, then then loan with the fixed period of: 5 yr. 3 % fixed, 7 yr. 3.65% fixed both converting to LIBOR + 2.5%, 1 pt fee. Bank and borrower can discuss a term loan at the end of capital campaign loan if balance remains.

Brian W. Plotner
Managing Director

Commercial Banking / Lending
First Republic Bank
111 Pine St. 10th Floor
San Francisco, CA 94111

Direct (415) 288-8030
Tel (415) 392-1400
Fax (415)296-5708
Based on the assumption of a $10 million loan:

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Minutes

I. Chair Welcome

Mr. Tellis welcomed the Committee and wished everyone a happy new year. He then called for approval of the December 9 Finance Committee Meeting minutes.

II. Approval of Minutes from December 9 Meeting

Cynthia Plevin made a motion to approve the December 9 meeting minutes. Mr. Spector seconded the motion. All were in favor and motion passed.

III. Results for the 5 Months Ending November 30, 2013

Mr. Sanjana reported that year to date total revenue of $9.7M is $604K (5.9%) lower than budget. He reported the breakdown as follows:

- Year to date November Net Tuition and Fees of $8.7M are $575K (6%) below budget but $502K (6%) above last year. The majority of the variance versus budget is attributable to lower summer registration. Fall tuition is $1.2M (11.5%) above last year.
- Year to date Total Other Revenue (Contributions, Housing, etc.) is under budget by $29K (3%). Housing is $65K above budget and miscellaneous income from facilities rental, printing fees etc. is $58K favorable to budget. Contributions and Events (net) is $153K under budget mostly due to loss of $75K on the alumni event and art sale.
Revenue

Revenue shortfall from the budget of $604K is more than offset by expenses of $7.87M being $777K (9%) below budget. All areas are under budget. The largest variance is in Marketing which is $269.5K under budget, largely due to timing of expenditures. For example, $50K budgeted for the rebranding campaign in September will now be spent in January.

Borrowing

Mr. Sanjana noted that the Institute has not borrowed since July 2013.

Surplus

The Net Change before Depreciation and Investment Income is a $1.85M surplus, which is $173K (10%) better than the $1.68M budgeted surplus and $227K higher than the $1.6M surplus in the prior year. November end is normally the highest surplus during the fiscal year.

Endowment

November investment gain of $5.7K on the endowment portfolio results in a year to date investment gain of $490K. The portfolio value is $8.3M after the $315K annual draw in July. Mr. Jackson added that December should be a very good month for the endowment.

Enrollment

Enrollment at the end of November of 633 FTEs was 5 FTE below budget. As reported in October, the institutional aid rate is 0.8% above budget. This is due to incoming undergraduate students receiving nearly 36% in institutional aid versus a goal of 32.8%.

Balance Sheet

The balance sheet is stronger than budgeted. The Cash balance of $916K is $610K higher than budget mostly due to better collections of tuition. This can be attributed to a newly implemented wire transfer option available to students. Student Receivables are nearly $0.7M lower than budget. The delay in the planned railing project is the other major contributor to the favorable cash balance as compared to the budget. It is anticipated that this will catch up as the railing project is completed during the next two months.

Conclusion

Mr. Sanjana concluded that the 2013-2014 year continues to be a challenging year to meet budget. Spring 2014 enrollment is looking promising; however continued cost control will be important to achieve budgeted surplus for the year.
Ms. Frankel inquired if Trustee pledges for the Annual Fund had been received by the end of December. Ms. Colebrook replied that most Trustees have either made their gift or pledge and that she is following up with the others.

IV. Fort Mason Update

Charles Desmarais

Mr. Desmarais reported on his recent meeting with Rich Hillis, Executive Director of the Fort Mason Center (FMC). At the meeting Rich offered to provide Pier 2 for SFAI’s 2015 MFA exhibition at no cost, which saves the Institute more than $25K. Mr. Hillis also invited Mr. Desmarais to discuss SFAI’s plans for Pier 2 at FMC’s March Board meeting, and Mr. Desmarais invited Mr. Hillis to present at SFAI’s March Board meeting as well, to discuss FMC’s larger plans and the centrality of SFAI to their strategic plan.

Mr. Desmarais noted that Mr. Hillis shared that there was some skepticism on FMC’s Board that SFAI has obtained the amount of pledges that Mr. Hillis reported. Mr. Desmarais can reinforce those numbers at their Board meeting.

Mr. Desmarais added that he discussed the ArtPlace America grant LOI with Mr. Hillis, who approved of it, and feels the two organizations are on the same page.

Mr. Hobson inquired about the possibility of another organization expressing interest in leasing FMC. Mr. Desmarais replied that while FMC and SFAI have not signed any legal documents, he would be very surprised if Mr. Hillis did not alert SFAI if FMC received another offer, and give SFAI the opportunity to work towards a lease. Mr. Sanjana added that there also are restrictions on the type of tenants that FMC can lease to.

Mr. Hobson noted that the recent Fort Mason tour was a great success, and hopes that more tours will be scheduled soon.

Mr. Desmarais stated that he has a meeting scheduled with Mayor Ed Lee and JD Beltran (San Francisco Arts Commission President and SFAI faculty member and City Studio Director) on January 17. At this meeting, Mr. Desmarais hopes to introduce the growing partnership between SFAI and FMC and to discuss reopening the MTA tunnel that connects the existing F streetcar line to FMC. While reopening the tunnel is in City plans, it is not currently in the City’s budget.

V. Capital Campaign Status

Diane Frankel/Charles Hobson

Mr. Hobson acknowledged that after the holiday break Capital Campaign efforts were just gearing back up. He reported that:

- Roselyne Swig has pledged $600K and agreed to be an Honorary Co-Chair of the Campaign Cabinet
- He and Ms. Frankel have been working diligently with Cynthia Colebrook and Meagan Stasz on various Campaign strategies, tasks, and systems
- They have clear plans for forming a Campaign Cabinet with Honorary Co-Chairs
- At the next board meeting, Trustees will be called upon to consider who else might join the Cabinet and to commit individually to specific cultivation plans for campaign prospects.
Ms. Frankel reminded the Committee that the Capital Campaign is a 5-year project, and that long-term strategy is key. She noted that she and Mr. Hobson are beginning to cultivate individuals and ask their advice, and that they intend for additional results in the next 3-6 months.

Both Ms. Frankel and Mr. Hobson shared their optimism about future prospects, having already raised $8M. Mr. Hobson noted that next steps include receiving signed pledge forms, and identifying what results need to be demonstrated by the May Board meeting to instill confidence in the Board to proceed with the project and to pay a $300K security deposit to FMC.

Ms. Frankel noted that as a part of the interview process with potential new Trustees, the Committee on Trustees is clearly communicating that all Trustees will be asked to pledge to both the Capital Campaign and the Annual Fund. Several campaign prospects are currently in the pipeline.

**VI. Other Business**

*Endowment Manager*

Mr. Desmarais suggested a follow-up discussion on securing a new endowment manager, since Mr. Jackson is out of town six months of the year and wants to step down from the position. Mr. Jackson reported that he and Mr. Sanjana are very satisfied with the current endowment manager, but would like to secure a local manager in San Francisco if an attractive option is identified. Any Committee recommendations can be passed along to Mr. Feir or Mr. Sanjana during the time that Mr. Jackson is in Florida.

*Early Retirement Incentive Program*

Mr. Desmarais presented a draft version of an Early Retirement Incentive Plan (under review by attorneys) for faculty members with at least 30 years of service to the institution as of January 1, 2014. The plan is completely voluntary, and faculty will have to choose to accept the option by February 28, 2014.

He noted that SFAI has not had a solid retirement plan, and only instituted a 403(b) plan in the last decade, which was halted in 2009 due to financial exigency. It was reinstated in January 2012, and this January 2014 the matching contribution amount was increased so employees can now contribute up to 16% of their salary, and SFAI will match 50% of employee contributions, up to 8% of the individual’s salary.

He explained that the ERIP is particularly relevant to the Finance Committee due to the plan’s financial impacts. In the short term, there are higher costs; however, over the course of four years, the net cost impact of using lower-cost visiting faculty and tenure-track faculty is positive.

Mr. Desmarais added that two faculty members had individually approached the Institute with a request for retirement, and this program would formalize the process. He emphasized that his hope is to provide interested faculty members (who meet the 30 year service eligibility) with the opportunity to retire, and have a “soft landing” as they transition out of teaching at the Institute. Eight individuals are currently eligible for the plan.

The Committee discussed various concerns:
• Faculty members may feel they are being pushed out or that the plan is setting the stage for lay-offs; the perception of faculty members who stay is also important
• The 45-day time frame to elect to participate in the program is a short window in which to make a significant life decision
• The plan does not provide a long enough bridge period to figure out next professional steps for those who need to continue working

Other Committee members felt that the plan satisfies both faculty and institutional needs. Mr. Desmarais reiterated that the plan is voluntary and in response to requests the administration has received from faculty. He also pointed out that there are risks in not making these changes, such as the continuation of faculty who do not participate fully.

The Committee suggested looking into the possibility of extending the mandated 45-day period or offering the plan as a new program rather than a one-time possibility. Ms. Plevin clarified that offering the ERIP as a general policy would require negotiation with the faculty union.

Mr. Desmarais thanked the Committee for their thoughts.

**VII. Adjourn**

With no further business, Mr. Tellis thanked the Committee and adjourned the meeting.

*Minutes prepared by Tamara Loewenstein, and reviewed by Cynthia Plevin*

*Respectfully submitted,*

*Cynthia Plevin*
*Chair of the Board of Trustees*
Finance Committee Meeting
Monday, February 10, 2014
3:00-4:00 pm
Room 16B

Attendance:
Trustees: Hank Feir, Diane Frankel, Charles Hobson, Cynthia Plevin, Chris Tellis
Committee Members: Frank Mainzer, Steven Spector
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:
Trustees: Michael Jackson
Staff: Elizabeth O'Brien

Minutes

I. Approval of January 6 Finance Committee Minutes  Chris Tellis

Mr. Tellis welcomed the Finance Committee and moved to approve the January 6 Finance Committee Meeting minutes. Ms. Plevin made a motion, and Mr. Mainzer seconded the motion. All were in favor and the motion passed.

II. Results for the 6 Months Ending December 31, 2013  Espi Sanjana

Mr. Sanjana reported that things are going well financially. The year-to-date Operating Surplus is $1.3M, which is $524K lower than the year-to-date November amount due to the deficit in December, which is a low revenue month because school ended on December 6.

Capital Campaign Contributions

In December, the Institute received the first Capital Campaign cash contributions in the amount of $300,000 (one $250K contribution and one $50K contribution). As required by Generally Accepted Accounting Principles, the impact of the Capital Campaign Revenues and Expenses are now included on the Statement of Activity. Written pledges will be included as revenue beginning in January, with future year contributions discounted at 3% per annum.

Year-to-date Revenue
The Year-to-date Total Revenue of $10.5 million is $632K (5.7%) lower than budget. The breakdown is:

- Year to date December Net Tuition and Fees of $9.3 million are $610K (6%) below budget, but $295K (3%) above last year. The majority of the variance versus budget is attributable to low summer registration. Fall tuition is $830K (7.4%) above last year.
- Year to date Total Other Revenue (Contributions, Housing, etc.) is under budget by $22K (1.8%). Housing is $57K above budget and miscellaneous income from facilities rental, printing fees etc. is $7K above budget. Contributions and Events (net) is $86K (24%) under budget mostly due to a loss of $75K on the alumni event and art sale, SFAI Concentrate.

Mr. Sanjana reported that revenue shortfall from the budget of $632K is more than offset by expenses of $9.20M being $945K (9%) below budget. He noted that all areas are under budget. The largest variance is in Marketing, largely due to $50K budgeted for a rebranding campaign in September, which will now be spent beginning in January.

The Net Change before Depreciation and Investment Income is a $1.3M surplus, which is $314K (31%) better than the $1.01M budgeted surplus and $181K higher than the $1.1M surplus in the prior year.

Against the $300K received for the Capital Campaign, the Institute has expenses of $53K for a net increase in surplus of $246K.

*Endowment*

In December investment gain of $159K on the endowment portfolio results in a year-to-date investment gain of $649K (8.02%). The portfolio value is $8.5M after the $315K annual draw in July.

*Enrollment*

Enrollment at the end of December of 633 FTEs was 5 FTE below budget. As reported in prior months, the institutional aid rate is 0.8% above budget. This is due to incoming undergraduate students receiving nearly 36% in institutional aid versus a goal of 32.8%. Enrollment for the Spring 2014 semester is 18 FTEs above budget, largely due to improved retention for undergraduate students.

*Dashboard Update*

The Dashboard has a new section for reporting on the Capital Campaign (second section from the bottom). For December, the “Pledges Received” and “Contributions Received” are the same. In future months, these amounts will be different due to pledged future contributions that have not yet been received. Neither of these amounts will agree with the “Revenue” amount shown on the Statement of Activities because contributions to be
received in the future will be discounted in calculating revenues. Also, the Institute is going to track campaign-to-date (from the beginning of the campaign) amounts in the third column. In future years they will be different from the current year-to-date amounts.

**Balance Sheet**

The balance sheet is stronger than budgeted. The Cash balance of $2.2M is $2.2M higher than budget, mostly due to better collections (largely because due to a newly implemented wire transfer system). In the budget, the Institute was planning to borrow $243K, which did not need to happen. Student Receivables is nearly $1.5 million lower than budget. Delay in the planned railing project is another major contributor to the favorable cash balance as compared to the budget. The Institute anticipates that this will catch up as the railing project is completed during the next few months.

Mr. Sanjana concluded by stating that 2013-2014 year continues to be a challenging year. Spring 2014 enrollment is strong; however, continued cost control will be important to achieve the budgeted surplus for the year.

The Committee discussed the difficulty in finding housing as a key issue for students, including how the move to Fort Mason would impact where students live. Mr. Desmarais acknowledged that the idea of developing additional student housing has been discussed, but that the Board cannot take on too many large projects at once. Ms. Schreiber added that during the summer months SFAI will be offering housing as a scholarship opportunity to students with the hopes of bringing in higher summer enrollment numbers.

The Committee agreed to discontinue use of the term “discount rate” and replace it with “institutional aid rate” or “financial aid.”

### III. Number of Finance Committee Meetings Per Year

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Mr. Sanjana recommended that the Finance Committee consider moving to bi-monthly meetings in the next academic year. He explained that monthly meetings were implemented during the Institute’s financial crisis and now that it is in good standing, the Committee can consider meeting with less frequency.

The Committee discussed the idea and concluded that as the Board embarks on a Capital Campaign, key financial decisions are approaching, so it should continue to meet on a monthly basis and will revisit the idea at a later time. It was suggested that the Committee consider moving its monthly meeting to the third Monday of the month from the second, so that the previous month’s financial statements will be available. The timing of Executive Committee meetings would also be adjusted to maintain alignment, and both meetings should be held at least a week in advance of Board meetings to allow adequate time to prepare and distribute materials.

### IV. Capital Campaign Status

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<th>Diane Frankel/Charles Hobson</th>
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Mr. Hobson presented a spreadsheet titled *Comprehensive Gift Pledges FY 2013-2018*, which outlines Capital Campaign and Annual Fund gifts and pledges including anticipated, verbal pledges, verbal testamentary, cash pledged, and cash received. The spreadsheet reflects gifts and pledges as $6,280,000 for the Capital Campaign and $1,095,000 for the Annual Fund, for a total of $7,375,000.

Mr. Sanjana inquired how individuals are being followed up with to convert verbal pledges to confirmed cash pledges. Mr. Hobson replied that donors receive a pledge form; if the form is not returned, they receive a follow-up call and/or reminder letter to keep them informed of the status of their pledge. In addition, tracking systems are being developed and used by Advancement staff.

Ms. Frankel reported that soon she, Mr. Hobson, and Mr. Desmarais would be meeting with a representative of the Haas Jr. Foundation for counsel and advice. She added that their recent meeting with Presidio Trust Board member Charlene Harvey was very valuable.

Ms. Colebrook asked the Committee if the format of the spreadsheet distributed was clear and helpful, and the Committee unanimously agreed it was.

### V. Reporting Format for Capital Campaign Pledges

Cynthia Colebrook

Mr. Tellis suggested that the Committee consider how to best report the status of the Campaign to the Board in a way that balances enthusiasm with straightforward reporting that does not oversell the Campaign’s success. It was noted that while the spreadsheet is very helpful, it does not indicate when pledges will be received. Ms. Colebrook confirmed that a separate document with cash flow projections is submitted to the Finance office which will be presented in the future to the Finance Committee for review.

### VI. Other Business

Chris Tellis

**Student Housing**

Mr. Tellis raised the question of housing rentals as a source of income for the Institute, and Mr. Desmarais confirmed that during the summer SFAI student housing is nearly at capacity through rentals to the company CareerBuilders, some free housing for scholarship students, and the PreCollege program.

The Committee discussed the ongoing issue of the high cost of living in San Francisco as having a direct impact on retention. Ms. Schreiber added that staff in Student Affairs do support students in their search for off-campus housing.

**Investment Subcommittee**

Ms. Frankel inquired about the status of finding a new Chair for the Investment Subcommittee, since Mr. Jackson has expressed his wish to step down. Mr. Feir
responded that he and Mr. Sanjana are researching alternative fund managers for the endowment, but that the Board needs to recruit a new Trustee with the financial background and expertise to replace Mr. Jackson in his investment role.

The Committee discussed the need to review and update its guidelines for how the endowment should be managed in order to align with specific gift management guidelines set by the Board; the Institute’s goals and level of comfort with risk; and new laws recently passed for gift management.

Mr. Desmarais encouraged Mr. Feir to bring a strong candidate for endowment manager to meet with the Finance Committee, when the time is right.

Annual Report

Ms. Colebrook noted that each Committee member would be receiving a copy of the recently published Annual Report in the mail, in addition to the one received at the meeting. She encouraged members to think of the copies distributed at the meeting as a cultivation tool to share with others.

VII. Adjourn

With no further business, Mr. Tellis thanked the Committee and adjourned the meeting.

Minutes prepared by Tamara Loewenstein, and reviewed by Cynthia Plevin

Respectfully submitted,

Cynthia Plevin
Chair of the Board of Trustees
Finance Committee Meeting
Monday, March 10, 2014
3:00-4:00 pm
Room 16B

Attendance:
Trustees: Hank Feir, Diane Frankel, Charles Hobson, Cynthia Plevin, Chris Tellis
Committee Members: Michael O’Shea, Steven Spector
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Elizabeth O'Brien, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:
Trustees: Michael Jackson
Committee Members: Frank Mainzer
Staff: Espi Sanjana (present by phone)

Summary of Actions Taken

The Committee voted to approve an amendment to the Gift Management Policy that adjusts the written policy to SFAI’s actual practice of withdrawing from the endowment on an annual, not quarterly, basis. (See item IV)

Minutes

I. Welcome

Mr. Tellis greeted the Committee and introduced a new member, Michael O’Shea. Mr. O’Shea is an SFAI alumnus who graduated with a MFA in Printmaking in 1993. Before receiving his MFA, he received an MBA from Stanford and an engineering degree. He started a consulting business, now known as KPMG. Mr. Tellis welcomed Mr. O’Shea to the Committee.

II. Approval of February 10, 2014 Finance Committee Minutes

Mr. Tellis asked for a motion to approve the February 10 Finance Committee meeting minutes. Feir made a motion to approve the minutes. Ms. Plevin seconded the motion. All were in favor, and the motion passed.
Ms. Wayland presented in Mr. Sanjana’s absence:

The year-to-date January Operating Surplus is $739K, which is $584K lower than the year-to-date December amount due to the deficit in January, a low revenue month – school started on January 21, 2014.

During January, the Institute received written pledges from five trustees for the Capital Campaign for $1.3M. As required by Generally Accepted Accounting Principles, future year contributions are discounted at 3% per annum. Written pledges of $1.3M were included as revenue of $1,216K on the Statement of Activities.

Year-to-date Total Revenue of $11.5M is $518K (4.3%) lower than budget. The breakdown is:

- Year-to-date January Net Tuition and Fees of $10.1M are $549K (5%) below budget but $384K (4%) above last year. The majority of the variance versus budget is attributable to low summer registration. Total tuition is $754K (6%) above last year.

- Year-to-date Total Other Revenue (Contributions, Housing, etc.) of $1.38M is above budget by $31K (2.3%). Housing is $88K above budget and miscellaneous income from facilities rental, printing fees etc. is $36K favorable to budget. Contributions and Events (net) is $93K (24%) under budget mostly due to loss of $75K on the alumni event and art sale.

The Revenue shortfall from budget of $518K is more than offset by expenses of $10.7 million being $951K (8%) below budget. All areas are year-to-date under budget. The largest variance is in Marketing - $301K – which is largely due to timing differences. For example, $100K budgeted for the rebranding campaign in September ($50K) and January ($50K) will now be spent in the next few months.

Net Change before Depreciation and Investment Income is a $739K surplus, which is $432K (141%) better than the $307K budgeted surplus and $122K (20%) higher than the $618K surplus in the prior year.

Against the $1,516K year-to-date revenues from the Capital Campaign there are expenses of $77K, resulting in a $1.4M net increase in surplus to $2.18M.

January investment loss of $143K on the endowment portfolio results in year-to-date investment gain of $506 K or 6.3%. As shown on the Dashboard, the portfolio value is $8.36 million after the $315K annual draw in July.

Per the Dashboard, enrollment on census date of 606 FTEs was 24 FTE above budget, mostly due to higher retention. As reported in the prior months, the institutional aid rate
is above budget. This is due to incoming undergrad students receiving nearly 36% in institutional aid versus a goal of 32.8%.

The balance sheet is stronger than budgeted. The Cash balance of $6.8M is $3.1M higher than budget mostly due to better collections of spring tuition. Student Receivables is nearly $1.3M lower than budget. Delay in the planned CapEx project is the other major contributor to the favorable cash balance as compared to the budget. It is anticipated that this will catch up as the railing project is completed during the next few months.

Continued cost control is important to exceed the budgeted surplus for the year. Contributions rising to the budget level will help.

Ms. Wayland noted that the Admissions office has been very conservative in its budgeting for attrition rates, and Ms. O’Brien added that once attrition has stabilized at a lower rate they will adapt the projected numbers to reflect this.

The Committee discussed that the year’s cash surplus will be spent down on CapEx and paying down the loan principal, but that it would be wise to set aside some surplus cash for a “rainy day fund.” Ms. Wayland noted that the Committee should discuss how much to plan to set aside in the future.

IV. Changes in Gift Management Policy         Chris Tellis

Mr. Tellis reported that the current Gift Management Policy, adopted October 18, 2011, indicates that cash is withdrawn from the endowment on a quarterly basis; however, the Institute has been withdrawing on an annual basis in July. He referred to a handout with a proposed amendment to the policy so that it matches how the Institute acts in reality, and made a motion that the Finance Committee approve the amendment. Mr. Spector seconded the motion and all were in favor. The vote passed.

The amended sections of the document are as follows:

1. Item III, Section E Expenditure Schedule shall now read:

   Unless the Board of Trustees or its Finance Committee adopts a different schedule, the Spending Rule Amount shall be withdrawn annually in July; the exact dates for each withdrawal shall be determined by the Chief Financial Officer.

2. Item III, Section F Fund Reporting shall now read:

   The institution shall provide to the Finance Committee of the Board a detailed analysis of the SFAI Institutional Endowment Fund, Operational Endowment Fund, Purpose Restricted Fund and Institutional Operational Fund detailing changes in accounts and sub-accounts after the completion of the annual Financial Statement Audit by third party auditors. Exact dates for each annual report shall be determined by the Chief
Financial Officer.

V. Capital Campaign Status  
Diane Frankel/Charles Hobson

Mr. Hobson reported that the Campaign Cabinet is working hard on the cultivations. Former Board chair, Agnes Bourne, who now lives in Wyoming, pledged $250K to the Campaign. Mr. Hobson noted this is of particular importance because she left the inner circle of SFAI and has returned to support its new ventures.

The Advancement team is in the process of moving verbal pledges into confirmed pledges and the process will be accelerated next month. In response to a question, Mr. Hobson clarified that two Trustees have yet to be solicited for their pledges.

Mr. Hobson added that he feels confident in the cultivation process and the success of the Campaign. At the recent Fort Mason tour on March 4, the experience was very positive, and visitors were impressed by the site and the $33M investment already made by the Fort Mason Center and the National Park Service. The next Fort Mason Tour will be held on April 10.

Ms. Frankel added that she will ask every Trustee to engage in one cultivation before the June 12 Board meeting. This could include hosting an event or bringing visitors to view the Pier 2 site.

Mr. Hobson reported that at a recent meeting with Exploratorium Director Dennis Bartels, he learned that once they broke ground, fundraising took off. The Institute has the advantage of a site that is already under construction to show to potential donors. Both Ms. Frankel and Mr. Hobson encouraged the Committee and all Trustees to use the Pier 2 site as a cultivation tool, for example with lunches at the nearby Greens Restaurant.

Ms. Frankel welcomed the Finance Committee to suggest cultivation prospects for a dinner she will be hosting on April 24 at 6pm to celebrate visiting artist Basil Twist.

VI. Capital Project Status  
Charles Desmarais

Mr. Desmarais indicated that the Capital Projects Coordinating Team continues to meet on a weekly basis. With Board approval, Mark Kelley of mack³ has been appointed as the project’s Owners Representative. Included in that request to the Board was authorization for architect Marsha Maytum to continue work on plans necessary for pursuit of tax credits applicable to the Institute’s project at Fort Mason and necessary to the process of obtaining bids from contractors for work on Fort Mason. The Institute hopes to have this information in advance of the June Board meeting.

The Campus Planning Committee will meet on Thursday, before the Board of Trustees meeting. On that agenda will be a review of the work of the Capital Projects Coordinating Team.
Team.

Mr. Tellis added that working with Mark Kelley and mack has already been helpful in lining up important pieces of the project. He indicated that it will be important to convey to the Board the value of Mr. Kelley’s expertise in moving the project forward without compromising future decision-making abilities.

Mr. Desmarais added that recommendations for 800 Chestnut Street’s reprogramming and upgrades are under consideration and a plan will be completed by January 2015.

**VII. Additional Business**

Mr. Spector inquired about the last meeting’s decision to shift Finance and Executive Committee meetings one week later in the month, so that the Finance Committee could review numbers from the previous month, instead of two months behind as it currently does. Mr. Desmarais clarified that this schedule change will be included in planning the 2014-15 schedule.

**VIII. Adjourn**

With no additional business, Mr. Tellis thanked the Finance Committee and adjourned the meeting.

*(Minutes prepared by Tamara Loewenstein, and reviewed by Cynthia Plevin)*

*Respectfully submitted,*

*Cynthia Plevin*

*Chair of the Board of Trustees*
Finance Committee Meeting  
Monday, April 14, 2014  
3:00-4:00 pm  
Room 16B

Attendance:  
Trustees: Diane Frankel, Charles Hobson, Cynthia Plevin, Chris Tellis  
Committee Members: Michael O’Shea, Steven Spector  
Staff: Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Elizabeth O'Brien, Anne Shulock, Susan Wayland

Absent:  
Trustees: Hank Feir, Michael Jackson  
Committee Members: Frank Mainzer  
Staff: Cynthia Colebrook, Rachel Schreiber

Minutes

I. Welcome  
Mr. Tellis greeted the Committee and proceeded to the first item of business.

II. Approval of March 10, 2014 Finance Committee Minutes  
Mr. Tellis asked for a motion to approve the March 10 Finance Committee meeting minutes. Mr. O’Shea indicated that his biography should reflect 1) that he received an MBA before receiving his MFA from SFAI and 2) that he did not start KPMG, but was with the company now known as KPMG. Ms. Plevin made a motion to approve the minutes to include these two edits and Mr. Hobson seconded the motion. All were in favor and the motion passed.

III. Results for the 8 Months Ending February 28, 2014  
Mr. Sanjana reported that the year-to-date February Operating Surplus is $1.5M, which is $472K better than budget.

During February SFAI booked $135K in Capital Campaign pledges, making the total booked $1.735 M.

Year-to-date Total Revenue of $13.9M is $551K (3.8%) lower than budget. Mr. Sanjana reported the breakdown is:
Year to date February Net Tuition and Fees of $12.3M are $520K (4%) below budget but $514K (4%) above last year. The majority of the variance versus budget is attributable to low summer 2013 registration. Total tuition is $931K (6%) above last year.

Year to date Total Other Revenue (Contributions, Housing, etc.) of $1.6M is below budget by $31K (2%). Housing is $107K above budget and miscellaneous income from facilities rental, printing fees etc. is $44K favorable to budget. Contributions and Events (net) is $183K (36%) under budget and $95K below last year – which may be partly attributed to the Capital Campaign. With 67% of the year behind us we are at 54% of total year budget – the gala in May will help but unlikely to close the gap completely.

The Revenue shortfall from budget of $551K is more than offset by expenses of $12.4M being $1M (8%) below budget. Nearly all areas are year to date under budget. The largest variance is in Marketing - $327 K – which is largely due to timing differences. For example, $100K budgeted for the rebranding campaign in September ($50K) and January ($50K) will now be spent in the next few months. By year-end Instructional Expenses will be over budget due to above budget enrollment, all at the undergrad level.

Net Change before Depreciation and Investment Income is a $1.5M surplus, which is $472K (46%) better than the $1M budgeted surplus and $10 K (1%) higher than the surplus in the prior year.

Against the $1,642K year to date revenues from the Capital Campaign there are expenses of $91K, resulting in a $1.55M net increase in surplus to $3.1M.

February investment gain of $253K on the endowment portfolio results in year-to-date investment gain of $759K. As shown on the Dashboard, the portfolio value is $8.6M - after the $315K annual draw in July 2013. As long as the gain is higher than our annual draw, the endowment will continue to increase in value.

Per the Dashboard, enrollment of 605 FTEs was 23 FTE above budget, mostly due to higher retention. As reported in the prior months, the discount rate is above budget. This is due to incoming undergraduate students receiving nearly 36% in institutional aid versus a goal of 32.8%.

SFAI is in good shape to exceed its budgeted surplus by a good margin. The potential for a cash reserve fund was discussed and it was agreed that this was a good idea.

The balance sheet is stronger than budgeted. The Cash balance of $5.7M is $2.6M higher than budget mostly due to better collections of Spring tuition. Student Receivables is nearly $1.3M lower than budget. Delay in planned CapEx is another contributor to the favorable cash balance as compared to the budget, though this will catch up as the railing project is completed during the next few months. Capital campaign contributions created $209K additional cash.
Continued cost control is important to exceed the budgeted surplus for the year by a good margin. Contributions rising towards the budgeted level will help.

**IV. Preliminary Budget 2014-2015**  
Mr. Sanjana presented the 2014-2015 preliminary budget based on enrollment, tuition and institutional aid rates approved at the January 9, 2014 Board of Trustees meeting. Based upon those assumptions the budget reflect net tuition of $18.9M.

Mr. Sanjana noted that summer room rentals are down due to loss of a prior year rental client Dream Careers. He added that Anthony Molinar is working hard to market rental space for this summer.

The Committee discussed that summer may be an under-utilized time, and the importance of increasing enrollment in the Low-Residency MFA program. It was noted that limited programmatic offerings restrict the volume of students. For example, SFAI offers significantly fewer programs than CCA (for example Animation, Fashion Design, Industrial Design, etc.) due to its focus on fine arts and studio practice. Ms. O’Brien also explained that SFAI is piloting a summer-start Post-Baccalaureate program.

The Committee then discussed the impact that administration costs are having in higher education nationwide, and the potential implications this may have on tuition. Mr. Sanjana noted that SFAI has not increased remuneration of total administration in the last five years. In addition, staff such as Jeff Gunderson, Director of Library Services and Librarian, provide both administrative and academic support. Also, increasing regulation and reporting requirements from the government place increasing demands on administrators.

Mr. Spector observed whereas proposed spending on instruction is not budgeted to increase, spending on administration and other non-program expenditures is expected to grow. This trend may be perceived negatively when viewed on SFAI's Form 990.

Mr. Sanjana concluded by reporting that next year’s budget includes no borrowing, which is the first in the recent history of the Institute. The budget will need to be approved at the next Finance Committee meeting on May 12.

**V. Capital Campaign Status**  
Mr. Hobson reported that the Campaign Cabinet is working to move verbal pledges to confirmed written pledges and are continuing to prepare cultivation tactics. The goals is to secure an additional $1M by the June 12 Board meeting.

**VI. Capital Project Status**  
Mr. Desmarais reported that Ms. Shulock is preparing a forthcoming, detailed report on Capital Project updates and next steps. The Capital Projects Coordinating Team has met a number of times with the Architect, Marsha Maytum, and Owner’s Representative, Mark Kelley, and plans are being refined. The term sheet is being reviewed by attorneys and finalized, and will eventually provide the lease terms.
Ms. Plevin added that they are moving ahead with next steps to acquire tax credits, which requires written support and documentation of the plans. The Committee inquired if SFAI could still sign a lease after June. Ms. Plevin replied that signing the lease in June 2014 would allow the graduate center to open by August 2016. After that, there would be a number of six-month periods before the graduate center could open at the beginning of an academic term.

Mr. Sanjana added that he and Mr. Kelley are working on cash flows for various scenarios that overlay the fundraising and construction schedules.

**VII. Cost of Moving from Third Street Prior to Lease Expiration**

Mr. Sanjana reported that his inquiry during discussions with Third Street landlord indicate that the space is completely leased out at present, which is a good sign. The Committee should be aware of this, though it should not be a driving factor.

**VIII. Other Business**

In other business, Mr. Sanjana indicated that he had received an e-mail from Michael Jackson regarding an investment recommendation and a request to vote to act upon it. Mr. Jackson’s e-mail indicated the following recommendations: Cut 2% out of the allocation to High Yield Funds and add 2% to the Global Growth and Income category, and move 2% of the remaining cash towards higher total return investments. The Finance Committee voted to accept Mr. Jackson’s recommendation. Mr. Sanjana noted he would inform Mr. Jackson of the approval, so that Mr. Jackson can instruct the account manager to make the changes.

Mr. Sanjana added that he would be inviting Trustee Jay Kern to serve on the Investment Sub-Committee.

**VIII. Adjourn**

With no additional business, Mr. Tellis thanked the Finance Committee and adjourned the meeting.

*Minutes prepared by Tamara Loewenstein, and reviewed by Cynthia Plevin*

*Respectfully submitted,*

*Cynthia Plevin*

*Chair of the Board of Trustees*
Finance Committee Meeting
Monday, May 12, 2014
3:00-4:00 pm
Studio 25

Attendance:
Trustees: Diane Frankel, Charles Hobson, Jay Kern, Cynthia Plevin, Chris Tellis
Committee Members: Frank Mainzer, Steven Spector
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Elizabeth O'Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:
Trustees: Hank Feir, Michael Jackson
Committee Members: Michael O’Shea
Staff: Hesse McGraw

Summary of Actions Taken

I. The Finance Committee voted to authorize the 2014-2015 Budget, which will be presented to the full Board at the June 12 meeting for approval (see Item IV).

Minutes

I. Welcome Chris Tellis

Mr. Tellis greeted the Committee and proceeded to the first item of business.

II. Approval of April 14, 2014 Finance Committee Minutes Chris Tellis

Mr. Tellis asked for a motion to approve the April 14 Finance Committee meeting minutes. The Committee had four amendments to be made to the minutes. A vote was called to approve the minutes pending these changes. Ms. Plevin made the motion and Mr. Hobson seconded. All were in favor and the motion passed.

The following amendments are to be reflected:

1. The second to last paragraph on Page 2, notes that “SFAI is in good shape to exceed its budgeted surplus by a good margin - funds for a rainy day reserve.” The Committee requested
this be edited to read: “SFAI is in good shape to exceed its budgeted surplus by a good margin. The potential for a cash reserve fund was discussed and it was agreed that this was a good idea.”

2. On Page 3, in the fourth paragraph of Section IV, the Committee clarified that the discussion was more generally about the issues of growing administration costs in higher education as a whole, not at SFAI. The minutes should reflect that the Committee brought the issue up as a concern and discussed how to best reflect this as a potential issue. The impact on tuition in the future, should also be highlighted as an issue of concern.

3. Mr. Spector noted that the second to last paragraph in Section IV, on Page 3 did not accurately reflect his statement. Instead, he suggested it read “Mr. Spector observed whereas proposed spending on instruction is not budgeted to increase, spending on administration and other non-program expenditures is expected to grow. This trend may be perceived negatively when viewed on SFAI’s Form 990.”

4. On Page 4 in the second paragraph of Section VI, it should be clarified that both Mr. Sanjana and Mr. Kelley are both working on cash flows, instead of only Mr. Kelley as the notes currently reflect.

III. Results for the 9 Months Ending March 31, 2014

Espi Sanjana

Mr. Sanjana reported that the year-to-date March Operating Surplus is $2.5 million, which is $681K better than budget.

During March, SFAI booked $1.9 million in Capital Campaign pledges, making the total pledges booked $3.635 million.

Year-to-date the nine months Total Revenue of $16.5 million is 491K (2.9%) lower than budget.

Mr. Sanjana reported the breakdown as follows:

- Year to date March Net Tuition and Fees of $14.6 million are $522 K (3%) below budget but $618K (4%) above last year. The majority of the variance versus budget is attributable to low summer 2013 registration. Total gross tuition is $1.1 million (6%) above last year.
- Year to date Total Other Revenue (Contributions, Housing, etc.) of $1.9 million is above budget by $31K (2%). Housing is $125K above budget and miscellaneous income from facilities rental, printing fees etc. is $34K favorable to budget. Contributions and Events (net) is $126K (24%) under budget and $23 K below last year. With 75% of the year behind, the Institute is at 61% of total year budget. Gala – the gala in May will help in closing the gap.

The Revenue shortfall from budget of $491K is more than offset by expenses of $14 million being $1.2 million (8%) below budget. Nearly all areas are year to date under budget. The largest variance is in Marketing which, as previously discussed, is largely due to timing differences.
Net Change before Depreciation and Investment Income is a $2.5 million surplus, which is $681 K (37%) better than the $1 million budgeted surplus and $116 K (5%) higher than the surplus in the prior year.

Against the $3,432 K year to date revenues from the Capital Campaign there are expenses of $121K, resulting in a $3.3 million net increase in surplus to $5.8 million.

March investment gain of $148 K on the endowment portfolio results in year-to-date investment gain of $908 K or 11%. As shown on the Dashboard, the portfolio value is $8.765 million - after the $315K annual draw in July 2013. As long as the gain is higher than our annual draw, the endowment will continue to increase in value.

Per the Dashboard, enrollment of 603 FTEs was 21 FTE above budget, mostly due to higher retention. As reported in the prior months, the discount rate is above budget. This is due to incoming undergraduate students receiving nearly 36% in institutional aid versus a goal of 32.8%.

SFAI is in good shape to exceed its budgeted surplus by a good margin – funds for a rainy day reserve.

The balance sheet is stronger than budgeted. The Cash balance of $4.4 million is $2.3 million higher than budget mostly due to better collections of Spring tuition. Student Receivables is about $217 K is $1.2 million lower than budget. Capital campaign contributions created $178K additional cash.

Continued cost control remains as the one item under our control and is important

**IV. 2014-2015 Budget Approval by Finance Committee**

Mr. Sanjana reviewed the 2014-2015 Budget, which was first presented to the Finance Committee for review at the April 14 meeting. He noted that the revenue budget has not been changed. Mr. Sanjana reviewed the following modifications:

1. Additions to the budget include:
   1) Instructional costs
   2) Legal costs (to cover costs for the SEIU election process)
   3) ERIP costs

2. The operating surplus will allow the Institute to pay down the principal of its debt and fund Capital expenditures.

3. The line items of expenses in *Academic Support* has been shifted to *Instructional, which* includes the Library and Media Services.

The Committee discussed shifting Marketing’s costs from current fiscal year to the next year.
The Committee inquired how Development would reach its goal of a $24M Capital Campaign. Ms. Colebrook responded that it would be able to happen with full support from the Board. She added that the budget approval process begins with a draft budget, which is reviewed by the Development Committee, then the Executive Committee, with final review and approval from the full Board.

Ms. Frankel expressed concern that 73% of Trustee giving would not bring the Institute to its goal. Ms. Colebrook clarified that there will be 100% Trustee giving, however not all the pledge forms are in yet, which has held the total giving percentage back.

Ms. Plevin made a motion to approve the 2014-2015 Budget, and Mr. Mainzer seconded the motion. All were in favor and the motion passed.

V. Capital Campaign Status

Ms. Frankel reported there has been significant development in moving the Campaign’s verbal pledges to confirmed. One $250K pledge comes with special circumstances that have stalled moving it to a confirmed pledge. The Campaign staff, with the support of the Campaign Cabinet, will continue to build important infrastructure to support the forward momentum of the Campaign.

Ms. Frankel added that she was very impressed by the latest Tributes newsletter, noting the importance of its cogency and impact of putting the case for the Fort Mason move forward.

The Committee inquired who receive Tributes, and Ms. Colebrook replied that all donors, including alumni donors. Mr. Tellis suggested it would be useful to conduct a cost benefit analysis to understand the potential benefits of distributing the newsletter to all alumni, with the goal that it would increase alumni revenue.

Other Campaign activities include Mr. Levine is conducting meeting with a number of Trustees to identify which prospects they will cultivate. Mr. Desmarais continues to meet with prospects. Ms. Frankel concluded that the Campaign is moving forward, but that it does take time to build up.

VI. Capital Project Status

Mr. Desmarais reported on a number of Capital Project Status updates:

- The term sheet is being refined and finalized
- The schematic design has been refined with thorough input from faculty and students
- Mack5 will work with Oliver and Co. on cost estimates (though SFAI is not committed to Oliver and Co. long-term)
- The Historic Tax Credit application has been submitted to request moving from a 24-month timeline to a 60 month-long schedule. The state historic preservation officer has raised some concerns which Marsha Maytum and Rich Hillis who are currently engaged in reviewing these concerns with him during a face-to-face visit at his Sacramento office. Mr. Desmarais expects the concerns will be resolved, especially because the GGNRA is highly committed to the Project.

VII. Capital Project Cash Flow Forecast

Espi Sanjana

Mr. Sanjana reported on three potential Capital Project Cash Flow Forecasts that reflect three increasingly longer timelines for a move of the graduate center to Pier 2 at Fort Mason (for complete details please see Figure 1):

**Scenario 1:** August 2016  
**Scenario 2:** August 2017  
**Scenario 3:** November 2017

Mr. Sanjana noted that because Scenarios 2 and 3 reflect a longer timeline, they will likely impact fundraising by slowing it down. The Committee discussed its concern a longer timeline that would have a direct impact of needing raise more Capital.

Mr. Hobson suggested that if three Trustees could together offer a $300K gift to cover the deposit for Pier 2, it would greatly assist in alleviating the concern over proceeding with the next step of signing a lease and making the deposit.

The Committee discussed the importance of having full Board support to drive the Campaign forward and the effect that any hesitation or fissures among the Board could have on forward momentum.

The Committee held discussions about the potential risk of another organization signing a lease with the Fort Mason Center before SFAI is able to place its deposit. Mr. Desmarais responded, that while there is always the potential for this, it is highly unlikely that Fort Mason would not find a way to work with the Institute, since Mr. Hillis has been deeply invested in this partnership all along the process thus far.

The Committee also discussed that at the Board meeting there may be concern among Trustees that $24M would be invested into Pier 2, putting Chestnut Street at risk.

Mr. Tellis inquired how the fundraising goals and deadlines would be determined without yet having determined the Project’s timeline.

VIII. Cost Savings of Moving from Third Street to Pier 2

Susan Wayland
Ms. Wayland reviewed a series of timelines and costs breakdown, noting the projected $2 million savings in 3rd Street costs over ten years by moving to Pier 2 from Third Street.

**IX. Other Business**

Chris Tellis

With no additional business, Mr. Tellis thanked the Finance Committee and adjourned the meeting.

*Minutes prepared by Tamara Loewenstein, and reviewed by Cynthia Plevin*

*Respectfully submitted,*

*Cynthia Plevin*

*Chair of the Board of Trustees*
### Figure 1

<table>
<thead>
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<tr>
<td>San Francisco Art Institute</td>
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<td>Scenario Comparison</td>
<td>Excludes pledges designated for 800 Chestnut</td>
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<td>Capital Campaign, Fort Mason Cash Receipts and Expenses</td>
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(1) Excludes pledges designated to 800 Chestnut Street
(2) Assumes $151.5k of loan fees in first quarter of borrowing.
**Combined Finance/Executive Committee Meeting**

Monday, September 15, 2014  
3:00-5:00 pm  
Room 16B

**Attendance:**  
**Trustees:** Penny Finnie, Diane Frankel, Michael Jackson, Jay Kern, Bonnie Levinson, Dusan Mills (by phone), Cynthia Plevin, Steven Spector, Chris Tellis  
**Staff:** Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

**Absent:**  
**Trustees:** Jenny Emerson  
**Committee Members:** Frank Mainzer, Michael O’Shea

**Summary of Actions Taken**

The Committees agreed that SFAI should proceed with a Summer 2015 construction start date and that the next months are critical to the success of the Capital Campaign.

**Minutes**

**I. Welcome**  
**Chris Tellis**  
Mr. Tellis greeted the Finance Committee and proceeded to the first item of business.

**II. Approval of May 12, 2014 Finance Committee Minutes**  
**Chris Tellis**  
Mr. Tellis asked for a motion to approve the May 12 Finance Committee meeting minutes. Mr. Spector made the motion and Ms. Plevin seconded. All were in favor and the motion passed.

**III. Results for Total Year ending June 30, 2014**  
**Espi Sanjana**  
The year-to-date June Operating Surplus is $1.46 million, which is $532K better than budget. The above budget Operating Surplus plus the improvement in collections during the year has resulted in SFAI not having to borrow from its Line of Credit at First Republic Bank this summer – a first in more than a decade.
Year-to-date 12 months Total Revenue of $20.6 million is $395K (1.9%) lower than budget. The breakdown is:

- Year to date June Net Tuition and Fees of $17.9 million are $535K (3%) below budget but $695K (4%) above last year. The majority of the variance versus budget is attributable to low summer 2013 registration and above-budget college funded scholarships. Total tuition is $1.3 million (5%) above last year.
- Year to date Total Other Revenue (Contributions, Housing, etc.) of $2.7 million is above budget by $140 (5.4%). Housing is $136K above budget and miscellaneous income from facilities rental, printing fees, etc. is $127K favorable to budget. Contributions and Events (net) is $124K (13%) under budget and $40K lower than last year. Contributions is 4% of total revenues.

The Revenue shortfall from budget of $394K is more than offset by expenses of $19.1 million being $927K (4.6%) below budget. Nearly all areas are year to date under budget with the exception of Instruction, which has an unbudgeted $215K accrual for the liability associated with the Early Retirement Incentive Plan (ERIP) for tenured faculty. The largest variance is in Marketing, which, as previously discussed, is largely due to timing differences. Spending on the Branding Campaign will flow from the current year into the next fiscal year. In most other areas personnel costs are under budget – not hiring budgeted personnel or delays in replacing terminating employees – as seen on the dashboard, headcount has been under budget all year.

Net Change before Depreciation and Investment Income is a $1.46 million surplus, which is $532K (57%) better than the $927K budgeted surplus but $425K (23%) lower than the surplus in the prior year.

During June we booked $415K in Capital Campaign pledges, making the total pledges booked $4.425 million. Against the $4.2M year to date revenues from the Capital Campaign there are expenses of $372K, resulting in a $3.8 million net increase in surplus to $5.3 million. While pledges are below the projected level, cash flow exceeds the projected level, resulting in collections being 20% of amount pledged versus 10% initially projected.

June investment gain of $182K on the endowment portfolio results in year-to-date investment gain of just over $1.4 million or 18.0%. $166K of endowed scholarship revenue was received in May – $141 at the Gala and $25K from the Velma Peterson estate. The portfolio value is $9.5 million after the $315K annual draw in July 2014. As long as the gain is higher than our annual draw, the endowment will continue to increase in value.

The Balance Sheet is strong. Student Receivables are $14.3 million under budget because they do not include $14.7 million in Fall 2014 billings, which were included
in the budget – not a fiscal 2013-2014 item and reversed out in the year-end actuals. Capital Expenditures for the year were over budget due to carry over of prior year items, security deposit on the new gas kiln to be received prior to start of Fall 2014 semester, and some unbudgeted items like the new electric kiln to replace the one that died. There were no borrowings against the Line of Credit versus $698K budgeted.

SFAI is in good financial condition going into the next academic year and with Fall 2014 enrollment looking good, financial strength should increase during this year.

**IV. Results for the 2 months ending August 31, 2014**

Mr. Sanjana reported that this is the best start to an Academic Year in a long time. Revenues should exceed budget by a good margin and cost control has been built into the DNA of SFAI.

Attached are the results for year to date August 2014. The operating deficit of $1,315K is $649K or 33% favorable than the $1,964K budgeted deficit. Like other summer months, August is a low revenue month where revenues do not cover costs.

August YTD Total Revenue of $1,677K is $250K (18%) better than budget. The breakdown is:

- **Net Tuition and Fees** of $1,343K are $236K (21%) above budget and $361K (37%) above last year. Fall 2014 enrollment as of the end of August was at 685 FTE vs a budget of 646 FTE, led by higher than planned Graduate level enrollment (see the Dashboard). In addition, in the month of August, we are seeing the continued impact of strong summer enrollment in the Post Baccalaureate program and higher than budgeted participation in our summer Pre–College program.
- Year to date **Total Other Revenue** (Contributions, Housing, etc.) of $334K is above budget by $14K (4%). Housing is $84K above budget driven by higher occupancy rates and additional revenue in July and August for third party summer rentals. In addition, miscellaneous income from facilities rental, printing fees etc. is $36K favorable to budget. Contributions, Events and Exhibitions net revenue is $106K below the budget. The primary driver in the variance to budget is due to the delay in timing on a $100K donation for the Chamberlain Harker Award. SFAI is currently working with the Harker Award trustees to reconfigure grant-funded programs in alignment with Ann Chamberlain’s will. Funds are expected in the current fiscal year.

Year to date August Expenses of $3 million were $399K (12%) below budget. Nearly all areas are year to date under budget, mostly due to timing. As of August there were 9 open staff positions, which are driving some of the lower than budgeted spending. (See the Dashboard) The unfavorable variance in Academic Support is mostly the result of a change in the accounting method for
the faculty Early Retirement Incentive Plan compared to what was budgeted. Per our auditor’s recommendation, we modified our accrual for the liability for the plan and we are now expensing more in the current fiscal year than we anticipated in our budget.

Net Change before Depreciation and Investment Income is a $1,315K deficit, which is $649K (33%) better than the $1,964K budgeted deficit and $175K (12%) better than the deficit in the prior year.

Year to date revenue from the Capital Campaign is lower than planned by $963K. Expenses are over plan by $2K or 6%. See the dashboard for the breakdown of campaign vs. project expenses incurred year to date.

Overall, Capital Campaign pledges have reached $4,350K. While pledges are below the projected level, campaign to date cash receipts on pledges exceeds the projected level, resulting in collections being 20% of amount pledged versus 10% initially projected – see Dashboard.

The investment portfolio gained $347K. The portfolio value is $9.4 million - after the $318K annual draw this month.

The Balance Sheet is strong. Cash is at $6.7M, $2.4M higher than budgeted due to higher than budgeted enrollment and strong collections for Fall 2014. Student Receivables are $815K under budget due to strong collections. Year-to-date CapEx is under budget mostly due to delayed timing on two large projects – the machine shop ventilation system and the new kiln.

SFAI has begun its new fiscal year in good financial condition with Fall 2014 enrollment driving the favorable results. There will be pressure to increase expenses due to higher than budgeted enrollment; therefore we must continue to monitor spending carefully. We expect that the financial strength should continue during this year.

Ms. Frankel inquired if Public Education programs were more successful than last summer, and Ms. Levinson replied that PreCollege had 5 more people than last year and Public Education enrollment is up.

Mr. Tellis noted that SFAI had exceeded its summer budget partly due to having budgeted a lower goal. Ms. Schreiber described ongoing efforts to build summer programs, such as a summer Post-Bac option and bringing in Stanya Kahn next summer (to be confirmed) as a distinguished artist-in-residence for the Low-Residency MFA.

Mr. Tellis inquired if there were any impacts on student experience due to increased enrollment numbers. Mr. Desmarais explained that there have been some extra expenses such as for increased studio tech hours, and that SFAI is also focusing on recruiting and filling in programs that have capacity, such as the MA program.
Mr. Tellis congratulated Mr. Sanjana and his team on a job well done.

V. Fort Mason Update and Next Steps

Charles Desmarais

a. Capital Campaign status

Mr. Desmarais noted that the summer was a slow period with many Trustees and cultivation prospects traveling, but activity has been ramping up in the last several weeks.

Ms. Colebrook confirmed that $7M has been raised in the campaign, inclusive of testamentary. Ms. Frankel added that by March, at the time construction contracts need to be signed, SFAI should have raised another $5.5M. Ms. Colebrook added that five individuals have agreed to Co-Chair the former Trustee phase of the campaign: Agnes Bourne, Howard Oringer, Paul Sack, Jack Schafer, and Roselyne Swig. SFAI’s new Manager of Institutional Giving, Cristiana Baik, is working on proposals to Wells Fargo and the Koret Foundation.

Mr. Desmarais emphasized that while due diligence in regarding financial and legal matters is extremely important, it can negatively impact enthusiasm and momentum, and it is important to consider the proper balance.

b. Construction start date

Mr. Desmarais invited the Committee to consider key questions about the Fort Mason project: Why do we need this project? What is SFAI buying? What are the costs? What are the risks?

The Committee collectively listed the benefits:

- A $54M building for $17M
- Studio space
- Decreased annual lease payments
- Moving from Class C to Class A building
- Increased recruitment and retention
- SFAI’s reputation
- Philanthropy
- Beautification of both campuses
- Securing known future costs
- Further exposure of public programs
- Parking spaces

The Committee then considered the risks:

- Hurt reputation, if goal is not achieved
- A waste of capital
- Future costs of Third Street facility
- Insolvency
The Finance Committee transitioned to a combined meeting with the Executive Committee to continue discussion on the graduate center’s construction start date, followed by Executive Committee business.

The Committees discussed at length the risks and benefits of a Summer 2015 construction start versus waiting until December 2015. A delayed construction start date raised concerns about losing excitement, momentum, and urgency for the Campaign and increased costs due to escalation and hiatus costs.

Moving forward with a Summer 2015 start date brought concerns about SFAI’s ability to raise significant capital before the April Board meeting, unresolved lease negotiation and Historic Tax Credit issues, the potential need to borrow, and a potential loss of the $300K deposit to Fort Mason if FMC turns away facility rentals and SFAI does not meet the target start date and needs to compensate FMC for lost income.

After much discussion, the Committee agreed that SFAI should proceed with a Summer 2015 construction start date and that the next months are critical to the success of the Capital Campaign.

VI. Approval of May 12 & August 6 Executive Comm. Minutes  Cynthia Plevin

Ms. Plevin called for the approval of the May 12 Executive Committee minutes. Ms. Finnie made a motion and Ms. Plevin seconded the motion. All were in favor and the motion passed.

Next, Ms. Plevin called to approve the August 6 Executive Committee minutes. Mr. Tellis made a motion and Ms. Frankel seconded the motion. All were in favor and the motion passed.

Ms. Plevin reported that the Board of Trustees committee memberships were being finalized and would be distributed soon. She also announced that she and Mr. Desmarais are planning to arrange a Board training session focused on the appropriate role of the Board, and invited the Committee to provide recommendations for Board governance facilitators. Ms. Schreiber added that Jill Ferguson, SFAI’s WASC/NASAD consultant, will be on campus in March and will hold a session for Trustees on their role in accreditation reviews.

VII. President’s Report  Charles Desmarais

Mr. Desmarais greeted the Committee and proceeded with a number of reports:
There was a positive meeting this morning with representatives from the National Park Service and State Historic Preservation Office as part of the Pier 2 project approvals process.

The 2013-2014 year-end events were a great success with Gala Vernissage netting over $257K for the scholarship fund. Commencement will return to the Nourse Theatre this academic year, but will be held on Sunday, May 17 (instead of Saturday). This will affect the day of the annual President’s Dinner.

The 2014-2015 academic year is off to a strong start with 700 students in total. Tomorrow, September 16, is the last day to add/drop classes, after which the retention rate can be calculated.

The Board voted to approve Steven J. Spector as a new Trustee at the Annual Meeting in June, making a total of four new Trustees elected since February. A number of strong trustee candidates are in the pipeline.

The opening reception of the exhibition Javier Téllez: Games are Forbidden in the Labyrinth had 465 in attendance.

The Public Programs lecture series includes an impressive roster of artists such as Chip Lord, Allison Miller, and Lucy Lippard. Free tickets for the Lucy Lippard talk are sold out, but dinner tickets are still available. A number of free tickets for Trustees are on reserve. The Public Programs brochure was distributed in the NY Times in early September.

A video about SFAI’s identity initiative, produced by Gershoni, was distributed to the Board, faculty, staff, and students with positive feedback received. The website, Phase I, is now live, and the next Phases will roll out in October. Trustee business cards have been ordered and will be distributed at the September 23 Board meeting. Mr. Desmarais extended special thanks to Elizabeth Ronn and Janette Andrawes for leading the initiative.

Mr. Desmarais and Ms. Plevin lead an All Faculty/Staff meeting recently with updates from Ms. Andrawes on the Identity Initiative and from Ms. Colebrook on the Capital Campaign and fundraising.

The September 23 Board meeting will be held at Pier 2, with a walk-through beforehand.

VIII. Chestnut Street Planning Process

Dusan Mills

Mr. Mills updated the Committees that the Campus Planning Committee has been assessing various options for the Chestnut Street campus. When Mark Kelley returns from vacation, the Committee will refine costs and prioritize. He also noted that Mack has estimated that Studios 9 and 10 could be put back into service for $300K, which would be functional for another 10 years. Mr. Mills noted that the Campus Planning Committee would need to determine the best use of that space as a part of their overall re-programming work.

IX. Finance Report

Chris Tellis

Mr. Tellis recapped the Finance Committees strategic discussion about construction start dates and general consensus to push forward for an August 2016 opening date. He then
reported that SFAI is off to the best start in many years with its finances and enrollment numbers.

**VIII. Campaign Cabinet Update**

Diane Frankel

Ms. Frankel reported that five solicitations have been scheduled to take place before the end of the month. Three leadership solicitations are in the works, one in New York, and two locally. A number of cultivation events have been organized, the first of which is to take place tomorrow evening hosted by Trustee John Sanger. On October 14, the Jameses, Ronns, and Gaudianis are hosting a cultivation event in Palo Alto. Co-chairs for the Former Trustee Committee have been selected. Ms. Frankel reiterated that there are only fifteen weeks remaining until January and there should be a sense of urgency to move swiftly with fundraising efforts.

**IX. Committee Reports** *(written reports distributed in advance of meeting)*

*Exhibitions and Public Programs*, Bonnie Levinson

The Exhibitions and Public Programs committee met last week to review current and new initiatives and there are several exciting projects being launched in the department.

- Public Education enrollment has experienced a significant increase in enrolled students over the last year; for instance last fall 87 students enrolled; as of today 126 have enrolled for this fall and enrollment is continuing.
- Walter and McBean Galleries attendance has increased 93% since the summer of 2013.
- Following the successes of ENERGY THAT IS ALL AROUND, SFAI is developing several future exhibitions with the goal to amplify local histories—these include:
  - A partnership with SFMOMA next spring to present Doug Hall’s *The Terrible Uncertainty of the Thing Described*;
  - A Doug Hall retrospective;
  - And an exhibition of David Ireland’s work, to be presented in January 2016.
- SFAI is initiating a partnership with Kadist Art Foundation that will commission new works and support curatorial work by artists. An annual project cycle will result in a commission of new work by an internationally prominent artist, a group exhibition collaboratively curated with the artist, and a nine-month $25K post-grad fellowship for an SFAI MA or MFA grad. Kadist will contribute $50K annually.
- SFAI is also preparing to launch an Exhibitions and Public Programs Fellow—an annual full tuition award for an incoming MA student. Major goals for this fellowship are to improve the link between the MA program and public programs, and to serve as an aid to MA recruitment efforts.

*Committee on Trustees*, Diane Frankel

Ms. Frankel had no new business to report.
Development Committee, Jay Kern

Mr. Kern made a number of reports related to fundraising efforts and the Capital Campaign:

- $250K of grants have been submitted to Wells Fargo and the Koret Foundation.
- A letter to former trustees has been mailed.
- Alumnus Katharine Butler is to host an alumni event in Sausalito.
- A Chair and members are needed to lead the Gala Committee. This is a big and important role; please speak to him after the meeting if you are interested.
- A Director of Development search has been mounted, with seven applications so far. Four have been short-listed. The selection process will begin with telephone interviews, followed by finalist in-person interviews.

Academic Affairs Committee, Penny Finnie

SFAI is up for re-accreditation this year by both of our accreditors: WASC and NASAD. They will conduct a parallel visit this spring (April 8, 9, and 10). SFAI has hired a consultant, Jill Ferguson, who specializes in assessment in the creative disciplines. She will be working with faculty, the President’s Cabinet, and some board members prior to the visits to prep SFAI for these visits.

- "Art and Technology" has been approved by NASAD as the new name for the major formerly known as “Design and Technology”.
- Admissions and recruitment have been suspended for the BA and MA in "Urban Studies". This decision follows from a number of factors, including:
  - Numbers: there are only about 6 students currently, which is not enough to sustain the curriculum.
  - We are out of compliance with our accreditor, who initially rejected the name “Urban Studies” because it is the name used for a social science major. (At the time, they approved the name “Urban Studies (Art)” but this name was never used, likely because it’s confusing.)
  - We conducted an external program review which revealed some significant issues in the program, in particular a dissonance between the stated aims of the program and its curriculum.
  - We have chosen suspension because we might consider re-launching the program with significant revisions.
- Other changes being considered following the BA/MA external review:
  - Should “History and Theory of Contemporary Art” be a BA or a BFA?
  - Should the MA programs in Exhibition & Museum Studies and HTCA merge, or should they distinguish themselves?
- Additionally, we are no longer using the “School of Interdisciplinary Studies” and the “School of Studio Practice” as structural entities (we don’t feel it’s necessary now that we only have 4 departments, BA, BFA, MA, MFA).
- These changes will all be seen on the new web site.
The changes mentioned above reflect the vision for SFAI, which is to re-hone our identity as a “fine arts” or “studio arts”-only institution. At this time, there are only a small handful of such institutions remaining in the country.

The library also went through a self-study and external review this summer. SFAI will be considering significant library improvements based on that review.

Academic Affairs will be conducting 4 searches this year for full-time, tenure-track faculty, in:
- Art History
- New Genres
- Art and Technology
- Photography

And finally, Dean Schreiber is currently in negotiation with SEIU, a slow process.

**X. Preparation for September 23 Board Meeting**

The Committees agreed that they could expect a lively discussion about the construction start date at the September 23 Board meeting. Ms. Plevin noted the importance of building confidence in the decision-making process, especially for Trustees who have been less involved in the day-to-day efforts.

A newsletter is due to be in hand by the Board meeting including updates about the Capital Campaign that will help Trustees feel informed and engaged, and other campaign communication efforts are being developed.

**XI. Adjourn**

With no further business, Ms. Plevin thanked both Committees and adjourned the meeting.

_Minutes prepared by Tamara Loewenstein, and reviewed by Cynthia Plevin_

_Respectfully submitted,

_Cynthia Plevin_

_Chair of the Board of Trustees_
Finance Committee Meeting
Monday, October 20, 2014
3:00-4:00pm
Studio 16B

Attendance:
Trustees: Charles Hobson, Michael Jackson, Jay Kern, Cynthia Plevin, Steven Spector, Chris Tellis
Committee Members: Frank Mainzer, Michael O’Shea
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Rachel Schreiber, Anne Shulock, Susan Wayland
Absent:
Staff: Espi Sanjana, Elizabeth O’Brien

Summary of Actions Taken

I. Mr. Desmarais, Mr. Sanjana, and Ms. Wayland will bring recommendations for a Trustee Designated Unrestricted Account in the endowment to the next Finance Committee meeting.

II. The Finance Committee approved Steven Spector as the new Chair of the Investment Subcommittee. Mr. Spector will take over the role from Mr. Jackson effective immediately.

Minutes

I. Welcome

Chris Tellis

Mr. Tellis greeted the Finance Committee and proceeded to the first item of business.

II. Approval of Minutes from September 15 Joint Finance/Executive Meetings

Mr. Tellis asked for a motion to approve the minutes from the September 15 joint Finance and Executive Committee meetings. Mr. Mainzer made the motion and Ms. Plevin seconded. All were in favor and the motion passed.

III. Results for the Three Months Ending September 30, 2014

Susan Wayland
On behalf of Espi Sanjana, Ms. Wayland reviewed the results for the three months ending September 30, 2014.

Ms. Wayland noted that SFAI is off to a very good start. After the typical low revenue (low enrollment) summer months, September is SFAI’s first full month of academic-year revenues. September revenues were $3.2M, which is $210K higher than budget. This is the major reason September Operating Surplus is $1.3M, which is $234K (22%) above budget and $392K (43%) higher than last year.

Year to date Total Revenue of $4.8 million is $460K higher than budget. The breakdown is:

- Year to date September Net Tuition and Fees of $4.1M are $336 (9%) above budget and $568K (16%) above last year. Fall tuition is $601K above last year.
- Year to date Total Other Revenue (Contributions, Housing, etc.) is over budget by $124K (21%). Housing contributed $73K of this favorable variance and miscellaneous income from facilities rental, printing fees etc. is responsible for $55K of the variance.
  - Contributions are over budget by $90K, driven primarily by YTD board donations of $128K, reflecting excellent early response to the board phase of the Annual Fund campaign.
  - Exhibitions Contributions are $95.5K under budget, primarily due to a delay in timing on an expected $100K donation.

Due to cost control and delays in hiring, expenses of $4.8 million are $423K (8%) below budget. Academic Support is higher than budget due to a change in the accounting method for the faculty Early Retirement Incentive Plan. Most other departments are under budget in expenses.

Year to date Net Change before Depreciation and Investment Income is a surplus of $0.5K which is $883K (100%) more favorable than the $883K budgeted deficit and $567K better than the $567K deficit in the prior year.

September investment loss on the endowment portfolio of $463K results in year to date investment loss of $216K. As shown on the Dashboard, the portfolio value is $8.99 million after the $319K annual draw in July.

Per the Dashboard, enrollment at the end of September of 674 FTEs was 28 FTE above budget. Institutional aid is 2% below budget.

The balance sheet is stronger than budgeted. $5.8M in Operating Cash is $2.3M higher than budget mostly due to above budget enrollment and better collections of tuition. Student Receivables of $850K are $865K lower than budget. Delay in planned Capital Expenditures is the other major contributor.

2014-2015 year will be a financially strong year and SFAI should exceed budget. Strong Spring new starts and good retention between semesters is the key, along with cost...
control. Additional funds are expected to be available at the end of each semester for a Trustee Designated Unrestricted Account in the endowment.

Mr. Tellis thanked Ms. Wayland, noting that the numbers she presented are sensational. The Committee acknowledged the positive impact of student retention on the numbers and Mr. Desmarais thanked Ms. O’Brien for her good work with the Retention Working Committee. Ms. Schreiber added that the graduate program had had a big dip in enrollment, which impacted enrollment numbers for two years, but now SFAI is through that period. Ms. Wayland also noted an increase in student accounts collections, which is up by 90%, a very strong number as compared to last year.

Mr. Spector inquired about the positive variance in Instruction. Ms. Schreiber explained that various factors will impact the budget, but the studio coordinators manage their budgets very well.

Mr. Tellis noted that the Finance Committee has discussed a “rainy day fund” for some months now, and asked that Mr. Desmarais, Mr. Sanjana, and Ms. Wayland bring recommendations to the Finance Committee at its next meeting.

IV. Fort Mason Update

Mr. Desmarais reported that lease negotiations with Fort Mason continue with the aid of SFAI’s lawyer. Since the last Finance Committee meeting, $75K has been raised for the Campaign. There has been significant activity ramping up around the Capital Campaign. Recent meetings include Wells Fargo and the Osher Foundation locally and the Comer Foundation in Chicago. A number of cultivation events have been co-hosted by Trustees.

a. Process for deciding number of studios in Pier 2

Mr. Desmarais reported that in the Design Development phase, an important activity is studio space planning. Currently, SFAI’s Third Street Graduate studios average 150 square feet (and for the first time, this fall larger studios are being shared by two people), which is on par with other AICAD schools. However, in Pier 2 only 172 studios are able to fit at 150 square feet each. SFAI is discussing two options:

1. Shift some spaces in the current Pier 2 plan to 100 square feet to reach the desired number of 198 studios; or
2. Rent additional studio spaces in the “landside” buildings across from Pier 2 (where costs are likely higher).

A middle ground between the two is another possibility. Mr. Desmarais noted that LMS\textsuperscript{A} will provide both alternates for design and pricing, so a final decision can wait until construction begins. A determining factor will be where SFAI is in its fundraising at the time of decision. Mickey Hill, of Advanced Insights, will be running \textit{pro bono} focus groups to better understand student needs, which will also factor into the decision.

The Committee discussed at length various possibilities for allocating studio space based on student needs. Ideas included:
Maximizing the Pier space with shared studios that aren’t fully twice the size of individual ones
Building studios with walls that could come down to create a shared open space
Instead of referring to “smaller” and “larger” studios, emphasizing different types of spaces for different uses
Adding studios to 800 Chestnut Street
Giving preference to second-year MFA students (which SFAI currently does)
Seeing how studio spaces are used within the Pier before committing to additional space in the landside buildings

Ms. Schreiber emphasized to the Committee that studios are a major factor in the recruitment of MFA students. Mr. Desmarais reiterated that no decision needs to be made until the start of construction and that considerations will be made for the costs of both scenarios outlined.

V. Other Business

a. FMC Lease Negotiations – CPI

Mr. Tellis explained to the Committee that one of the major issues left un-negotiated with FMC is annual rent increases. Currently, FMC has proposed adjustments every 5 years based on the Consumer Price Index (CPI), with a floor of 2% and a cap of 4%. (SFAI had wanted no floor and a cap of 2%). Mr. Tellis noted that the compounded effect of these increases is dramatic. His frustration is that Mr. Hillis is approaching the lease as if it’s a short-term rental, rather than a long-term deal that brings stability and other benefits to FMC.

Mr. Desmarais noted that SFAI has to assume that there will be some rent increase, so the questions are: What is a fair amount? And is CPI a reasonable measure?

The discussion included the following key points:

- SFAI must be a tough negotiator to get the best deal possible, which may involve having an alternative possible location for the graduate center as leverage.
- Many Committee members felt that the CPI cap was more important than the floor.
- The Committee agreed that the more important item to resolve in lease negotiations is the mechanism for renewing SFAI’s initial lease after either 5 years (once Tax Credit requirements are out of the picture) or 20 years (the longest initial lease allowable under Tax Credit requirements). At that point, SFAI will be in Pier 2 and committed to the location, so will not have leverage for negotiating.

The discussion concluded with the decision that Mr. Tellis and Mr. Desmarais will have a drink with Mr. Hillis and say that SFAI can’t agree to a deal with more than a 2.5% cap, based on the Board’s fiduciary duty to the institution.
b. Investment Subcommittee Chair

Mr. Tellis announced that after a number of meetings between Mr. Jackson, Mr. Spector and himself, Mr. Spector has agreed to take over the role of Chair of the Investment Subcommittee from Mr. Jackson, who plans to begin spending more time in Florida. Mr. Tellis moved for a motion to transfer the role of Chair of the Investment Subcommittee from Mr. Jackson to Mr. Spector. Ms. Plevin made the motion, and Mr. Mainzer seconded it. All were in favor and the motion passed.

VI. Adjourn

With no further business, Mr. Tellis adjourned the Finance Committee meeting.

Minutes prepared by Tamara Loewenstein, and reviewed by Cynthia Plevin

Respectfully submitted,

Cynthia Plevin
Chair of the Board of Trustees
Finance Committee Meeting
Monday, December 1, 2014
3:00-4:00pm
Studio 16B

Attendance:
Trustees: Diane Frankel, Charles Hobson, Michael Jackson, Jay Kern, Cynthia Plevin, Steven Spector, Chris Tellis
Committee Members: Michael O’Shea
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Elizabeth O’Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:
Committee Members: Frank Mainzer

Summary of Actions Taken

I. The Finance Committee approved a motion to recommend to the Board of Trustees a 3% tuition increase, with a 30% overall institutional aid rate and 6% cost increase.

Minutes

I. Welcome

Chris Tellis

Mr. Tellis greeted the Finance Committee and proceeded to the first item of business.

II. Approval of Minutes from October 20 Finance Committee Meeting

Mr. Tellis asked for a motion to approve the minutes from the October 20 Finance Committee meeting. Mr. Spector made the motion, all were in favor and the motion passed.

III. Audit

Steven Spector

Mr. Spector reported to the Finance Committee that SFAI received the cleanest audit report that he has seen and congratulated everyone for their hard work. Mr. Oringer will present the audit at the Board meeting for approval.
IV. Results for the Four months ending October 31, 2014  Espi Sanjana

Mr. Sanjana reported that for the academic year 2014-2015, SFAI is off to a very good start. October revenues were $3.3M, which is $223K higher than budget. This is the major reason October Net Change before Depreciation and Investment gain of $1.3 million is $159K above budget.

Year-to-date Total Revenue of $8.1 million is $683K (9%) higher than budget. The breakdown is:

- Year-to-date October Net Tuition and Fees of $7.1 million are $503K (7.7%) above budget and $850K (14%) above last year. Fall tuition is $932K (12%) above last year.
- Year-to-date Total Other Revenue (Contributions, Housing, etc.) is over budget by $180K (21%). Housing contributed $60K of this favorable variance and miscellaneous income from facilities rental, printing fees etc. is responsible for $92K of the variance.
- Contributions are $120K over budget, mostly due to early contributions by the Trustees to the annual fund as shown on the Dashboard.
- Events and Exhibitions are under budget for the first four months primarily due to delay in a budgeted donation – expected later this fiscal year.

Due to cost control and delays in hiring (staff headcount is 56 versus 60 budgeted) expenses of $6.8 million are $359K (5%) below budget. Academic Support is higher than budget due to a change in the accounting method for the faculty Early Retirement Incentive Plan. Most other departments are under budget in expenses.

Year to date Net Change before Depreciation and Investment Income is $1.3M, which is $1M favorable than budget and $679K (102%) better than in the prior year.

October investment gain on the endowment portfolio of $179K reduces the year to date investment loss of $37K. As shown on the Dashboard, the portfolio value is $9.2 million after the $319K annual draw in July.

Per the Dashboard, enrollment at the end of October was 665 FTEs - 19 FTE above budget. The discount rate is 2% below budget due to higher number of foreign students who received lower aid.

The balance sheet is stronger than budgeted. $4.5M in Operating Cash is $2.1 million higher than budget mostly due to above budget enrollment and better collections of tuition. Student Receivables of $425K are $524K lower than budget. Delay in planned CapEx is the other major contributor.

Campaign cash of $481K is $310K below budget and Campaign pledges receivable of $3.3M are $1.8M below budget, reflecting the slowdown in pledges.

2014-2015 will be a financially strong year and SFAI should exceed its budget. Strong Spring new starts and good retention between semesters is the key, along with cost
control.

V. Cash projections for December 31, 2014/June 30, 2015

Mr. Sanjana presented projections for reserve funds that could be added to a Trustee Designated Unrestricted Account in the endowment at the end of each semester.

Currently, SFAI is $1M over budget. As shown in the distributed spreadsheet, Mr. Sanjana estimated a cash balance of $1.6M by December 31, 2014.

For the fiscal year ending June 30, 2015, Mr. Sanjana estimated that SFAI would be over budget by $2.25M. Half of this might be saved in a Money Market account. The Investment Committee will need to decide what type of fund.

Mr. Hobson inquired whether SFAI’s union negotiations with SEIU representing the Visiting Faculty would impact these projections. Ms. Schreiber responded that Spring faculty contracts have been finalized, meaning that the union negotiations won’t affect the contracts and finances until the summer or fall semester.

Mr. Tellis emphasized that SFAI has proven it can operate in a fiscally prudent way, and a reserve is now essential to be able to plan for the future. The Committee agreed that a strong narrative to students, faculty, and staff is that SFAI is in good financial shape and now able to begin addressing things that have been long deferred, with facilities as the first priority.

VI. 2014-2015 Budget

Mr. Sanjana presented the 2014-2015 draft budget for the Finance Committee’s review, with three possible scenarios for tuition increase: 3%, 3.5%, and 4% increase, each with 30% overall institutional aid and a 6% cost increase (which accounts for anticipated increased costs associated with Visiting Faculty contracts, minimum wage increases, and healthcare).

Mr. Desmarais recommended the lowest option of a 3% increase, recognizing all of the financial stresses on students and their families. This increase will still allow SFAI to achieve an operating surplus and have funds to put toward diversity initiatives and increased appeal aid. A 3% increase is consistent with the current San Francisco Bay Area CPI.

Ms. O’Brien added that tuition increases directly impact student retention, especially as many SFAI students come from families with high need. Ms. O’Brien and Ms. Wayland explained that they regularly see how tuition increases break students’ and families’ budgets.

After further discussion, Ms. Plevin made a motion to recommend to the Board of Trustees a 3% tuition increase for 2015-2016, with a 30% overall institutional aid rate and 6% cost increase. Ms. Frankel seconded the motion. All were in favor, and the motion passed.
VII. Fort Mason Update  

Charles Desmarais

Mr. Desmarais reported that the lease negotiations are slow going. A key point remaining is the whether that the deal SFAI and FMC strike now holds once the initial 20-year lease is renegotiated. Regulations for Historic Tax Credits stipulate that upon renewal, rent must be at fair market value. There is a conference call this week to work on a proposed solution, and ensure that SFAI does not pass on a financial burden to the future Board. Mr. Tellis emphasized that both the tuition conversation and this issue speak to the importance of living within SFAI’s means and achieving known stability.

Mr. Desmarais also reported that a 1,200-page document for the Design Development phase is currently under review. The strategy is now for SFAI to negotiate a Guaranteed Maximum Price for the project with the contractors Oliver and Co.; the contract will come to the Finance Committee and the Board for approval before signing. Mr. Tellis noted that expenditures will need to occur soon to stay on schedule, and it is important that all Trustees stay informed about project and fundraising status as these decisions are made, especially as there is ground to make up in fundraising.

VIII. Other Business  

Chris Tellis

With no further business, Mr. Tellis adjourned the Finance Committee meeting.

Minutes prepared by Tamara Loewenstein, Administrative Assistant to the President

Respectfully submitted,

Cynthia Plevin
Chair of the Board of Trustees
Executive Committee Meeting
Tuesday, August 13, 2013
4-5pm
Room 16B

Attendance:

**Trustees:** Diane Frankel (on phone), Charles Hobson, Chris Tellis, Cynthia Plevin
**Staff:** Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Anne Shulock, Rachel Schreiber, Espi Sanjana

Absent:

**Trustees:** Jenny Emerson, Penny Finnie, Bonnie Levinson
**Staff:** Elizabeth O’Brien

I. **Chair Welcome and Minutes**

Chair Cynthia Plevin welcomed all attendees. Ms. Plevin called for a motion to approve the minutes from the May 20, 2013 Executive Committee meeting. Chris Tellis made a motion and Charles Hobson seconded. A vote was taken and the motion passed.

II. **Update on BuildingBlox Study**

Mr. Hobson reported on the status and preliminary findings of the BuildingBlox fundraising feasibility study. After 11 interviews, findings include:

- Potential donors don’t yet know President Desmarais or his vision well enough; face-to-face cultivation will be important
- SFAI needs to increase the pipeline of potential major donors
- Early and audacious giving from the Board is crucial
- SFAI should consider allowing contingent gifts
- SFAI should develop a policy for testamentary gifts

Cynthia Colebrook explained the feasibility study process in more detail, including ratings of prospects and probable gift amounts. She also noted that the interviews conducted so far are with the people closest to SFAI (trustees and trustees emeriti).
The Committee then discussed preparation for the September 3 Board meeting: the need to finalize the cost estimation, and the possibility of holding a special meeting of the Board in late September or October.

Mr. Tellis raised the suggestion from trustee John Sanger that SFAI engage the Fort Mason Center in fundraising efforts to help expand the pipeline. Concerns included Fort Mason’s fundraising acumen, potentially diluting the case for support, and possible resentment from other nonprofit organizations located at Fort Mason.

Mr. Hobson emphasized that SFAI needs a “win” outside of our existing circle. Ms. Colebrook noted that the Institute needs to establish the right fundraising goals to ensure success and build enthusiasm and credibility.

The Committee discussed considerations in shaping a recommendation for the Board. Considerations include:

- SFAI’s recent history and challenges
- Project budget – numbers are getting solid
- Fundraising capability – still an unknown
- Timing – moving to a longer track could allow SFAI to build a stronger foundation, but it’s important to create a sense of urgency and excitement
  - SFAI’s lease at Third Street expires in June 2018, and does not have an extension option built in

### III. Update on Capital Projects

**Charles Desmarais**

Mr. Desmarais presented the fly-through animation of the Fort Mason project created by LMS Architects.

Mr. Hobson raised the question of naming opportunities and was informed that that is part of the agreement with Fort Mason.

The Committee then discussed how to best present options for building projects to the Board. The components under consideration are:

- Fort Mason
- Accessibility at Chestnut Street (full)
- Accessibility at Chestnut Street (partial)
- Internal remodeling at Chestnut Street
- Expansion options A or B
- Expansion option C

The goal for a joint meeting of the Campus Planning Committee and the Ad Hoc Committee on Fort Mason on August 15 is to winnow down these options for the Board. Mr. Hobson spoke in favor of beginning with Fort Mason and initial renovation work at Chestnut Street, then building on a success to
continue to fundraise for improvements at Chestnut Street. Ms. Colebrook noted that a capital campaign would likely be in the ballpark of $20 to $34 million.

Mr. Tellis asked at what point SFAI would have the confidence to commit SFAI to contracts with Fort Mason. Ms. Colebrook noted that early gifts are confidence-builders, and that SFAI needs a certain amount committed before signing contracts. Mr. Desmarais added that the tax credit law and agreement with Fort Mason needs to figured into the planning. Fort Mason’s current tax credit project is a two-year project, and there is the option of converting to a five-year project. However, if the project is converted to a five-year timeline, SFAI can still set our own goals of a three or four year project.

Mr. Tellis spoke about the importance of conveying a coherent vision to excite people, and viewing Fort Mason and Chestnut Street as a holistic project. Rachel Schreiber emphasized that the two sites form an ecosystem—they act together to form a whole, and cannot be broken apart. Hesse McGraw added that the strength of the two sites lies in the symbiosis represented in the historic Chestnut Street campus and the expansive progress at Fort Mason; one is not possible without the other.

IV. Preparation for September 3 Board Meeting — Presentation Schedule/Format

The Committee discussed how to order the presentations of the capital projects and the feasibility study at the Board meeting. The Committee agreed that Mr. Desmarais would present the results of the summer work and the recommended capital projects in an integrated manner. Following Mr. Desmarais, Nate Levine from BuildingBlox will present on the fundraising feasibility study.

The Committee agreed to meet again on Monday, August 26 from 4–5 pm, following the joint meeting of the Campus Planning Committee/Ad Hoc Committee on Fort Mason on August 15 and the Pre-Campaign Planning Committee on August 21, to continue to prepare for the Board meeting on September 3 and determine the recommendation that the Executive Committee will put forth to the Board.

It was decided that Anne Shulock will prepare a report with background information for the Board of Trustees to summarize the intensive summer work on capital projects, assure the trustees that the committees have researched numerous options and reviewed detailed cost estimation, and present the arrived-at consensus.

Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson
Respectfully submitted,

Bonnie Levinson
Secretary of the Board of Trustees
Executive Committee Meeting
Monday, August 26, 2013
4-5pm
Room 16B

Attendance:

Trustees: Penny Finnie, Diane Frankel, Charles Hobson, Cynthia Plevin, Chris Tellis
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Elizabeth O’Brien, Anne Shulock, Rachel Schreiber, Espi Sanjana

Absent:

Trustees: Jenny Emerson, Bonnie Levinson

I. Chair Welcome and Minutes

Chair Cynthia Plevin welcomed all. Due to the special nature of this meeting to prepare for the Board of Trustees meeting on September 3, the August 13 meeting minutes will be approved, along with the August 26 meeting minutes, at the upcoming October 21 meeting.

II. Update on Capital Projects

Charles Desmarais began by presenting the recommendations made by the Ad Hoc Committee on Fort Mason, the Campus Planning Committee, and the Pre-Campaign Planning Committee to the Executive Committee. The recommendations were distributed to the Executive Committee at the meeting, and were as follows:

The Ad Hoc Committee on Fort Mason and the Campus Planning Committee recommend to the Executive Committee that SFAI:

1. Proceed with developing Pier 2 at Fort Mason Center as a dynamic site for graduate studios and public programs, at an estimated full project cost of approximately $17.5 million (not including historic tax credits); and
2. Invest in the historic 800 Chestnut Street campus through intermediate accessibility upgrades, interior expansion/renovation, reprogramming, and addressing deferred maintenance, with a scope of $10 million.

The Pre-Campaign Planning Committee recommends to the Executive Committee that SFAI:

1. Embark on a Comprehensive Campaign goal of $20 to $25 million, inclusive of the Capital Campaign goal and five-year Annual Fund goal, to raise funds
for projects at both Fort Mason and Chestnut Street, which will be practically phased to gain economies of scale, tax benefits, and assurance that SFAI will have a venue for the graduate studios;

2. Given the important correlation between Board giving and campaign dollars raised, commit to an immediate, dedicated Board Campaign with individual face-to-face meetings to discuss game-changing, example-setting, audaciously generous five-year pledges; and

3. Refine the project scope and Campaign goal by the November 14 Board meeting based on the final conclusions and recommendations of the BuildingBlox study and the results of the Board solicitations.

Assumptions

1. Timing: SFAI will consider multiple factors that impact cost while developing the timeline for the Fort Mason project.
   • Project will begin by Quarter 3 of 2014. (Given San Francisco’s construction environment, costs may rise significantly. Pushing the project timeline out two quarters, for example, raised the estimated cost by $1 million.)
   • SFAI will take advantage of Fort Mason’s historic tax credit project, currently a 24-month program (re-casting as a 60-month program is possible).
   • Interest on bridge financing is not included, and will add to the project cost.

2. Third Street Lease: SFAI will clarify its options for extending the lease at Third Street as a point of comparison and a back-up plan in the event that a Campaign falls short of the funds necessary for the Fort Mason project.

3. Code Compliance: Renovations at Chestnut Street would not trigger major code upgrades. Work at Chestnut Street will be preceded by an ADA/Fire and Life Safety Analysis, and contingent on an understanding of the potential cost and liability exposure to upgrades.

4. Entitlements: SFAI will continue to explore the possibility of securing the entitlements that would enable future expansions in the site of the New Genres buildings and the Meadow.

Mr. Desmarais then presented three different cost breakdowns that outlined options for capital campaign and comprehensive campaign goals/ totals (see page 9 for charts):

1. The original numbers tested as part of the feasibility study
2. The numbers recommended by the Ad Hoc Committee on Fort Mason and the Campus Planning Committee, based on the summer architectural studies and cost estimating work
3. The numbers recommended by the Administration, based on the committee recommendations and preliminary results of the feasibility study

Mr. Desmarais invited Cynthia Colebrook to review the preliminary fundraising probability numbers provided by BuildingBlox Consulting. Ms. Colebrook reminded
the Executive Committee that information presented is based on 14 interviews conducted to-date, out of an anticipated 30 total interviews. Referencing charts provided by BuildingBlox, Ms. Colebrook explained that SFAI currently falls in a 60% to 80% range of raising between $23.5 million and close to $26 million. Ms. Colebrook also pointed to the importance of Board participation, because Board giving sets the example for the community and other donors and has a multiplying effect.

Ms. Colebrook reiterated that BuildingBlox’s recommendation is to begin the potential campaign with a Board phase, asking trustees to make their pledges, and use that information to refine the campaign goal at the November Board meeting. (Contingent pledges are acceptable.) Diane Frankel reminded the Committee that the payout of pledges is over a five-year period.

The Committee then indicated the importance of generating enthusiasm for the projects, and how having a major success will allow SFAI to build on that momentum.

### III. Discussion of Recommendations

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The Committee discussed the proposed numbers for the campaign, with a primary concern being that in the Administration’s recommendation only $3 million was allocated for improvements at Chestnut Street, and many trustees and donors feel a strong affinity for the Chestnut Street campus. This $3 million figure will require an intermediate approach to accessibility issues (through moving programs around, for example), instead of adding new elevators.

Mr. Desmarais stated that his goal for the September 3 Board meeting is to arrive at a Board decision to undertake a campaign and the Fort Mason project, and an emotional commitment to the project, though at this point there would not yet be a legal commitment to Fort Mason. Mr. Tellis asked what the threshold/data is that lets SFAI know we can move forward. Ms. Colebrook emphasized that the conclusion of the feasibility study and the Board campaign phase before the November 14 Board meeting will provide important information for finalizing the campaign goal.

Mr. Tellis commented that this plan puts the most emphasis on Fort Mason. He also raised the question of access at Chestnut Street, and how exposed SFAI is to legal risk because of not meeting ADA requirements.

Mr. Hobson emphasized that Fort Mason allows for a dramatic reinvention, and that he does not see this campaign as the last one, but as a “win” for SFAI that will enable further fundraising. Mr. Desmarais added that fundraising for Fort Mason is meant to leverage money that could help the institution overall; this is a holistic project, not Fort Mason as opposed to Chestnut Street. Mr. Tellis noted that the Fort Mason project vaults SFAI up to another level and has transformative potential. Ms. Frankel
added that work at Chestnut Street can be completed in phases, while the Fort Mason project cannot be phased.

The Committee then discussed staging a capital campaign versus a comprehensive campaign. Advantages of a capital campaign include staying on message about buildings and a campaign number that reflects only building costs. Advantages of a comprehensive campaign include allowing even people who don’t have major gift capacity to feel like a part of the effort, and a simpler picture of the total amount of money the institution needs to raise over five years.

Through the discussion, the key changes to the recommendations that the Ad Hoc Committee on Fort Mason/Campus Planning Committee and Pre-Campaign Planning Committee had presented to the Executive Committee were:

- Adjust the total campaign goal to $24 million
- Adjust the allocation to Chestnut Street to $7 million
- Frame the campaign as a Capital Campaign versus a Comprehensive Campaign, meaning that annual fundraising will continue, but separately from the Capital Campaign

(See pg. 11 for the corresponding chart that was updated following the meeting)

It was determined that following the meeting, Anne Shulock would edit the recommendation, campaign figures, and assumptions according to the discussion, and circulate them to the Executive Committee for approval via email.

### IV. Updated Recommendation

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<td>The below recommendation (with updates indicated in bold below) was approved by the Executive Committee via email, and will be presented at the September 3 Board meeting:</td>
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**The Executive Committee recommends that the Board of Trustees adopt the following resolution:**

*The San Francisco Art Institute will:*

1. Proceed with developing Pier 2 at Fort Mason Center as a dynamic site for graduate studios and public programs, at an estimated full project cost of approximately $17.5 million (not including historic tax credits);

2. **Invest in the historic 800 Chestnut Street campus through intermediate accessibility upgrades, interior expansion/renovation, reprogramming, and addressing deferred maintenance, with a scope of $7 million;**

3. **Embark on a Capital Campaign to raise $24 million for projects at both Fort Mason and Chestnut Street, which will be practically phased to gain economies of scale, tax benefits, and assurance that SFAI will have a venue for the graduate studios;**

4. Given the important correlation between Board giving and campaign dollars raised, commit to an immediate, dedicated Board Campaign with individual face-to-face meetings to discuss game-changing, example-setting, audaciously
generous five-year pledges; and

5. Refine the project scope and Campaign goal by the November 14 Board meeting based on the final conclusions and recommendations of the BuildingBlox study and the results of Board pledging.

Assumptions

1. **Timing:** SFAI will consider multiple factors that impact cost while developing the timeline for the Fort Mason project.
   - Project will begin by Quarter 3 of 2014. (Given San Francisco’s construction environment, costs may rise significantly. Pushing the project timeline out two quarters, for example, raised the estimated cost by $1 million.)
   - SFAI will take advantage of Fort Mason’s historic tax credit project, currently a 24-month program (re-casting as a 60-month program is possible).
   - **Interest on bridge financing will add to the project cost. $1 million for bridge financing is factored into the recommended campaign budget.**

2. **Third Street Lease:** SFAI will clarify its options for extending the lease at Third Street as a point of comparison and a back-up plan in the event that a Campaign falls short of the funds necessary for the Fort Mason project.

3. **Code Compliance:** Renovations at Chestnut Street would not trigger major code upgrades. Work at Chestnut Street will be preceded by an accessibility/fire and life safety analysis, and contingent on an understanding of the potential cost and liability exposure to upgrades.

4. **Entitlements:** SFAI will continue to explore the possibility of securing the entitlements that would enable future expansions in the site of the New Genres buildings and the Meadow.

5. **Annual Fund:** Along with the Capital Campaign, SFAI will continue its annual fundraising, with a five-year goal of $6.7 million as stated in the Strategic Plan.

6. **Endowment:** With the enhanced awareness-raising inherent in a Capital Campaign, SFAI will encourage planned and testamentary gifts, which, unless otherwise stated by donors, will add to SFAI’s endowment over time. Only when these gifts are realized during the campaign pledge period will they be counted toward the Capital goal.

Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson.

Respectfully submitted,

Bonnie Levinson
Secretary of the Board of Trustees
Executive Committee Meeting  
Monday, October 21, 2013  
4-5 pm  
Room 16B

Attendance:  
Trustees: Penny Finnie, Charles Hobson, Bonnie Levinson, Cynthia Plevin, Chris Tellis  
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Elizabeth O’Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:  
Trustees: Jenny Emerson, Diane Frankel  
Staff: Hesse McGraw

I. Chair Welcome and Minutes  
Cynthia Plevin

Chair Cynthia Plevin welcomed the Committee. Ms. Plevin called for a motion to approve the minutes from the August 13 Executive Committee meeting. Chris Tellis made a motion to approve and Charles Hobson seconded. A vote was taken and the motion passed. Next, Ms. Plevin called for a motion to approve the minutes from the August 26 Executive Committee meeting. Penny Finnie made a motion to approve the minutes and Mr. Hobson seconded the motion. A vote was taken and the motion passed.

II. President’s Report  
Charles Desmarais

Alumni Day and SFAI Concentrate

President Charles Desmarais welcomed the Committee and began his report with an update on SFAI Concentrate, which took place on the weekend of October 19-20. He reported that Alumni Day was an extraordinary day with a fabulous party in the evening, and an art sale on Sunday. He noted that eight trustees came during the weekend. He felt that the lower attendance numbers compared to last year (when the event was the Winter Art Festival) could be attributed to the BART strike, and that more could also be done to market the event. He believes there were likely 1,000 visitors over the course of the weekend, with $3,000 worth of student artwork sold to a single trustee. Mr. Desmarais noted how pleased he felt by the quality and dedication of staff involvement and feels confident that this event will continue in the future.
Bonnie Levinson asked Mr. Desmarais about how we connected with alumni, wondering how they will be engaged as supporters of the Capital Campaign. She noted that at many other schools alumni contributions to Capital Campaigns are very high. Mr. Desmarais stated that he feels very committed to building relationships with alumni and that we have hired a new Alumni Relations and Special Events Manager who will be instrumental in our next steps with fostering such relationships. Ms. Colebrook noted that she often hears feedback that alumni are only contacted by SFAI when we request funding support and she is interested in in changing that to more full engagement.

Rachel Schreiber suggested that the committee might look into alumni giving numbers at AICAD schools to get a sense of how other institutions are doing. She also noted that art school giving tends to be lower than University alumni giving. Mr. Desmarais noted that there are a number of alumni that come from wealth that we may not have engaged yet. Chris Tellis noted that he believes there are alumni who have the ability to support SFAI, but simply have not been asked, or even heard from us. He suggested the notion of a “forensic study” to see if we can find those individuals, many of whom are present on social networks, and begin to cultivate them. Mr. Desmarais agreed, and commented that he knows of two alumni in particular who were not being cultivated until recently, and now are giving $10,000 in support annually. Ms. Levinson agreed with Mr. Tellis that finding and engaging alumni should be a high priority, and wonders if there is a way for Board members to assist with this search and cultivation process.

Mr. Hobson stated that faculty are key to reaching out to alumni, giving the example that artist Linda Connor holds dinner parties with valuable guest lists, and Mr. Desmarais affirmed the idea. Ms. Colebrook noted that SFAI has increased the number of alumni for which we have correct contact information by 70% over the last two years. Ms. Levinson suggested that Marketing strategize a call for people to identify themselves as SFAI alumni via Facebook, advertisements, and other available social media platforms. Ms. Colebrook noted that SFAI is working on cleaning up and expanding a common database.

Mr. Desmarais emphasized that the Advancement department is doing a lot to engage alumni that trustees may not know about, and suggested that at the next Executive Committee meeting that Ms. Colebrook report on these efforts.

_HFBK Centennial_

Mr. Desmarais reported that he recently returned from a visit to the Hochschule für bildende Künste Hamburg (HFBK Hamburg), a long established and well-known art school in Hamburg, Germany that recently celebrated their centennial. He noted that they are building the Art School Alliance, which SFAI has joined, and which allows twelve international art students per year to live and study at HFBK for a semester. In turn, HFBK students can spend a semester at a partner university abroad. The partners in the Art School Alliance network are: School of The Museum of Fine Arts (Boston),
Hochschule für bildende Künste (Hamburg), China Academy of Art (Hangzhou),
Goldsmiths, University of London, Department of Art (London), École nationale
supérieure des Beaux-Arts (Paris), San Francisco Art Institute (San Francisco), and
Akademie der bildenden Künste Wien (Vienna). Mr. Desmarais noted that there are
discussions of exchanging not only students but also faculty.

Association of Independent College of Art and Design (AICAD)

Mr. Desmarais reported that he is on the nominating committee of AICAD. He noted
he is aware of his transition from the role of a museum director to an art school
administrator and feels it is going very well, and that he has earned the respect of art
school colleagues.

Philadelphia Retreat

In early November, Mr. Desmarais reported that he, Hesse McGraw, Rachel
Schreiber, and Anne Shulock are taking a short retreat to Philadelphia to discuss the
important intersections of public and academic programs. He noted that he is very
pleased with the appointments of Mr. McGraw and Ms. Schreiber and that there was a
“Meet the Dean” event for Ms. Schreiber and a welcome party for Mr. McGraw that
were both very successful.

Staff Search Updates

Mr. Desmarais reported that the search for an Assistant Vice President for Technology
is ongoing and SFAI is working with a search firm. The new role will report to Mr.
Sanjana.

In addition, there are two searches for new faculty members, one for a person with a
printmaking background and experience with technology in the making of multiples,
and one for someone with a broader new genres and sculpture background.

III. Finance Committee Report

Chris Tellis

Mr. Tellis began his Finance Committee report by noting that he finds it difficult to
make a revenue projection because of some systemic issues, particularly the dropping
numbers of graduate students. He believes the best way to bring the numbers up is to
make this “the coolest place on earth,” and that Fort Mason is a part of that effort. Ms.
O'Brien clarified that graduate enrollment was down in Fall 2012, but returned to Fall
2011 numbers in Fall 2013.

Mr. Tellis explained that the biggest issue discussed during the Finance Committee
meeting preceding the Executive Committee meeting was the low summer enrollment
numbers. He noted that enrollment is up by one person overall (graduate and
undergraduate) compared to last year’s enrollment numbers. The issue is that the
summer enrollment is very low and numbers need to go up next summer. He does not
believe that the recovering economy is to blame for the low enrollment (based on the idea that, in a recession, people go back to school to earn more credentials), but does believe that the changes in Pell Grant regulations are a making a huge impact. Mr. Tellis spoke to the importance of marketing summer school at SFAI, and how being in San Francisco for the summer is exciting and full of opportunities to learn and engage.

Mr. Tellis noted that SFAI has $4 million in revenue and is 20% ahead in terms of budget. Mr. Sanjana added that we have a strong balance sheet. Mr. Tellis continued that the endowment is holding steady and fulfilling its needs, but that Michael Jackson, who sits on the Investment Sub-Committee, is currently looking into a local manager, an SFAI alumnus whose firm is just a few blocks from SFAI.

Mr. Tellis made note that SFAI is currently negotiating with Lehman Brothers regarding an issue with the reserve accounts on our 2002 bonds. Payment has been budgeted for the current amount, but Mr. Sanjana and Ms. Wayland will continue to try to negotiate for a lower amount while the books have not yet been closed.

Mr. Tellis believes the major takeaway from the current financial status is that we cannot continue to get by through cutting costs.

Ms. Levinson asked what has changed that has made summer enrollment lower. Mr. Tellis replied that for-profit schools were taking advantage of Pell Grants, so the federal government stopped granting them for summer study. Mr. Tellis said we were down by $247,000 in summer enrollment tuition. Ms. Schreiber added that she believes that undergraduate enrollment in summer courses is not the place to fill out the summer numbers, but rather that it would be wise to look toward alternative growing models and programs such as the Low-Residency MFA program. She stated that Admissions is working very hard on retention and she believes that strong retention numbers will bring in higher revenue and be worth the effort. She also noted that application and enrollment numbers have been going down at most AICAD schools, and that where applications are going up is in new programs. Ms. Schreiber posed the question, how can SFAI create the sense of real activity on campus during the summer, and observed that there is available capacity as well.

Mr. Tellis responded that he believes the summer enrollment numbers are way off, not just a little, and urged the Committee to consider that the Pell Grant is on the chopping block. Ms. O’Brien noted that SFAI recently re-joined the Association of Independent California College and Universities (AICCU) after a hiatus and feels it is an important membership because of its mission to lobby for the Cal Grant, which brings in approximately $9-11K for each eligible student per year.

Mr. Tellis closed his report by stating that the PreCollege program still has a lot of potential to go up in numbers and bring in more money, while filling up the residential halls and allowing students a great opportunity to transition into the undergraduate programs.
The Committee agreed to add a discussion of summer programs and actions being
taken to increase enrollment to the agenda for the next meeting.

IV. Public Programs and Exhibitions Committee Report

Bonnie Levinson

Ms. Levinson reported on behalf of the Public Programs and Exhibitions Committee. She
described the cocktail party to welcome Mr. McGraw as a success and an
opportunity to cultivate networking opportunities. It was also used to promote SFAI
Concentrate. She reported that two board members, Lara Ritch and Candace
Gaudiani, recently joined the committee, which has taken on the work of developing
sponsorship opportunities. Ms. Levinson mentioned donor cultivation dinners by
trustees following Visiting Artists and Scholars lectures as an opportunity on her
radar. The committee is making phone calls to raise money for the ENERGY THAT IS
ALL AROUND exhibition catalogue. Lastly, Ms. Levinson reported that Barbara
Garber and Emily Shallman of the Continuing Education Program have been
enthusiastic about the high numbers of teachers’ applications they have received for
the Spring Adult Continuing Education courses, and have been very creative in their
work to promote the programs.

V. Update on Capital Campaign Progress

Charles Hobson

Mr. Hobson reported to the Committee that he and his Pre-Campaign Planning
Committee co-chair Diane Frankel are two thirds of the way through the list of
solicitation meetings with Board members. He has received a uniformly very positive
reaction to the project. He distributed a spreadsheet of current giving to date to the
trustees who had not already received the document during the Finance Committee
meeting. In reviewing the spreadsheet, Mr. Hobson clarified that annual giving is a
five-year commitment, and that deferred and testamentary are interchangeable terms,
with the total giving nearing $5 million. He hopes that they will reach the goal of $8-10
million of Board pledges before the next Board of Trustees meeting on November
14. He noted that on November 8 there would be a pre Pre-Campaign Planning
Committee meeting.

Ms. Levinson asked how testamentary gifts support the project. Mr. Desmarais
commented that testamentary gift pledges will strengthen the Art Institutes fiscal
stability eventually, but he hopes that enough funds will be raised to support the
capital projects.

Mr. Tellis inquired if corporate support is a category of giving that SFAI had not been
tapping yet. Ms. Colebrook replied that we have been slowly launching a sponsorship
program and added that in 2012 only 5% of philanthropic giving in the U.S. came
from corporations, 14% came from foundations, and the rest is from individuals.

Mr. Tellis asked if it would be appropriate for SFAI to go to its alumni for Capital
Campaign support, and Ms. Colebrook said yes. Mr. Desmarais added that it is the
tradition of SFAI to be broadly educating the community, and therefore it makes
sense to ask for support from those beyond the immediate circle of SFAI. Ms.
Colebrook suggested that SFAI needs to attract back the “star power” of people who
were previously involved with SFAI, as well as bring in people who have not had a
prior investment to the school.

VI. Capital Projects Update

Charles Desmarais

Mr. Desmarais reviewed three potential schedules for planning and construction at Fort Mason
for the Committee’s review. They are:

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<th>Action</th>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
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<td>Open Pier 2 facility to artists/public</td>
<td>August 2015</td>
<td>August 2016</td>
<td>August 2017</td>
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<tr>
<td>Complete construction work</td>
<td>June 2015</td>
<td>June 2016</td>
<td>June 2017</td>
</tr>
<tr>
<td>Exercise Option to Lease by informing Fort Mason and paying</td>
<td>Now (perhaps negotiable)</td>
<td>June 2014</td>
<td>June 2015</td>
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<tr>
<td>$300,000 security deposit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begin construction drawings</td>
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Mr. Desmarais noted that the three options project an August opening for the fall semester, though there would be flexibility for a January opening if we preferred. Option A, which would entail putting a security deposit down now and beginning construction in July 2014, would require that SFAI take action quickly and is likely too fast a turn around for our current schedule. Options B and C, alternatively, would be more natural progressions. Mr. Desmarais urged the Committee to consider a number of reasons why it would be important not to wait too long before moving forward. These reasons included:

- The current enthusiasm for the project.
- The fact that a move to Fort Mason is strategic and will be an important recruiting tool for SFAI. The earlier we have this tool available to us, the better.
- The fact that costs go up the longer we wait, in the amount of approximately $800,000 per year.
- Additionally, the lease at the 3rd Street graduate studios expires in 2018. Mr. Desmarais believes that SFAI can negotiate, either fully or partially, out of it. He noted that $800,000 annually is what is currently spent on our lease at 3rd Street, so exposure to double rent is balanced by cost escalation due to inflation.

Mr. Desmarais said that the two logical schedules and building possibilities would be Options B and C. Should the Board decide to move forward with a Capital Campaign at the November 14 Board meeting, in order to proceed with Option B SFAI would
need to exercise the Option to Lease and pay a $300,000 security deposit by June 2014. (The current unsigned term sheet states that SFAI must give Fort Mason 13 months of notice between exercising the Option to Lease and the date of the Lease Commencement, which in Option B is July 2015.) This would still allow SFAI one and a half years of a quiet phase of the Capital Campaign before announcing a goal and launching a public phase. He reminded the Committee that SFAI needs to allow for some leeway for unanticipated setbacks that may arise. Mr. Desmarais then emphasized the importance of securing gifts during construction, as cultivation opportunities such as hard-hat tours can tangibly engage potential donors.

Mr. Desmarais reviewed the planning and construction options with the Finance Committee preceding the Executive Committee Meeting.

Mr. Desmarais said that the next step would be an internal meeting to discuss the timeline further.

VII. Planning for Nov. 11 Executive Committee and Nov. 14 Board Meetings

Cynthia Plevin

Mr. Desmarais noted that on November 8 is a pre-meeting with the core group of the Pre-Campaign Planning Committee, preceding a meeting on November 11 of the full Pre-Campaign Planning Committee and Nate Levine of BuildingBlox. November 11 is also the date of the next Executive Committee meeting.

Mr. Desmarais then outlined the following agenda items that are on the table for the November 14 Board of Trustees meeting:

- Report from the Pre-Campaign Planning Committee
- Presentation of outline for the campaign
- Recommended project schedule
- Vote on resolution from the Executive Committee

Ms. Plevin suggested that the regular business come after campaign reports, a vote on the resolution, and dinner to make best use of people’s attention and higher energy in the first half of the meeting. The Committee agreed that the minutes, recommendation, and agenda would go out to the Board on November 12 following the November 11 meetings, and a heads up note should be sent to trustees to ensure everyone has time to read the materials.

Ms. Colebrook requested that her updates on alumni relations be postponed to the December meeting of the Executive Committee and all were in favor. The Committee also agreed to postpone a review of the Summer enrollment report.

VIII. Other Business

Cynthia Plevin

With no other business Ms. Plevin adjourned the meeting.
Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson

Respectfully submitted,

Bonnie Levinson
Secretary of the Board of Trustees
Consolidated Meeting of the Executive, Finance and Pre-Campaign Planning Committees
November 11, 2013
3:00-5:30 pm
Room 16B

Attendance:
Trustees: Jennifer Emerson, Hank Feir, Diane Frankel, Charles Hobson, Michael Jackson, Bonnie Levinson, Cynthia Plevin, Chris Tellis
Staff: Janette Andrawes, Cynthia Colebrook, Charles Desmarais, Heather Hickman Holland, Tamara Loewenstein, Hesse McGraw, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland
Committee Members: Steven Spector

Absent:
Trustees: Penelope Finnie
Staff: Elizabeth O’Brien

I. Chair’s Welcome
_________________________________________________________ Cynthia Plevin
Ms. Plevin welcomed all asked Ms. Frankel and Mr. Hobson to present the Pre-Campaign Planning Committee Report.

II. Pre-Campaign Planning Committee Report
_________________________________________________________ Charles Hobson/Diane Frankel
Ms. Frankel reminded the group that at the last Board meeting, she and Mr. Hobson were charged with meeting face-to-face with all Trustees and Trustees Emeriti to make Capital Campaign solicitations. She then reported that the solicitations have amounted to $3.8 million in outright pledges, with $875 thousand in testamentary giving, for a total of nearly $4.7 million. When combined with the Annual Fund pledges the total amounts to $5.8 million, with three Trustees and one Trustee Emeritus remaining to be solicited and several Trustees yet to confirm their pledges.

Mr. Hobson noted that he was impressed with how positive the responses had been, and that no one had expressed anything but support for the concept of Fort Mason and reuniting the campus.
Ms. Frankel introduced Nate Levine of BuildingBlox Consulting (BBC) to present their final Feasibility Study Results.

**Feasibility Study Results**

Mr. Levine reminded the Committees of the three critical building blocks that will determine the success of the Campaign: a compelling case for giving is a pipeline of probable major gift prospects and strong leadership.

Mr. Levine then outlined the three key milestones of a Capital Campaign: 1) the Planning Phase, 2) the Quiet Phase, and 3) the Public Phase. In the Planning Phase, lasting 6-9 months, Trustees and Trustees Emeriti are invited to give, making up 20-30% of the Campaign goal. The Quiet Phase, lasting 9-12 months, reaches out to additional major gift prospects and brings the total to 50-65% of the Campaign goal. Lastly, the Public Phase, lasting 12-24 months, reaches out to a broad public, incorporating gifts of all sizes, and reaches 100% of the Campaign goal.

Mr. Levine reminded the Committees that the feasibility study conducted by BBC included 212 probable donors. He also noted the importance of having the bandwidth to conduct the Capital Campaign and that, when asked in a survey, SFAI’s faculty, staff and Board asserted the willingness to conduct 1,900-2,800 cultivation and solicitation visits over a 3-year period. Mr. Levine indicated this as a very positive sign of support, considering the total need for visits over the major gifts period is between 675-1,125.

Mr. Levine congratulated Ms. Frankel and Mr. Hobson for their role in launching the Pre-Campaign and helping to ignite a great amount of enthusiasm. He reiterated the importance of having full Board participation and excitement for the Campaign. He indicated that not every Trustee needs to solicit on behalf of the Campaign, but that there are many other opportunities to engage potential donors: introducing, thanking, providing tours, hosting events, and acting as face-to-face ambassadors on behalf of the Institute.

BBC’s fundraising probability study found that Trustee giving for the Capital Campaign alone would likely be between $6,075,000 (low projection; 80% confidence) and $9,435,000 (high projection; 60% confidence). Five-year annual commitments from Trustees were projected as between $1,239,950 (low projection; 80% confidence) and $1,363,945 (high projection; 60% confidence). This results in total Trustee giving between $7,314,950 and $10,798,495.

BBC estimates the Institute has the capacity to raise between $22 million and $30 million of Capital and Annual giving combined.

**III. Preliminary Schedule of Capital Projects**

Mr. Desmarais began by stating that he believes maintaining excitement is critical to launching the Capital Campaign and emphasized the reasons to move capital projects forward with a sense of urgency:
• It is important to maintain the momentum of the Campaign

• The construction phase of a project is a key opportunity to cultivate donors and secure major gifts

• While SFAI is on par with, or ahead of, other art schools in terms of faculty and student quality, the Institute is far behind on facilities (as seen during Mr. Desmarais’ recent retreat to Philadelphia and AICAD conference at MICA in Baltimore). This makes it more difficult for Admissions to recruit students.

• The disjuncture between the two campuses is hurting the school

• There is demand from students for better resources at 3rd Street, but Mr. Desmarais is resistant to invest in upgrades at a site with a relatively short-term lease

• There is an enrollment opportunity cost for each semester without the new facility

Mr. Desmarais presented a recommended timeline (please see Page 8) to proceed with building at Pier 2 and upgrades at Chestnut Street. This timeline ends with a target opening date for Pier 2 of August 2016.

Mr. Desmarais emphasized that the timeline does not require any financial commitments, except for those pertaining to fundraising, until June 2014 at which time a $300,000 deposit to Fort Mason would be due.

Mr. Desmarais suggested that if the Capital Campaign proceeds with success, it would be ideal to begin accessibility upgrades at Chestnut Street over Summer 2014. This could include moving printmaking downstairs.

Mr. Desmarais then noted that if the Campaign does not proceed as hoped, there are several potential “exit ramps” or “safety valves”:

1. Decide to pull back before the June 2014 deposit
2. Decide not to spend money at Chestnut Street in Summer 2014
3. Pull out before construction (a less attractive exit ramp, because money would have been spent on architects and fundraising)

There was discussion among the Committees about the readiness of the Institute to embark on next steps under this timeline, and concern about what would happen with the money early donors gave if SFAI didn’t proceed with the project. Ms. Plevin noted that each donor contract would establish what happens if things don’t go as planned.

Mr. Desmarais recommended that SFAI keep charging forward toward its goal, knowing that there are “Plan B” options, and reiterated that until June 2014 there is virtually no financial risk.

Overall, the Committees expressed enthusiasm and a deep commitment for building the graduate center at Pier 2.
IV. Preliminary Cash Flow Analysis

Mr. Tellis explained that Mr. Sanjana and Ms. Wayland had looked at eight different cash flow scenarios, and he was presenting the one that worked the best. Walking the Committees through the spreadsheets, he explained that the bulk of the spending would be from Summer 2015-Summer 2016, and that the plan would require significant bridge financing, peaking at $11.2 million in quarter 4 of 2015, which is a major issue.

The Committee members discussed how to secure bridge financing, and whether money would be borrowed against pledges, the endowment, or the Chestnut Street building. Mr. Desmarais clarified that most of the building’s value had already been leveraged (with about $4 million left), and that securing against pledges would be ideal. Ms. Wayland clarified that the first borrowing to take place would be for the quarter ending June 2015 in the amount of $945,000 to cover costs not covered by contributions. Ms. Plevin noted that by that time, the Board would have more clarity on how the Campaign was proceeding.

Mr. Tellis reiterated that he understands everyone agrees it is essential to move the graduate center to Pier 2, but it is also the Committee’s responsibility to protect the school and make decisions that move forward while minimizing risk. He reminded the Committees that the hope was to have raised $10 million in Trustee giving prior to the November 14 Board meeting, and so far the Campaign had achieved roughly 40% of that number. He invited the Committees to consider a revised timeline for opening Pier 2, one year later, which would save over $1 million in financing, and duplicate lease payments. He urged the Committees to review alternative scenarios, keeping in mind that this will be the biggest decision the Institute has made in its history.

Mr. Desmarais commented that being good stewards is of great importance, while reiterating that proceeding with enthusiasm for the Campaign’s goal costs nothing until June 2014.

Other points and clarifications that arose in the discussion included:

- Though SFAI didn’t receive the hoped-for $5 million gift, the BuildingBlox gift chart was for a $34 million campaign, so for a $24 million campaign SFAI wouldn’t need a $5 million gift
- SFAI will review pledges and expenditures on a monthly basis to continually inform the plan
- Pushing the timeline back a year would not impede on the ability to receive tax credits, assuming Bank of America agrees to buy the credits
- 100% Trustee giving is important to demonstrate Board support to foundations and outside organizations
- There is the need to recruit an honorary Campaign Chair with a big name and influence in the community
V. Discussion of Recommendation to the Board

Ms. Plevin asked the Committees to discuss the recommendation that will be sent to the whole Board in advance of the next meeting in three days. Mr. Tellis urged the Committee to continue the conversation, in order to look more closely at the scenarios.

Mr. Levine reminded the Committee that the decision being made at that point was to continue with fundraising. Mr. Desmarais reiterated that the numbers will continue to be refined, and that SFAI needs more information, but that staff and Trustees need the order to move forward to continue with the work.

Other points and clarifications that arose in the discussion included:

- Ms. Colebrook will be adding a staff position to coordinate the Campaign, and BBC could support with coaching, training, and strategy
- The incoming cash flow projections are based on a spreadsheet Ms. Colebrook created. The model assumes that major gift solicitations will take place over three years, and that people have five years from the point of a pledge to pay it out. These numbers are necessarily projections, and incoming campaign revenue will support or contradict them.
- Financing deals with banks are an unknown, but Mr. Sanjana cannot have discussions with banks until the Board authorizes moving forward
- More knowledge of planned giving is necessary; Mr. Feir will be pulling information together

The Committees then discussed what recommendation should be put forth to the Board. They finalized the recommendation to state:

*The Executive, Finance and Pre-Campaign Planning Committees jointly recommend that SFAI embark on a Capital Campaign of $24 million for improvements at the 800 Chestnut Street campus and to establish a graduate center at Fort Mason (the Project).*

*At each Board meeting, the Trustees will review the progress of the Capital Campaign, and no major financial commitments in connection with the Project will be made without prior Board approval.*

Mr. Tellis made a **motion** to approve the resolution, and Mr. Hobson **seconded** the motion. The vote was unanimous and the motion **passed**.

VI. Approval of Gift Counting Policy

Mr. Hobson read the following policy for counting gifts to the Campaign:

1. The campaign will be administered with a rolling 5-year pledge period through 2016, meaning that pledges made before 2017 would still have five years to pay
the pledge, yet the full pledge amount will be counted. Pledges from 2017 forward should be paid no later than 2022.

2. Expectancies, in which a defined gift commitment is specified to be fulfilled by the planning instrument and documented by an estate document or bequest provision, will be counted toward the Campaign, as long as the donor is 65 years or older by the end of the campaign period, and the pledge is accompanied by sufficient legal documents to make the gift irrevocable.

The full, seven-page Gift Counting Policy will be reviewed by legal counsel for the technicalities of certain testamentary gifts, and they will be consistent with the Gift Acceptance Guidelines approved by the Board November 2012.

Ms. Levinson made a motion to approve the gift counting policy, and Mr. Tellis seconded. The vote was unanimous and the motion passed.

VII. Other Business

Distribution of WASC Report

Mr. Desmarais reported that the Western Association of Schools and Colleges (WASC) requires the distribution of its report to the Executive Committee and also noted that it is required to be available online, on the SFAI website. Mr. Desmarais then distributed a report to each Committee member.

Minutes

Ms. Plevin recommended that the Committee approve the October 21 Finance Committee minutes. Mr. Tellis noted that he had several small changes, and made the motion to approve pending those changes, which he would provide outside of the meeting. Mr. Feir seconded the motion. All were in favor and the motion passed.

Ms. Plevin then recommended the approval of the October 21 Executive Committee minutes. Mr. Tellis made the motion to approve the minutes, and Mr. Hobson seconded the motion. All were in favor, and the motion passed.

Holiday Party

Mr. Desmarais announced the annual SFAI holiday party will take place on December 13 from 1-5pm in the Café and invited all members of the Board to join in the festivities.

Liam Everett Fellowship, Lecture, and Reception

Ms. Colebrook invited all to attend a reception on November 18 at 6:00pm in the Diego Rivera Gallery prior to the lecture by Liam Everett, SFAI’s 2013 Richard Diebenkorn Teaching Fellow.
Kori Newkirk Lecture

Mr. McGraw announced the Kori Newkirk lecture that evening and invited all to attend, noting he is a very interesting multi-media artist who has shown with the Jessica Silverman Gallery in San Francisco for the last few years.

With no further business, Ms. Plevin thanked all for their time and service and adjourned the meeting.

Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson

Respectfully submitted,

Bonnie Levinson
Secretary of the Board of Trustees
San Francisco Art Institute  
Capital Projects Schedule  

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Notes:  
1. If Fort Mason switches to the five-year tax credit project, SFAI will earn credits on expenditures through December 2017.  
2. Current unsinged term sheet states that SFAI must give Fort Mason 13 months of notice between exercising the Option to Lease and the date of the Lease Commencement.  
3. Exercising the Option to Lease requires paying a $300,000 Security Deposit.
Executive Committee Meeting
Monday, December 9, 2013
4:00–5:00 pm
Room 16B

Attendance:

Trustees: Penelope Finnie, Diane Frankel, Charles Hobson, Cynthia Plevin, Chris Tellis
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Elizabeth O'Brien, Susan Wayland, Espi Sanjana, Rachel Schreiber, Anne Shulock

Absent:

Trustees: Jennifer Emerson, Bonnie Levinson

I. Chair Welcome

Ms. Plevin welcomed the Committee, and extended a warm welcome back to Ms. Finnie who was recovering from a recent bicycle accident.

II. Approval of Minutes from Nov. 11 Joint Committee Meeting

Ms. Plevin recommended the approval of the minutes from the Joint Committee meeting of the Executive, Finance, and Pre-Campaign Planning Committees held on November 11, 2013. Mr. Hobson made a motion, and Mr. Tellis seconded. All were in favor and motion passed.

Ms. Plevin announced that she had received an update from Mark Van Proyen, President of the Faculty Senate, that at the December 4 Faculty Senate meeting there was a unanimous vote to endorse the resolution made by the Board at the November 14 meeting, which commits to undertaking a Capital Campaign and moving the graduate center to Pier 2 at Fort Mason. Ms. Plevin expressed how delighted she was to hear of the faculty's support.

III. President’s Report

Mr. Desmarais welcomed the Committee and expressed his hope that all its members had received SFAI's holiday card.

Mr. Desmarais proceeded with a number of reports:

• He circulated a copy of the new publication COLLOQUY: An Exchange Project, a graduate student–led publication featuring essays, interviews, and conversations,
and the new undergraduate Admissions viewbook. The graduate viewbook will be available for distribution soon.

- New staff hires in the Advancement office include:
  - Lindsey Lyons, Manager of Alumni Relations and Special Events
  - Meagan Staez, Campaign Coordinator
  - Ryan Teller, Manager of Institutional Giving

An announcement for a Campaign Assistant position has been posted.

- A Letter of Inquiry will be submitted to ArtPlace America seeking a $500,000 grant to support the Pier 2 project.

- An Annual Report for Fiscal Year 2013 is being produced.

- Mr. Desmarais had a phone call with Dr. Nancy Uscher of SFAI's WASC Review Committee prior to their upcoming off-site meeting on December 12. Dr. Uscher emphasized her great personal admiration for the improvements at SFAI since its last troublesome WASC review, in which Dr. Uscher participated, and believes SFAI to be the most beautiful of all AICAD schools.

- Mr. Desmarais and Ms. Plevin held a Student Meeting with roughly 150 students in attendance, and it was well received.

- Trustees are invited for a tour of Pier 2 at Fort Mason on Tuesday, December 17 at 4:30pm. There are currently $20 million of updates in the works.

- The closing reception of ENERGY THAT IS ALL AROUND in the Walter and McBean Galleries is on Thursday, December 12 and the exhibition closes on Saturday, December 14.

- Trustees are invited to join SFAI's Annual Holiday Party on Friday, December 13 from 1-5pm in the Cafe.

- Another Annual Fund Phonathon will be held on Tuesday, December 10 from 5-7pm pm in Administrative Office, and all invited to join in this important opportunity to make a difference.

IV. Academic Affairs Committee Report

Penelope Finnie

Ms. Finnie reported that at the recent Academic Affairs Committee meeting, discussions centered on student retention and graduation rates. A key takeaway was that students who did not declare a major by the second semester of their sophomore year have a 31% graduation rate, versus those who declared a major having a 68% graduation rate. Ms. Schreiber distributed a handout entitled Graduate and Persistence of Second Year First-time Freshman by Major Status for the Committee's review. Ms. Schreiber noted that while previously the student handbook read that students are “expected” to declare a major by the end of their first year, now it reads that students are “required” to.

Ms. Finnie also noted that the Committee discussed SFAI’s general education course offerings. Ms. Schreiber added that there is a curriculum retreat on Friday that will look at these general education courses (liberal arts and art history). Since half of undergraduates are transfers, and often come to SFAI because of its studio offerings, it is also important to make clear decisions about which courses transfer and which must be completed at SFAI. Academic Affairs is also considering what options there might be to outsource general education courses or offer classes online, among other possibilities.
Ms. Schreiber reported that Academic Affairs is hiring two tenure-track or tenured professor positions (Printmaking and New Genres and/or Sculpture), with applications accepted until January 6, 2014. She noted that they have already received a number of applications, but believes from experience that many more will be submitted prior to the deadline.

V. Financial Report

Mr. Tellis reported that Mr. Sanjana continues to succeed at maintaining surpluses by keeping costs down in alignment with revenue. Fall tuition revenue is at its exact projection. There still remains a shortage of $447K in summer tuition, since enrollment was impacted by the government curtails of Pell Grants, which accounts for the deficit number reflected in balance sheet. The lower summer revenue has been taken into consideration for in next summer's budget. Mr. Tellis noted that total year-to-date net tuition revenue (through October 31) is $6.2 million, which is 7% below budget this year, and 4% above last year.

The endowment has a strong portfolio, with a gain of $484K through October, and another 3% gain in November.

Mr. Tellis noted the balance sheet is strong, largely due to strong collections. There have been major savings in Marketing, due to delayed expenditures in this area.

Mr. Tellis noted that Spring enrollment is strong, reflecting higher GPAs and portfolio scores than in past years. He believes there is growing interest in attending SFAI and a desire to live in San Francisco. He sees a link between enrollment trends, with lower graduate numbers in recent years, and a need to focus on the graduate student experience and Fort Mason.

Mr. Tellis concluded his report by stating that overall finances are strong.

Tuition and Institutional Aid Options for 2014-2015

Mr. Tellis invited Mr. Sanjana to present possibilities for tuition and institutional aid rates for 2014-2015. Mr. Sanjana reported that SFAI remains less costly than other AICAD schools; however, its facilities are below par in comparison. Per discussions with the Finance Committee that afternoon, Mr. Sanjana recommends that SFAI proceed with a 4.5% tuition increase for undergraduates and a 4% increase for graduates. SFAI will also offer more institutional aid (an average institutional aid rate of 31%), which he notes is an important method to recruit students.

Mr. Tellis brought the recommended increase to a vote, the motion was seconded and it passed unanimously. The new tuition rates will be brought to the full Board for a vote at the January 9, 2014 meeting.
VI. Exhibitions and Public Programs Committee Report

Hesse McGraw

In Ms. Levinson's absence, Mr. McGraw presented the Exhibitions and Public Programs report.

Mr. McGraw felt that recent cocktail party at Ms. Levinson's home was an incredible event, and that attendees enjoyed the opportunity to visit a collector’s home. He believes that it would be beneficial to hold more gatherings like this.

Mr. McGraw noted that the closing reception of the exhibition ENERGY THAT IS ALL AROUND at the Walter and McBean Galleries is on Thursday, December 12, and the last day to view the exhibition is Saturday, December 14. The exhibition has received great press, including the San Francisco Chronicle's Kenneth Baker calling it a “must see.” The exhibition's catalogue, being published by Chronicle Books, is moving into production and will be ready just in time for the traveling exhibition’s opening at Grey Art Gallery at New York University in April 2014.

Mr. McGraw described the newly re-named Public Education program, formerly known as the Adult Continuing Education (ACE) program. There are expanded class offerings, including a variety of artist-driven experiences such as Research and Survival in the Arts, The Drifter's Guide to Urban Field Recording, and Get Lost: Wandering as Art, Mapping through Media. In addition, the Fall 2014 Richard Diebenkorn Teaching Fellow, Allison Miller, will be teaching a five-day painting intensive in the Spring Public Education offerings.

Mr. McGraw announced the Walter and McBean Galleries' upcoming exhibition, entitled Utopian Benches, would feature the work of British artist Francis Cape. The exhibition will feature wooden benches modeled on those of utopian communities, and will serve as a forum for contemporary dialogue. Mr. Cape will be here for the opening, and there will be a suite of other programs during the exhibition’s run. Mr. McGraw noted that Roberta Smith of the New York Times recently raved about the piece, and that this exhibition will be the first West Coast installation. Mr. Desmarais added that Nion McEvoy, of Chronicle Books, had acquired the entire work, and is loaning it to SFAI for the show. This exhibition is therefore a valuable opportunity to invite Mr. McEvoy and his friends to SFAI and begin to cultivate him. Utopian Benches will open on Tuesday, January 21, 2014 and the opening reception will be on Thursday, January 30, 2014.

Mr. McGraw plans to announce the full Spring lecture program at the January 9 Board meeting.

The Committee discussed future opportunities for holding dinners after the lectures and the difficulty the late time poses for attendance. Ms. Schreiber noted that it may be possible to schedule classes more strategically at Third Street and enable earlier lecture times. The Committee discussed holding dinners at a nearby restaurant such as Fior d’ Italia with a prix fixe option that Trustees could cost share.
Ms. Colebrook reported more Trustee involvement in Advancement efforts as a positive; however, she is concerned that the Annual Fund not take a back seat to the Capital Campaign efforts. Ms. Colebrook distributed a 2-page handout entitled Development Group Goals, including both Trustee-driven and staff-driven development activities. On page 2, Ms. Colebrook reviewed a Donor Giving Analysis chart. She noted in particular the high number of recovered donors (141) and new donors (255) in 2012-2013, which is inclusive of ticketed events.

Ms. Colebrook reported on behalf of the Campaign Co-Chairs Ms. Frankel and Mr. Hobson. Ms. Colebrook reported that total Trustee giving to date amounted to $7.6 million, comprising over $1.1 million in Annual Giving, over $5.5 million in Capital Campaign giving, and $875K in Testamentary giving. BuildingBlox Consulting recommends that by the end of the Campaign, SFAI should raise between $8-12 million in Trustee giving. She added that three Trustee solicitation meetings remain to be scheduled. Ms. Colebrook also noted that this total figure includes four seven-figure gifts, the largest SFAI has received since 1997. Ms. Colebrook thanked Mr. Jackson for donating the first cash gift of the Campaign in the amount of $250K. She added that some donors have pledged to send in their gift before the end of the year.

Ms. Colebrook noted that SFAI signed a new contract with BuildingBlox Consulting (BBC) for the Campaign. The fees for service include payments of $10 thousand per month for the first six months, $8 thousand for the six months after, $5 thousand per month for the next two years, plus out of pocket expenses. The firm will work with campaign leadership, on-going campaign strategies, individual prospect cultivation and solicitation strategies, solicitor trainings, campaign tracking and management systems, and solicitation collateral development. Either BBC or SFAI can choose to terminate this contract with 30 days written notice. Ms. Colebrook noted the first kick-off meeting would be later that week.

Ms. Colebrook invited all Trustees to attend a tour with architect Marsha Maytum of Pier 2 at Fort Mason on Tuesday, December 17 at 4:30pm. She noted this would be a wonderful opportunity to see the huge effort the Fort Mason Center is putting into Pier 2 renovations, and to begin to envision it as the future site of SFAI’s graduate center.

Mr. Tellis noted that there has recently been lots of bashing of the technology community in the national media, and that some companies are pushing philanthropy. He inquired about SFAI’s efforts to reach the technology sector. Ms. Colebrook noted that personal connections are key, and that she and Mr. McGraw had recently met with representatives from EventBrite (whose founder took public education courses at SFAI) about how SFAI’s programs could be relevant for their work and future partnerships. The Committee discussed the tensions that exist between the technology sector and the arts, particularly with the high cost of living driving artists out of the city. Ms. Schreiber noted that there is
the opportunity to build a narrative that highlights the shared values between art students and the technology sector such as creative problem-solving and innovation.

Ms. Colebrook noted that she, Ms. Schreiber and Mr. McGraw are developing a partnership with Amanda Peters of U.S. Trust, who recently brought more than a dozen of her clients to an SFAI event. She believes this will continue to develop into a fruitful relationship. Ms. Finnie added that she believes Eric McDougall, who worked for gaming company Zynga and was on the Board of the Berkeley Art Museum, would be a very positive relationship to cultivate and agreed to assist in setting up a meeting.

IX. Capital Projects Next Steps

Ms. Plevin said that going forward with capital projects there will be many steps and actions to keep track of. In order to ensure an organized process that advances the projects, Ms. Plevin reported that she recently invited Ms. Joy Ou and Mr. Tellis to help create and manage a central list of necessary actions concerning construction, financing, and legal processes, and both have accepted. Ms. Plevin noted that Ms. Ou has expertise in construction, and Mr. Tellis has a strong background in finance.

Ms. Plevin confirmed the next Executive Committee meeting would be held on Monday, January 6, 2014, followed by the next Board of Trustees meeting on Thursday, January 9, 2014.

X. Additional Business

Ms. Frankel announced that Okwui Enwezor, a former Dean of the Institute, was recently appointed curator of the 2015 Venice Biennale. She suggested that Mr. McGraw consider inviting Mr. Enwezor to SFAI to present his work on the Biennale or offer a tour of the exhibition. The Committee agreed it would be a very positive addition to public programs, and Mr. McGraw would look into the possibility.

XI. Adjourn

With no further business, Ms. Plevin adjourned the meeting at 5:00pm.

Minutes prepared by Tamara Loewenstein, and reviewed by Cynthia Plevin (in the Secretary’s absence).

Respectfully submitted,

Cynthia Plevin
Chair of the Board of Trustees
Executive Committee Meeting
Monday, January 6, 2014
4:00–5:00 pm
Room 16B

Attendance:
Trustees: Bonnie Levinson, Charles Hobson, Diane Frankel, Cynthia Plevin, Chris Tellis
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Elizabeth O'Brien, Espi Sanjana, Anne Shulock, Susan Wayland

Absent:
Trustees: Jennifer Emerson, Penelope Finnie
Staff: Rachel Schreiber

Minutes

I. Chair Welcome
Cynthia Plevin
Ms. Plevin welcomed the Committee and called for approval of the minutes from the December 9 meeting.

II. Approval of Minutes from December 9 Meeting
Cynthia Plevin
Ms. Frankel made a motion to approve the minutes, and Mr. Tellis seconded. All were in favor and motion passed.

III. President’s Report
Charles Desmarais
Mr. Desmarais welcomed the Committee and proceeded with a number of reports:

- Rich Hillis, Executive Director of the Fort Mason Center (FMC), expressed at a recent meeting with Mr. Desmarais that SFAI is integral to the FMC’s new strategic plan. Mr. Hillis invited Charles to present at a future FMC Board meeting, and Mr. Desmarais extended the same invitation. Mr. Hillis also offered use of Pier 2 free of charge for SFAI’s 2015 MFA exhibition. Mr. Desmarais noted these are important steps in SFAI’s growing partnership with FMC.

- Mr. Desmarais and Mr. McGraw met with Trustee Joy Ou to discuss utilizing property she owns near the Warfield Theatre, at 6th and Market Streets, as a site for a temporary public project. There are buildings that will be demolished in two years, and Ms. Ou has offered SFAI the opportunity to develop a project that would revitalize the building’s façade and bring life to the area. Mr. McGraw noted the
importance of responding to the site with sensitivity, as it is a “ground zero” for income inequality in San Francisco.

- A WASC off-site review took place via Skype on December 12 with very positive feedback about SFAI’s new leadership and administrative improvements. WASC has postponed its on-site review from October 2014 to April 2015, to allow more time for SFAI to continue with improvements. After this pending approval, SFAI would be accredited for up to another decade.

- Mr. Desmarais thanked and acknowledged the hard work of Ms. O’Brien, the Admissions staff, and the Working Retention Committee who organized an all-staff Best Practices for Student Success event to engage in conversation about how each individual and department can better support student success and retention.

- Trustees and staff attended a tour of Pier 2 at Fort Mason with LMS^ Architect Marsha Maytum. Two of the Institute’s million-dollar donors joined, along with numerous other trustees and staff, and it was a valuable experience for all.

- SFAI’s Intensive Session begins on January 6 and provides students with the opportunity to complete a 3-credit course over 2 intensive weeks. There are 3 classes offered this winter, two on-site and one in Argentina.

- A meeting with Mayor Ed Lee accompanied by JD Beltran, San Francisco Arts Commission President and SFAI faculty member and City Studio Director, is scheduled for January 17. Mr. Desmarais hopes to introduce the growing partnership between SFAI and FMC, as well as discuss reopening the MTA tunnel that connects Fisherman’s Wharf to Fort Mason.

- The first of a series of Board Breakfats will take place on Thursday, January 23 from 8:30am-10:00am at 800 Chestnut Street. The first meeting, led by Dean Rachel Schreiber, will take a deeper look into the role of Academic Affairs.

- Francis Cape: Utopian Benches opens Thursday, January 30 from 7-9pm at the Walter and McBean Galleries, with a VIP reception from 6-7 pm. The exhibition will feature an installation of 17 poplar benches, on loan from the collection of Nion T. McEvoy. A dinner will be held on January 29 for Mr. Cape.

- Mr. Desmarais, who currently sits on the AICAD Board of Trustees, was recently invited to serve as Chair of the Thought Leadership Committee for AICAD, to assist with policy issues in arts and education, and has accepted.

IV. Campaign Cabinet Report

Diane Frankel/Charles Hobson

Mr. Hobson proceeded with Campaign Cabinet updates:

- The Campaign Cabinet is being built to assist with Capital Campaign cultivation strategies and solicitations
- An Honorary Committee is being built; Trustee Emeritus Roselyne Swig has agreed to sit on the committee
- The recent Fort Mason tour was a great success; the Cabinet would like to hold more for potential major donors
- Roselyne Swig has pledged $600K, bringing total pledges (Capital and Annual) to over $8M
Mr. Hobson turned the meeting over to Mr. Desmarais, who shared a draft PowerPoint to be presented at the next Board of Trustees Meeting on January 9. The goal of the presentation is to ensure that Trustees understand all the work that has led to the current status of capital projects and are on the same page. Key points from the presentation include:

- The vision is to create a powerful symbiosis between 800 Chestnut Street and Fort Mason, and amongst the undergraduate, graduate, and public programs—positioning SFAI for a vibrant and sustainable future as both an international leader in arts education and a central part of the Bay Area cultural landscape.
- Key to this is SFAI’s role as an integrated “Institute”—not simply a typical art school or a typical contemporary arts organization. A diagram from a 2002 strategic planning process demonstrates this idea as authentic to the character of SFAI. (see Figure 1)
- Mr. Desmarais has overseen or been deeply involved in past capital projects: renovation of a historic building for the California Museum of Photography; building the Contemporary Arts Center, Cincinnati; and the Elizabeth A. Sackler Center for Feminist Art, Brooklyn Museum.
- Now is the right time for capital projects because of SFAI’s financial stability and strong leadership team; the community’s deep love for the Institute; and the need to provide long-term security for the Institute and its programs, address deferred 800 Chestnut Street issues as part of a larger vision, increase SFAI’s visibility, and raise sights of philanthropy.
- Facilities planning has been underway since March 2012, with ongoing work by Board committees and, since May 2013, by Board-approved consultants.
- The Strategic Plan approved by the Board in March 2013 established goals to 1) establish a “second campus” at Fort Mason to open in Summer 2015, and 2) undertake conservation of historic 800 Chestnut Street buildings, with a timeline of completing a plan for upgrades by January 2015 and undertaking construction during Fiscal Years 2017 and 2018.
- At the November meeting, the Board passed a resolution to “embark upon a Capital Campaign of $24 million--$7 million for programmatic and infrastructure improvements at the 800 Chestnut Street campus and $17 million to establish a graduate center at Fort Mason (the Project).”

Trustees suggested several minor revisions to the presentation in advance of the Board meeting. Mr. Desmarais then invited Ms. Plevin to speak about next steps for the capital projects.

Ms. Plevin reported that she has invited Ms. Ou, Mr. Tellis, and Mr. Desmarais to sit on a working group that would develop and manage action items related to proceeding with capital projects. She expressed concern that inviting select Trustees may feel exclusionary to others and asked the Committee for their thoughts.

Ms. Frankel asked for clarification on the role of working group members. Ms. Plevin responded that tasks would include:

- Creating and managing a timeline; making a list of priorities
- Setting up action items and ensuring that they happen
- Securing a cost estimator and project manager
• Working out the specifics of term sheets, tax credits, and preparations for the GGNRA
• Coordinating on campus planning with Dean Rachel Schreiber and faculty

Mr. Desmarais added that the work of Board committees such as the Capital Campaign Committee, the Finance Committee, and the Campus Planning Committee is very important, but that a small leadership group is needed to coordinate and keep forward momentum. Ms. Plevin added that when a Project Manager is hired, that person would take on some of these responsibilities.

After some discussion, the Committee agreed that it was in the President and the Board Chair’s authority to call upon individual Trustees best suited to assist based upon background and expertise. Ms. Frankel encouraged delegating tasks to support staff, such as Ms. Loewenstein and Ms. Shulock.

Ms. Plevin accepted the Committee’s suggestion and noted that the group’s first job would be to develop a task list.

**VI. Finance Committee Report**  
*Chris Tellis*

Mr. Tellis reported that overall the Institute is in good financial shape, and is on target to meet revenue projections, which include a $1M surplus. First 5 months operating surplus is $1.8M, on revenues of $9.7M.

Most of the revenue shortfall is from low summer revenue. Fall revenue is down by 1% or $139K from budget, which amounts to five students. This is why retention is key.

Mr. Tellis noted that the Institute is on target to make margin by the end of the year, and there are cushions included. Much depends on the variables of meeting reasonable Spring enrollment targets.

Current savings include the postponed Marketing rebranding campaign and delays on completion of the railing project, which will be reflected later when spending takes place. Mr. Tellis noted that November is typically a higher margin month; losses are expected in December/January and May/June especially. The endowment portfolio is doing well, up by $490K year-to-date.

The new option for students to wire transfer their tuition has significantly helped the balance sheet with saving on borrowings costs and no need to use a line of credit. Mr. Tellis noted these kinds of efficiencies are of great help to the school.

In conclusion, Mr. Tellis noted that while it is still early in the year, and there are some challenges ahead, including retention, the budget is in a good state.

**VII. Public Programs Committee Report**  
*Bonnie Levinson*

Ms. Levinson reported that the new Public Education brochure had been published, and distributed it to the Committee. She said that the program is taking a very positive step forward, and the brochure reflects this change. She has already enrolled in two courses for Spring 2014, and encouraged others to do the same. Mr. McGraw noted that Public Education enrollment is up by 15% as compared to last year.
Ms. Levinson continued that the Spring 2014 lecture schedule was finalized and included in the meeting packet, and that planning is underway for gallerists and trustees to host dinners for visiting artists. A dinner to honor artist Francis Cape, for his upcoming exhibition *Francis Cape: Utopian Benches* at the Walter and McBean Galleries, is being organized. The Committee discussed the importance of holding VAS artist’s dinners on a night other than the lecture at an earlier time, to allow for higher attendance.

**VIII. Development Committee Report**

**Cynthia Colebrook**

Ms. Colebrook reviewed the *Development Group Goals* handout with the Committee, emphasizing the tremendous benefit of having nearly half the Board assuming leadership of the various sub-committees. She noted that fundraising results are 43% ahead of where they were at the same time last year, but still not quite to 50% of the year-end goal. She explained that the low number in the *Miscellaneous Income YTD 2013-2014* line item is attributed to the Diego Rivera Gallery donation box theft, and the loss of donations during the time it took to replace it. Ms. Colebrook acknowledged the positive impact of a new multi-platform annual fund development strategy that Marci Scott, Development Associate, has implemented in coordination with the marketing department.

Ms. Levinson added that she and Ms. Rorke Levy are searching for auctions items for the Vernissage gala. They are hoping to secure items that reflect and relate to the history of SFAI, and tell its story, such as a well-known artist’s paintbrush. Ms. Colebrook explained that this strategy inspires philanthropy versus emphasizing purchasing.

**IX. Committee on Trustees**

**Diane Frankel**

Ms. Frankel reported that the Committee on Trustees is meeting on a bi-monthly basis and reviewing potential candidates to join the Board.

The Committee on Trustees hopes to make a recommendation to the Board, either at the next meeting or via e-mail, to present a new candidate.

Ms. Frankel also noted that the Committee on Trustees will be recommending an amendment to the By-laws that increases the maximum membership of the Board from 25 to 30 Trustees.

Mr. Tellis inquired about what areas of expertise need to be fulfilled. Ms. Frankel replied that the Committee has a matrix of this information, which is reviewed periodically. She believes that currently the Board needs a strong leader in the corporate sector.

**X. Early Retirement Incentive Plan**

**Charles Desmarais**

Mr. Desmarais presented a proposed draft version of an *Early Retirement Incentive Plan* for faculty members with at least 30 years of service to the institution as of January 1, 2014. The program is completely voluntary, and faculty will have to elect to participate by February 28, 2014. He noted that two faculty members have already individually approached the Institute with a request for retirement, and this program would formalize the process for such requests.
Mr. Desmarais explained that SFAI has not had a solid retirement plan, and its 403(b) plan was only recently instituted in the last decade, and was halted three years ago due to financial exigency. It was reinstated in January 2012, and this January 2014 the matching contribution amount was increased so employees can now contribute up to 16% of their salary, and SFAI will match 50% of employee contributions up to 8% of the individual’s salary.

Mr. Desmarais then gave an overview of the plan, which has three stages as follows:

2014-2015 Academic Year  3 or 4 CUs sabbatical awarded, according to individual accrual, plus 3 or 2 CUs respectively teaching (full pay)

2015-2016 Academic Year paid for full-time)  4 CUs teaching and 2 CUs release time (teaching 2/3 load and paid for full-time)

2016-2017 Academic Year paid for half-time)  2 CUs teaching and 1 CU release time (teaching 1/3 load and paid for half-time)

There is also a second option in which there are no further teaching responsibilities.

Mr. Desmarais explained that in the short term, there are higher costs; however, over the course of four years, the net cost impact of using lower-cost visiting faculty and tenure-track faculty is positive.

The Committee discussion included several key points:

- Faculty members may feel they are being pushed out of their roles, or the plan is setting the stage for layoffs; the Institute can allay that fear by emphasizing that the program is completely voluntary, that there are no layoffs, and that in fact SFAI is hiring faculty.
- A bigger threat is to leave things the way they are, without full faculty participation.
- ERIPs are part of many organizations, and many people will welcome this as a benefit.
- The 45-day time frame to elect to participate (the legal minimum) is a short window, but the Institute needs to know who is taking the plan in order to plan for coming semesters.
- One of the main questions is likely to be if the ERIP is a one-time option; answer is that based on current financial strength, the Institute is confident in offering the ERIP at this time. It is possible that an ERIP could be offered in the future, but that will depend on a great many variables.

Mr. Desmarais concluded that once the document undergoes final review by lawyers, the administration will put the plan forward to eligible faculty.

**X. Additional Business**

With no additional business, Ms. Plevin thanked the Executive Committee and adjourned the meeting.
Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson

Respectfully submitted,

Bonnie Levinson
Secretary of the Board of Trustees
Figure 1
Executive Committee Meeting
Monday, February 10, 2014
4:00–5:30 pm
Room 16B

Attendance:
Trustees: Penelope Finnie, Diane Frankel, Charles Hobson, Cynthia Plevin, Chris Tellis
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Espi Sanjana,
Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:
Trustees: Bonnie Levinson, Jennifer Emerson
Staff: Hesse McGraw, Elizabeth O’Brien

Minutes

I. Chair Welcome

Ms. Plevin welcomed the Executive Committee. Before she proceeded with the agenda,
Mr. Tellis asked Mr. Desmarais to report on the faculty response to the Early Retirement
Incentive Plan that was distributed in January. Mr. Desmarais replied that so far one
faculty member has accepted the offer and another intends to. He and Ms. Schreiber
reported a very positive overall response from faculty members that this retirement plan
is being offered.

II. Approval of Minutes from January 6 Meeting

Ms. Plevin asked for a motion to approve the January 6 Executive Committee meeting
minutes. Mr. Tellis made a motion, and Mr. Hobson seconded. All were in favor and the
motion passed.

III. President’s Report

Mr. Desmarais reported on a number of items:

- The start to the spring semester was on January 21, with strong enrollment.
- The Annual Report is now available in print and on the Institute’s website.
- Mr. Desmarais and Ms. Plevin recently held the spring semester Faculty and Staff
  General Meeting and presented a number of updates including results from an
  employee satisfaction survey and capital project status updates.
Mr. Desmarais had a very positive meeting with Mayor Ed Lee, Todd Rufo (Director of the Office of Economic and Workforce Development), JD Beltran (SFAI’s City Studio Director and President of the San Francisco Arts Commission), and Rich Hillis (Executive Director of Fort Mason Center). The meeting’s purpose was to inform Mayor Lee of the Institute's plans for Pier 2 at Fort Mason. Mayor Lee was gracious with his time and presented great interest in the Project.

*Francis Cape: Utopian Benches* opened on January 30 with about 90 people in attendance to the VIP reception and about 300 at the public opening. Trustee Jamie Lunder and her husband hosted a dinner to honor the artist.

Rachel Bers, Program Director at the Andy Warhol Foundation, requested a meeting with Mr. Desmarais and Mr. McGraw. She indicated they would like to continue to support the Institute and will be sending seven Warhol prints as part of an initiative to donate Warhol works to educational institutions across the US.

Through Mr. Tellis’ introduction, Mr. Desmarais and Mr. Tellis met with father and daughter Charlie and Sarah Crocker for lunch. The Crockers have been involved with the Institute for generations, possibly all the way back to the school’s original endowment. Mr. Crocker’s granddaughter currently attends SFAI. The meeting provided a good connection and cultivation opportunity.

Mr. Desmarais recently met with Paul Wattis who has expressed great interest in supporting the Institute and its Capital Campaign. Mr. Desmarais also met with Trustee Emeritus Paul Sack, an important supporter.

The next Board Education Session, led by Elizabeth O’Brien, will be held on February 21 from 12:00-1:30pm and focus on costs and value.

As the Chair of AICAD’s new *Thought Leadership Committee*, Mr. Desmarais is in the process of inviting members and forming the Committee.

This year’s commencement will be held on Saturday, May 17 at the Nourse Theater in Hayes Valley. This is a new venue for the Institute.

Later in February, Mr. Desmarais, Mr. Hobson, Ms. Plevin, and Mr. Tellis will be meeting with the Exploratorium’s Director to discuss that institution’s Capital Campaign experience and foster a positive relationship.

The annual Valentine’s Luncheon will be held on Friday, February 14, which provides an important opportunity for past and current donors to see the many recent achievements of the Institute as it continues to grow and thrive.

The Institute’s following on Facebook has gone from approximately 3,000 in 2011 to nearly 20,000 followers.

### IV. Finance Committee Report

**Chris Tellis**

All present Executive Committee members were also in attendance at the preceding Finance Committee meeting; therefore Mr. Tellis did not repeat his report on the financial statements for the six months ending December 31, 2013.

Mr. Tellis inquired what level of confidence Mr. Hobson and Ms. Frankel have for achieving the Capital Campaign goals. Both Mr. Hobson and Ms. Frankel replied that they feel good about the strong cultivation process, and that as the campaign begins to
gain traction more and more people will want to be a part of the success. Their goal is to raise $1M between now and May.

The Committee then discussed what printed materials are needed for campaign cultivation and solicitation visits. Ms. Colebrook noted that in the Quiet Phase, it is ideal to maintain flexibility and tailor materials to prospects. In addition, presenting materials that do not look too “glossy” or final helps prospects feel they are a direct and instrumental part of making the project happen. Once the Institute transitions to the Public Phase, it will be important to have polished, professionally printed materials.

V. Academic Affairs Committee Report

Penelope Finnie

Faculty Search Update

Ms. Finnie reported that 330 applications have been submitted for the New Genres tenured or tenure-track position, and 128 for the Printmaking tenured or tenure-track position. The hiring committee is in the process of reviewing applications and selecting finalists. Three finalists will publicly present their candidacy to the Institute’s faculty, staff, and students during a one-hour lunch-time presentation.

Western Association of Schools and Colleges (WASC)

At December’s off-site review, WASC elected to delay their on-site visit from October 2014 to April 2015, which will give SFAI more time to demonstrate its positive trajectory. WASC’s visit will now take place in parallel with the National Association of Schools of Art and Design (NASAD) review. WASC requested the following plans be prepared in advance, either separately or as a combined document:

- Academic/facilities master plan
- Business plan
- Finance plan
- Plan for expanding use of technology

Ms. Schreiber added that NASAD recently informed the Institute that its Design and Technology program does not meet the requirements to present itself as a design program. Ms. Schreiber and the Committee will be working to select a new name in the coming months.

Low Residency Program

Ms. Finnie reported that Academic Affairs is making several schedule and format changes to the Low-Residency MFA program in response to student concerns. These include:

- Scheduling critiques during weekdays instead of on Saturdays to allow more studio time.
• Assigning each Low Residency student an advisor for the full three years to allow for continuity and a stronger working relationship.
• Holding a summer symposium (tentative date of June 21) as a centerpiece of the Low-Res history and theory of contemporary art course.

Faculty

Academic Affairs is reviewing the processes for hiring, reviewing, and communicating with Visiting Faculty. The goal is to figure out how to treat current Visiting Faculty fairly alongside developing a sustainable plan for the future.

Ms. Frankel inquired how the new system of four Department Chairs has been working. Ms. Schreiber replied that overall it has been a positive shift, and many faculty members have noted they are beginning to see the benefits.

VIII. Development Committee Report

Ms. Colebrook reported that the first Development Committee meeting since June will take place on Wednesday, February 12. The Committee has developed a number of sub-committees that meet more regularly and has moved towards bi-monthly meetings. The sub-committees include:

- Planned Giving, chaired by Hank Feir
- Sponsorships, chaired by Candace Gaudiani
- Annual Fund and Major Gifts, chaired by Jeff Magnin
- Gala Vernissage, several committee members, no chair

The Development Committee is currently:

- Assessing year-to-date fundraising and goals
- Discussing and finalizing FY 2015 goals as part of the budget process
- Organizing the Gala Vernissage
- Hosting the upcoming Valentine’s Luncheon

IX. Committee on Trustees Report

Ms. Frankel reported that the Committee on Trustees will be recommending to the Board an amendment to the By-laws increasing membership from a maximum of 25 Trustees to 30 Trustees. The Committee discussed raising the membership as high as 35 members to allow for greater participation and support, but concluded that for now 30 members was an appropriate and manageable size. The Committee on Trustees will propose this change at the March 13 Board meeting.

Ms. Frankel reported that Teresa L. Johnson received approval from her employer to serve on SFAI’s Board. Ms. Frankel will submit Ms. Johnson’s candidacy for Board
approval in advance of the March Board meeting so that she can attend that meeting as a Trustee. Other candidates are in the pipeline.

**X. Campaign Cabinet Report**

Diane Frankel/Charles Hobson

All present members of the Executive Committee were in attendance for Ms. Frankel and Mr. Hobson’s earlier Capital Campaign update at the preceding Finance Committee meeting; therefore this portion was not reported again.

**XI. Capital Projects Update**

Cynthia Plevin

Ms. Plevin reported that the Capital Projects Coordinating Team recently had a good meeting with Marsha Maytum to discuss what documents will be required to get contractor bids, to present to the GGNRA, for tax credit purposes, etc. Ms. Plevin stated that a critical next step is to secure an Owner’s Representative. Interviews with two Owner’s Representative candidates have been scheduled for the following day with Ms. Plevin, Mr. Desmarais, Ms. Ou, Mr. Tellis, Trustee Dusan Mills, and Director of Operations Heather Hickman. Mr. Sanjana and Ms. Wayland will meet with the final candidate to discuss financials. Once a finalist has been selected, a request to authorize the hiring will be sent to the Board.

Ms. Plevin also reported on a phone call with Said Kordestani, Fort Mason’s tax credit lawyer. Fort Mason and SFAI need to further discuss the framework through which SFAI will obtain tax credits, and the structure through which Fort Mason would make payments for construction on SFAI’s behalf.

**XII. Additional Business**

Ms. Plevin recommended that the May 22 Board meeting be rescheduled to a date in early June, due to the volume of SFAI events in late May that require Trustee involvement. The Executive Committee agreed to move the Board meeting to Thursday, June 12 from 5:00-8:00pm.

**XIII. Adjourn**

With no further business, Ms. Plevin thanked all and moved into a closed Executive Session to conduct the Presidential Evaluation.

*Minutes prepared by Tamara Loewenstein, and reviewed by Cynthia Plevin (in absence of the Secretary).*

*Respectfully submitted,*

*Cynthia Plevin*

*Chair of the Board of Trustees*
Executive Committee Meeting
Monday, March 10, 2014
4:00–5:00 pm
Room 16B

Attendance:
Trustees: Jennifer Emerson, Penelope Finnie, Diane Frankel, Charles Hobson, Bonnie Levinson, Cynthia Plevin, Chris Tellis
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Elizabeth O'Brien, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:
Staff: Espi Sanjana

Minutes

I. Chair Welcome
Cynthia Plevin

Ms. Plevin welcomed the Executive Committee and proceeded to the first item of business.

II. Approval of Minutes from February 10 Meeting
Cynthia Plevin

Ms. Plevin asked for a motion to approve the February 10 Executive Committee meeting minutes. Ms. Frankel made a motion, and Mr. Tellis seconded the motion. All were in favor and the motion passed.

III. President’s Report
Charles Desmarais

Mr. Desmarais reported on a number of items:

• Last week, Mr. Desmarais was in New York City to attend the Whitney Biennial and the Armory Show. He noted that it is valuable to attend such events because he is able to meet with donors, prospects, and others in the art world. While there, he met with Clare Stone and Trustee-at-Large Brent Sikkema.
• He met with Al Baum, a supporter and donor to Institute, and discussed how SFAI could further engage the LGBT community and gain its support. Megann Sept, Dean of Students, has agreed to be the Staff lead on this initiative, and Aziz + Cucher (SFAI’s artists-in-residence and guest faculty, Low-Residency Master
of Fine Arts program, Summer 2014) have agreed to be featured guests at a summer reception.

- Mr. Desmarais thanked Ms. Colebrook and her staff, and all the Trustees, who hosted a lovely Valentine’s Luncheon on February 14.
- Heather Hickman Holland, Director of Operations, has discovered a number of painted-over “lost frescoes” around campus. With the help of Page & Turnbull, she is looking into the possibility of conserving the frescoes, as well as the original donor wall in the courtyard.
- Mr. Desmarais thanked Ms. O’Brien for leading a valuable Board Education Session on Costs and Value. He noted the next session, on Wednesday, March 26, will be about architectural history and led by Librarian Jeff Gunderson.
- Mr. Desmarais attended a dinner with 37 other Presidents at Mills College to honor of the appointment of UC President Janet Napolitano and UC Berkeley Chancellor Nicholas B. Dirks.
- The faculty searches for Printmaking and New Genres/Sculpture are underway, with the first finalist public presentation scheduled for Wednesday, March 12.
- The next Board meeting is scheduled for Thursday, March 13 from 5-8pm in the SFAI Cafe. Rich Hillis, Executive Director of the Fort Mason Center, will be presenting, and Mr. Desmarais will present at the Fort Mason Center’s next Board meeting on March 26.
- Faculty Senate has submitted three nominees to take Faculty Representative Dewey Crumpler’s place when his term ends this year. The nominations will be reviewed by the Committee on Trustees.

IV. Academic Affairs Committee Report

Ms. Finnie greeted the Committee and reported on several items:

Faculty Finalists
Six faculty finalists for the tenure-track or tenured Printmaking and Sculpture/New Genres positions have been selected. Finalist public presentations will begin on Wednesday, March 12 and continue through early April. All presentations are scheduled for 12-1pm in the Lecture Hall. Finalist names, dates, and biographies were distributed in Ms. Colebrook’s recent Trustee update e-mail. Ms. Schreiber added that the roster of finalists is impressive in its diversity and Ms. Finnie noted that all the Printmaking finalists are Master Printmakers.

National Association of Schools of Art and Design (NASAD)
Ms. Finnie reported that Academic Affairs has proposed a new title for the Design and Technology program, per the need to meet NASAD’s curriculum requirements: Art and Technology. Ms. Finnie will keep the Executive Committee up-to-date on its approval status.

Post-MFA Teaching Fellowship
Academic Affairs is working on implementing a Post-MFA Diversity Teaching Fellowship in collaboration with about 12 other art schools. The program would be an
exchange through which top artists from underrepresented backgrounds receive a one-year, full-time teaching position at a school other than their alma mater. Interested schools include the School of the Art Institute of Chicago, Pacific Northwest College of Art, Moore College of Art and Design, Pennsylvania Academy of the Fine Arts, and Cranbrook Academy of Art. Ms. Schreiber added that the initiative will also serve as a marketing tool for Admissions and provide an important professional development experience.

**Trustee Class Visits**
The Academic Affairs Committee is working to coordinate a proactive system for interested Trustees to attend critiques to learn more about the Institute and the student experience. Zeina Barakeh, Director of Graduate Administration, is soliciting specific instructors and dates, which will be shared with the Board.

**Faculty Categories**
Mr. Desmarais and Ms. Schreiber have developed a new, tiered structure to organize the hiring, compensation, and review of full-time and visiting faculty. The proposal was shared with the Faculty Senate last week, and met with a positive reaction. The Executive Committee suggested that a dedicated session for the Committee to review this new structure would be valuable.

**V. Finance Committee Report**

Mr. Tellis reported that the Institute is ahead of projections, making up for low revenues by cutting expenses, and savings on some unfilled staff positions. The Institute is recovering from a low-revenue summer, and is ahead by $180K on spring tuition income, as FTE is 30 students above projections due to strong retention.

Mr. Hobson inquired how the salaries for the two new faculty positions impact the budget. Mr. Desmarais replied that new full-time faculty, included in next year’s budget, are more costly than visiting faculty, but since there will be a related reduction in adjunct CUs, the impact is less than adding a whole new person. Ms. Schreiber added that financial projections for the Early Retirement Incentive Plan show cost savings in three years, since retiring faculty have higher salaries than incoming full-time faculty.

The Institute is in very good shape with cash, $3M ahead, with a total of $6M in cash on hand. This is in part due to improved collection methods, including the new option of wire transfers.

Mr. Tellis reported that in the preceding Finance Committee meeting an amendment to the Gift Management Policy was approved, which states that “the Spending Rule Amount shall be withdrawn in annually in July; the exact date for each withdrawal shall be determined by the Chief Financial Officer.” The previous policy stated the withdrawal would take place on a quarterly basis.
The Finance Committee also welcomed a new member, SFAI alumnus Michael O’Shea. He was a student of Charles Hobson’s studying printmaking and is a practicing artist and business owner with a strong background in finance.

VI. Public Programs Committee Report

Bonnie Levinson

Ms. Levinson reported on a number of updates:

- **Francis Cape: Utopian Benches** closes on March 13, and several events are scheduled for the final week.
- The exhibition ENERGY THAT IS ALL AROUND is travelling to the Grey Art Gallery at New York University, with a VIP reception on April 17 from 5-7pm.
- **Wrong’s What I Do Best** is the next exhibition at the Walter and McBean Galleries featuring work by Tanyth Berkeley, Keith Boardewee/Club Paint, Brad Kahlhmer, Dana Schultz, and Kara Walker among others. The VIP reception will be on April 26 at 6pm.
- Public Education’s spring semester enrollment is up 17.5% over last spring and part of a 69% increase over the past three years. Two free Public Education workshops—some of the more experimental courses—will be offered this spring. The Warhol Foundation has expressed interest in this type of free offering as a direction for the Institute’s Public Programs.
- The PreCollege program launched an online Recruiter application, which has helped to increase applications by 93%. The application deadline is May 1, and it seems promising that enrollments will exceed the budgeted number.
- A new policy to hire only current SFAI students to teach the Young Artists Program has been implemented. Interviews will be conducted in the last week of March and a print brochure has been produced for the first time in several years.
- A proposal to develop a large-sale public project at a Market Street site belonging to the firm of Trustee Joy Ou is underway. A grant proposal will be submitted to the Rainen Foundation in early April for a $100,000 grant to support inventive, public art works and interventions on Market Street. Mr. McGraw added that he is looking into the possibility of organizing an artist-led demolition at the site.

VII. Campus Planning Committee Report

Jennifer Emerson

*New Co-Chair*

Ms. Emerson reported that Dusan Mills recently accepted the position of co-chair of Campus Planning Committee.

*Lost Frescoes*

The Campus Planning Committee recently learned about a number of lost frescoes at 800 Chestnut Street, discovered by Ms. Hickman Holland. The Committee is exploring conservation options with Page & Turnbull.

*National Register of Historic Places*
The Campus Planning Committee is working toward National Historic Landmark status, which would allow the Institute to qualify for historic tax credits for the Chestnut campus. Ms. Emerson noted that the next step in the process is to discuss the application with the Park Service. In addition to historic tax credits, the Institute would be a candidate to apply for various grants.

**VIII. Capital Projects Update**

Cynthia Plevin

Ms. Plevin reported that she and the Capital Projects Coordinating Team, consisting of herself, Ms. Ou, Mr. Tellis, and Mr. Desmarais, continue to meet on a weekly basis via Skype, sometimes calling in from around the world.

Mark Kelley of mack⁵ has been hired, with the approval of the Board of Trustees, as the Project’s Owner’s Representative. He has been tasked with negotiating a contract with architect Marsha Maytum to create a Schematic Design with which to pursue historic tax credits and get updated pricing information. The Institute is not committed to LMS³ for the full project, but this is the first step to move forward with the Capital Projects.

Mr. Desmarais added that January 2015 is the deadline for a plan for 800 Chestnut Street.

**IX. Development Committee Report**

Cynthia Colebrook

Ms. Colebrook reviewed the Development Group Goals handout, noting that year-to-date results are well ahead of last year. The big needs going forward are majors gifts and foundations.

Ticket sales for Gala Vernissage are doing very well; 20 out of the 25 tables have been sold before the invitation has been distributed. Ms. Colebrook thanked the Trustees for their support, and Mr. Sanjana for securing sponsorship from four vendors. She anticipates the $500 tickets will sell out soon. This year, SFAI is offering a $200 level called Art for Dessert, with the hopes of reaching young professionals, particularly in the technology sector.

**X. Committee on Trustees Report**

Diane Frankel

Ms. Frankel reported that Teresa L. Johnson, a new Trustee, will be joining the March 13 Board meeting. A biography and CV for Trustee candidate c b Watts was distributed in advance of the Board meeting, at which a vote on her candidacy will take place.

At the March 13 Board meeting, the Committee on Trustees will propose to amend the By-laws to increase the maximum number of Trustees from 25 to 30.

Ms. Frankel welcomed both staff and Trustees to provide recommendations for Trustee prospects.

**XI. Campaign Cabinet Report**

Diane Frankel/Charles Hobson
Mr. Hobson reported that the Campaign Cabinet is building infrastructure and cultivating prospects.

Recently, a former Board chair, Agnes Bourne, pledged $250K to the Campaign. Mr. Hobson noted this is of particular importance because she has been somewhat distant from SFAI and has returned to support its new ventures. Hers is also the first gift beyond current Trustees and Trustees Emeriti, an important show of support.

The Fort Mason Tour on March 4 was very well received, with a number of donors and prospects in attendance. Mr. Hobson encouraged others to bring their friends and potential donors to visit Pier 2 at any time, since the site is open during the daytime while under construction. He reminded the Committee that the Fort Mason Center and Park Service have already invested $33M in Pier 2, meaning that SFAI’s $17M responsibility is part of a much larger total project cost.

Two Trustees have yet to be solicited for their pledges to the Capital Campaign. The Campaign Cabinet invites every Trustee to hold one cultivation event before the June Board meeting, which could include hosting a dinner or providing a tour at Pier 2, among other possibilities.

Mr. Tellis noted that at a recent meeting with Dennis Bartels, Director of the Exploratorium, he learned that they had raised $30M after breaking ground, indicating that SFAI can go into construction still needing to raise money and feel confident. He added that the Exploratorium had 33 city permits to process, underscoring that the Institute will not have similar hurdles since Pier 2 is located on federal land.

The Committee discussed the idea of raising capital through the sale of significant works by well-know alumni. The Royal College of Art in London’s annual postcard fundraiser was referenced as a good example. The committee agreed that while it is a worthwhile idea, it should wait until later in the Campaign; for now it is important to focus on securing cash gifts.

XII. Preparation for March 13 Board Meeting

The Committee discussed the March 13 Board meeting and the importance of being efficient, while ensuring Trustees leave enthusiastic and inspired. Mr. Tellis reflected that the Institute has a “Window of Opportunity”: that five years of stable finances, a strong Board, a city in the middle of a renaissance, and the unprecedented opportunity of Fort Mason have all come together. The Committee agreed that “Window of Opportunity” was a good theme for the meeting.

XIII. Adjourn

With no additional business, Ms. Plevin thanked the Executive Committee and adjourned.
the meeting.

Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson

Respectfully submitted.

Bonnie Levinson
Secretary of the Board of Trustees
Executive Committee Meeting  
Monday, April 14, 2014  
4:00–5:00 pm  
Room 16B  

Attendance:  
Trustees: Penelope Finnie, Charles Hobson, Bonnie Levinson, Cynthia Plevin, Chris Tellis  
Staff: Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Elizabeth O’Brien, Espi Sanjana, Anne Shulock  

Absent:  
Trustees: Jenny Emerson, Diane Frankel  
Staff: Cynthia Colebrook, Rachel Schreiber, Susan Wayland  

Summary of Actions Taken  

I. The Executive Committee voted to authorize SFAI to send the Term Sheet dated March 31, 2014 to Fort Mason Center’s lawyer, to conclude negotiations and finalize the Term Sheet (see Item V).  
II. The Executive Committee agreed to a new format for committee reports, in which brief written reports will be submitted to the Office of the President and distributed in advance with the agenda and minutes. This will free up meeting time for strategic and substantive discussion and decision-making (see Item VII).  

Minutes  

I. Chair Welcome  
Ms. Plevin welcomed the Executive Committee and proceeded to the first item of business.  

II. Approval of Minutes from March 10 Meeting  
Ms. Plevin asked for a motion to approve the March 10 Executive Committee meeting minutes. Mr. Tellis made a motion, and Mr. Hobson seconded the motion. All were in favor and the motion passed.  

III. President’s Report  
Mr. Desmarais invited guest Jennifer Rissler, Associate Dean of Academic Affairs, to report on year-end events. She referred to a distributed schedule (later sent to all Trustees), containing information about Gala Vernissage and Art for Dessert (Wednesday, May 14); the MA Symposium, MFA Screening, and BFA Exhibition (Thursday, May 15); dealers’ breakfast and
public MFA exhibition opening (Friday, May 16); and commencement and subsequent reception (Saturday, May 17).

Ms. Rissler also invited Trustees to attend the presentation by the last faculty finalist in Printmaking, Noah Breuer, on April 16.

Mr. Demarais then reported on a number of updates:

- He will be recommending Commencement Honorees to the Board for its approval: Bay Area author and activist Rebecca Solnit for the MacAgy Award, and Jack Whitten, an African American abstract painter, for the Honorary Doctor of Fine Arts. He explained that Mr. Whitten is currently at a strong moment in his five-decade career, having been included in last year’s Venice Biennale and with a retrospective opening at the Museum of Contemporary Art, San Diego, in September.
- Mr. Desmarais has had a number of positive cultivation meetings for the Capital Campaign, including with Tony Hooker, Agnes Bourne, and Barney Osher.
- SFAI has just received a $60K grant from the National Endowment for the Arts to develop a mobile application focused on engaging visitors to SFAI. The app will feature artist-driven content such as a “Disorientation Guide” by Rigo 23 and a feature called “Ghosts of SFAI” by Nao Bustamente.

Petition for Union Representation of Adjunct & Visiting Faculty
Mr. Desmarais then informed the Committee, in confidence, about a petition that has been filed by the Service Employees International Union (SEIU) with the National Labor Relations Board (NLRB) to conduct an election aimed at unionizing part-time faculty at SFAI. At least 30% of 105 part-time faculty have signed cards to enable the petition, and a hearing at the NLRB is set for April 22.

Ms. Plevin added that this is part of a nationwide effort by SEIU to unionize adjunct faculty, and that similar efforts are underway at institutions including MICA, Mills, and CCA.

Mr. Tellis inquired as to the downside of a union. Mr. Desmarais responded that a union contract could mean less flexibility, and also significant legal costs. There might also be cases where the union of full-time faculty and that representing part-time faculty could have conflicting desires. He added that the strategic plan set a goal of increasing the number of full-time faculty and having “visiting faculty” truly be visitors. Mr. Desmarais and Dean Schreiber have developed a new draft structure that recognizes long-term part-time faculty and brings in true visitors, but now may not be able to share that with the faculty because of labor laws against bargaining during unionizing efforts.

IV. Capital Projects Update

Because all trustees in attendance, with the exception with Ms. Levinson, had heard an update at the Finance Committee meeting, the update was not repeated. Mr. Desmarais added that a written Capital Projects Report will be distributed to the full Board in the coming days.

V. Term Sheet Review
Mr. Sanjana referred to the latest version of the Term Sheet between SFAI and Fort Mason regarding the Pier 2 project, dated March 31, 2014, which had been updated by SFAI’s attorney. Once the Executive Committee approves, the attorney will send the document to Fort Mason’s attorney.

Mr. Hobson provided an overview that the Term Sheet is a non-binding, good-faith document to be signed now, which would anticipate signing a lease in June.

Mr. Sanjana reviewed a number of salient updates to the Term Sheet, including:
- The fair market value at which SFAI would renew its lease should be only calculated on the square footage of the footprint, not the mezzanine
- Fort Mason is setting up a legal entity to handle the tax credit transactions
- SFAI is pushing to have Fort Mason agree to start charging rent at useful occupancy of the building, not during construction (though expects to have to give on this point)

Trustees had questions about donor recognition and the naming of the pier. The Committee agreed that SFAI needs to establish appropriate gift amounts to secure naming rights.

Mr. Tellis made a **motion** to authorize that the Term Sheet be sent to Fort Mason Center, and Ms. Finnie **seconded**. All were in favor and the motion **passed**.

**VI. Campaign Cabinet Report**

Mr. Hobson reported that there have been no major changes in the numbers, and that the Cabinet is working to move verbal pledges to confirmed written pledges, as well as on cultivation efforts. The Cabinet has a goal of securing an additional $1M in pledges before the June Board meeting.

**VII. New Format for Committee Reports**

Ms. Shulock explained that in setting the agenda for Executive Committee meetings, Committee Reports take up nearly the whole hour, and there is the need to leave time for strategic and substantive discussion and decision-making. Mr. Desmarais and Ms. Plevin have proposed that the Committee shift to brief written committee reports submitted and distributed in advance with the agenda and minutes.

The Committee acknowledged that the Finance Committee, which meets just before Executive, will need to continue with the verbal reporting of any pertinent updates outside the dashboard/balance sheet.

The Committee agreed to try this new format. The Office of the President will issue reminders to committee chairs and staff support.

**VIII. Committee Reports**

_Academic Affairs Committee_  
Penny Finnie
Ms. Finnie explained that there has been no Academic Affairs Committee meeting since the last Executive Committee meeting.

Public Programs and Exhibitions Committee

Bonnie Levinson

Ms. Levinson reported that *Energy that is All Around* opens at the Grey Art Gallery in New York this week, and catalogues arrived today. She also reminded the Committee about the opening of *Wrong’s What I Do Best* at the Walter and McBean Galleries on Saturday, April 26.

She then reported on her conversations with Cheryl Edison from Cushman & Wakefield Real Estate who is representing a 15-acre space, called The Gate, in San Leandro and trying to turn it into a multi-use space for artists and technology companies. Ms. Levinson has proposed to her that the organization give ten studio spaces to SFAI MFA graduates for free on a competitive, yearly basis, and commit to a three-year partnership.

Ms. Levinson added that her dream is to see SFAI take over more space at Fort Mason to rent out as artist studios and hold public education classes, but knows that this idea would have to demonstrate a sustainable revenue stream and business plan. The Committee discussed the recent success of the Public Education intensive taught over spring break by Allison Miller, and the potential to offer more courses of that nature. Mr. Desmarais pointed out that offering rental studios and Public Education courses at the Third Street facility could be a good way to offset any rent exposure from leaving that facility prior to the lease ending in June 2018.

Mr. Hobson added that he had recently met with Charlene Harvey, a Presidio Trust Board member, and Gussie Stewart, Chair of the Fort Mason Center’s Board of Trustees, to discuss a cultural arts corridor encompassing Crissy Field, Fort Mason, and SFAI. The Presidio Trust is sponsoring educational initiatives, which is a potential connection with SFAI and Public Education. Mr. Hobson urged that SFAI can play a leadership role in establishing a broad cultural initiative along the waterfront.

Other Reports

Ms. Frankel, Ms. Emerson, and Ms. Colebrook were absent, so there were no reports from the Committee on Trustees, the Campus Planning Committee, or the Development Committee.

Because all trustees were in attendance, with the exception of Ms. Levinson, for the Finance Committee report during the preceding Finance Committee meeting, the report was not repeated.

IX. Adjourn

With no additional business, Ms. Plevin thanked the Executive Committee and adjourned the meeting.

Minutes prepared by Anne Shulock, and reviewed by Bonnie Levinson

Respectfully submitted,

Bonnie Levinson

Secretary of the Board of Trustees
Executive Committee Meeting
Monday, May 12, 2014
4:00-5:00 pm
Studio 25

Attendance:
Trustees: Penelope Finnie, Diane Frankel, Charles Hobson, Bonnie Levinson, Cynthia Plevin, Chris Tellis
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Elizabeth O’Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:
Trustees: Jennifer Emerson

Summary of Actions Taken

I. The Executive Committee voted to recommend Board approval of the 2014-2015 Budget (see Item IV).

II. The Executive Committee voted to unanimously recommend that SFAI execute the Option to Lease for Pier 2 at Fort Mason in June 2014 and put down a $300K deposit.

Minutes

I. Welcome

Ms. Plevin greeted the Executive Committee and proceeded to the first item of business.

II. Approval of April 14, 2014 Executive Committee Minutes

Ms. Plevin called to approve the April 14 Executive Committee minutes. Ms. Frankel made a motion and Mr. Hobson seconded the motion. All were in favor and the motion passed.

III. President’s Report

Mr. Desmarais greeted the Committee and proceeded with a number of reports:
Mr. Desmarais congratulated Dean Schreiber for leading the search committee that led to the hire of two new tenure-track faculty members: Asuka Ohsawa (Printmaking) and Maria Elena Gonzalez (Sculpture).

ENERGY THAT IS ALL AROUND travelled to the Grey Art Gallery at NYU and opened on April 17 with over 100 alumni in attendance. The show looked beautiful and received great press from the *New York Times*, *High Fructose*, and *Hyperallergic* among others.

On April 26, *Wrong’s What I Do Best*, co-curated by Hesse McGraw and Aaron Spangler, opened with a large crowd and great excitement.

A re-branding identity initiative, led by Director of Marketing Janette Andrawes and Trustee Elizabeth Ronn, has moved forward significantly. SFAI has determined five finalists from more than 20 proposals received from major national and local design firms. Mr. Desmarais emphasized that this initiative is not just about a new logo, but developing a better sense of the Institute’s “brand” and how to tell our story to various constituencies.

All the Gala Vernissage tables have been sold out, and Art for Dessert tickets are still available.

Ms. Andrawes has invested in a PR firm that has already secured a number of important press opportunities for the Institute, including a radio interview with ALICE radio, and print interviews with the *SF Examiner* and *San Francisco Magazine*.

On June 5 at 12pm there will be Executive Committee lunch to prepare for the June 12 Board meeting.

The Annual President’s Dinner, hosted by Ms. Plevin, will be on June 10 at 7:00pm at her home in Oakland. An invitation will follow soon.

The Board of Trustees meeting and Annual Meeting will be held on Thursday, June 12 from 5:00-8:00pm in the SFAI cafe.

**IV. Finance Report**

Mr. Tellis reported that the forecast is for a $1.363M surplus, for another good year. Ms. Levinson asked how Trustees should explain to the public where the surplus revenue is being spent. Mr. Tellis explained that operating surplus goes into supporting the student experience through capital improvements to address safety (e.g. the new railing system required by fire code), deferred maintenance, and facilities needs and into paying down the Institute’s debt.

Mr. Tellis added that for the Capital Campaign, the Institute is working on moving verbal pledges to written pledges. For capital projects, the Schematic Design process and Term Sheet negotiations are nearing completion. He explained that preliminary cash flow scenarios have been developed that make a huge financial argument for pursuing an August 2016 opening date. The primary reasons are:

1) Cost escalation, which means that delaying a year would cost an extra $2M
2) Operating cost savings at Fort Mason over Third Street that add up to $4M over ten years. Fort Mason also has the benefit of predictable costs and budgeting at Fort Mason.
In the preceding Finance Committee meeting the committee had reviewed and approved the 2014-2015 Budget that will be put forward to the Board of Trustees. (Since all members of the Executive Committee were present during that meeting, the report was not repeated.) The Committee agreed that although it is not mandatory, it would represent best practices to also have the Executive Committee recommend Board approval of the budget.

Ms. Plevin called to a vote the approval of the 2014-2015 Budget by the Executive Committee. Mr. Tellis made a motion and Mr. Hobson seconded it. All were in favor and the vote passed.

**V. SEIU Unionization Election Update**

Charles Desmarais

Mr. Desmarais updated the Committee that the Service Employees International Union (SEIU) is moving forward with a very aggressive campaign nation-wide to unionize adjunct faculty members. The Maryland Institute College of Art (MICA) adjuncts recently voted to unionize with SEIU, and Mills College is currently in an election.

Mr. Desmarais explained that the Institute’s position is that it is not a good idea for SEIU to be the sole bargaining agent for Visiting Faculty. Primary concerns include the huge size of SEIU; that SEIU is not a fit with the Art Institute’s culture; and that the organization is very inflammatory and contentious.

Risks of SEIU representing Visiting Faculty at SFAI include:

1. Increased costs for wages or benefits
2. Risk of labor strike (negative impact on public image)
3. Legal costs

Mr. Desmarais emphasized that he and Dean Schreiber know that there are serious issues with the faculty structure—this was identified in the Strategic Plan, and they were developing a plan when the petition for an election was filed, but now cannot share the contents of this plan during an election period. He believes the chances are very high that the Visiting Faculty will vote in favor of SEIU representation.

The Committee asked numerous follow-up questions about the rules of SEIU membership and the election. Mr. Desmarais explained that detailed information can be found at www.sfaivote.org, and that the vote will be counted on May 30.

The Committee expressed concern that the June 12 Board meeting might be overshadowed by discussions about the SEIU vote, and agreed it is critical to ensure the discussions stay focused on the Capital Projects.

**VI. Campaign Cabinet Report**

Diane Frankel/Charles Hobson

All members were present for the Campaign Cabinet Report during the Finance Committee meeting, so the report was not repeated.

**VII. Capital Projects Update and Preparation for June Board Meeting**

Cynthia Plevin
Ms. Plevin informed the committee that there had been some concerning feedback from the State Historic Preservation Office during a review of the Pier 2 project, but that Marsha Maytum was working on resolving it.

Ms. Plevin then led a discussion about how to best prepare for the June 12 Board meeting, and the important vote that will decide whether or not to approve executing the Option to Lease at Fort Mason in June and putting down a $300K deposit.

The Committee agreed that it would be beneficial for Executive Committee members to call each Trustee before the meeting to discuss relevant updates and elicit any questions. The goal is to provide donor stewardship and to go into the meeting feeling confident about the outcome of the vote.

The Committee also agreed that the Board packet should include an executive summary featuring a recommendation from the Committee and the key reasons behind it, along with more detailed supporting documentation. Mr. Tellis suggested that at the Board meeting, several Trustees be prepared to speak about aspects of the capital projects and campaign, and how after a great deal of research, the consensus of the Executive Committee is that moving forward with the project on this timeline best serves the institution.

The Committee agreed that the information that three Trustees have stepped forward to pay the $300K security deposit should arise only if there is concern during the Board meeting about approving the deposit.

Ms. Plevin called to a vote the Executive Committee’s unanimous support of the execution of the Option to Lease Pier 2 at Fort Mason in June 2014 and put down a $300K deposit. Ms. Frankel made a motion to approve the recommendation and Ms. Levinson seconded. All were in favor and the vote passed.

Ms. Plevin committed to calling Ms. Emerson to update her about the recommendation.

VIII. Additional Business

Ms. Schreiber announcement that there will be a celebration honor retiring faculty members Hank Wessel and Pegan Brooke on June 4 from 5:00-8:00pm in the SFAI cafe and the Committee is invited to join.

With no further business, Ms. Plevin thanked the Executive Committee and adjourned the meeting for an Executive Session.

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APPENDIX: Written Committee Reports

Academic Affairs Committee, Penny Finnie

Academic Affairs held their meeting April 29th. Two items were discussed:
- The hiring of the new print and sculpture/new genres professors: Asuka Ohsawa (Printmaking) and Maria Elena Gonzalez (Sculpture)
- Charles discussed the upcoming SEIU union election and do's and don'ts surrounding that. He showed the sfaivote.org website

*Development Committee*, Cynthia Colebrook

Participation by the Board of Trustees is essential for meeting the Annual Fund goal. There are two key variables: Gala Vernissage and Major Gifts. The Gala dinner has sold out thanks to very strong trustee support, but Art for Dessert sales are low. The projected income for this will possibly be made up through additional reservations and by scholarship pledges made by guests at the dinner. Major Gifts Chair Jeff Magnin will be contacting trustees to recruit volunteers for phonathons on June 2 and June 4 [NOTE: rescheduled to June 17 and 18] to personally solicit leadership donors and prospects.

*Committee on Trustees*, Diane Frankel

Three new trustees have joined the Board this spring - Terry Johnson, Jay Kern, and e b Watts - and all attended an Orientation session this month. The Committee will be meeting soon to prepare the following recommendations to the Board for a vote at the June 12 Annual Meeting: Slate of Officers; election to three year terms for those whose terms expire this year and those just elected to partial terms; a new Faculty Trustee to replace Dewey Crumpler whose term is expiring; and student representatives to the Board.

*Campaign Cabinet*, Diane Frankel and Charles Hobson

All members of the Campaign Cabinet are participating in Ambassador Training sessions and each is selecting prospects to cultivate and to eventually solicit. Monthly meetings and weekly conference calls are held to share strategies, results, and motivation. The Comprehensive Gifts and Pledges Report is attached.

*Campus Planning Committee*, Jennifer Emerson and Dusan Mills

Dusan Mills has agreed to co-chair the Campus Planning Committee with Jennifer Emerson. The Campus Planning Committee will be active going forward to develop a plan for the Chestnut Street campus by January 2015.

*Exhibitions and Public Programs Committee*, Bonnie Levinson

**Spring Public Programs** ended on a very high note with great attendance at lectures by Basil Twist and Alfredo Jaar.

The **Wrong's What I Do Best** reception was very well attended. 500 guests through the night. The exhibition received great reviews at Flavorpill and SFist, and the opening was covered by *The Stark Insider*. Aaron Spangler, Tanyth Berkeley, Club Paint, Samara Golden, and Brad Kahlhamer were present for the opening and tour. Liz Cohen and Laurel Nakadate will be
present for the photo symposium Face It on June 21. Additionally a tour was conducted with 60 members of ArtTable, as part of an Advancement / Public Programs partner event.

ENERGY THAT IS ALL AROUND is open at the Grey Art Gallery, NYU
The reception was a success and over 100 alums attended the special program. The exhibition has received very positive press in the New York Times, Hi Fructose, and Hyperallergic, among other venues.

The ENERGY catalogue is complete and is being distributed by Chronicle Books. Copies are available through the Public Programs office.

Public Education
Summer Public Education enrollment is similar to previous summer’s. Courses begin early June and there is an exciting range of artist-directed projects, such as Pranks in the Arts, taught by Kal Spelletich; Inflatable Form, taught by Jesse Walton; and A Map Made by Walking, led by Renee Rhodes and Sasha Petrenko.

PreCollege
Applications for Pre-College closed this week and are 10% above last year. Enrollment will be finalized in the next two weeks.

City Studio
There has been an increase in City Studio participation in the Young Artist and PreCollege Programs. City Studio students are granted scholarships in YAP and PreCollege following four semesters of City Studio participation. This summer six City Studio students are enrolled in the Young Artist Program and three students in the PreCollege Program. Last summer, only four students participated in the Young Artist Program, and the increase in participation is a direct result of increased retention in the City Studio Program.

Partnerships
There are several potential partnerships currently in development with Airbnb, Fort Point Brewing, Kadist Art Foundation, The Gate in San Leandro, LG (technology), and others — each could extend the reach and resources of Public Programs and other departments.

Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson
Respectfully submitted,

Bonnie Levinson
Chair of the Board of Trustees
Executive Committee Meeting  
Wednesday, August 6, 2014  
3:00-4:00 pm  
Studio 16B

Attendance:  
Trustees: Penelope Finnie, Diane Frankel, Bonnie Levinson, Dusan Mills, Cynthia Plevin, Chris Tellis  
Staff: Charles Desmarais, Espi Sanjana, Anne Shulock, Susan Wayland

Absent:  
Trustees: Jennifer Emerson

Summary of Decisions and Next Steps

1. The Executive Committee will invite Cynthia Colebrook, VP for Institutional Advancement, to present about Capital Campaign strategy and tactics on Tuesday, August 12 from 10:30am-noon.

2. SFAI will obtain contracts/work orders for LMSA and mack5 to perform the Design Development phase and circulate them to the Executive Committee. There was unanimous agreement that if there are no questions on these documents, Mr. Desmarais is authorized to sign contracts totaling up to $250K.

Minutes

I. Welcome

Charles Desmarais

Mr. Desmarais opened the meeting by reading an email from a parent who is very happy with his son’s experience at SFAI and wrote forcefully about the importance of the arts and humanities. The message served as an important reminder of the larger purpose that drives SFAI’s work.

II. Review of Current FMC Project Status

Cynthia Plevin

Ms. Plevin provided a brief overview of the current status of the Fort Mason Center project:

- **Lease:** SFAI should receive a draft of the lease the week of 8/11. SFAI’s lawyer has a list of issues and questions that need to be addressed within the lease.
- **Historic Tax Credits:** Bank of America has agreed to buy and sell credits for work completed in 2016. At this point, they won’t guarantee the purchase of credits for work done during 2017.
• **Fundraising:** Without testamentary gifts and annual gifts, the Campaign has raised $5.479M. Nate Levine of BuildingBlox estimated that SFAI should have 50-60% of the project cost pledged before beginning construction. This means that SFAI should aim to raise $6.5M-$8.9M over the next 9 months.

• **Financial Analysis:**
  
  o SFAI has prepared four scenarios for different start/move-in dates. They show the upside of beginning the project sooner because of escalating costs, if enough money has been raised to do so.
  o Mack5 has prepared cash flow projections through the start of construction. This model indicates that, with a target opening date of August 2016, March 2015 is a key date at which big expenditures begin.

• **Approvals by State and Federal Agencies:** The State Historic Preservation Office and National Park Service want a number of modifications to the proposed design. SFAI and LMSA are conducting an interim design phase to address these concerns.

### III. Broader Considerations

Charles Desmarais

Mr. Desmarais urged the committee to think about an entire range of considerations—in addition to the very important financial, legal, and approvals issues that have occupied trustees over the summer—that are crucial to the FMC project’s success.

These considerations are:

- Needs of student artists
- Needs of the community
- Fundraising considerations
- Needs of faculty and staff
- Faculty/staff enthusiasm
- Cost of schedule delays
- Board commitment
- Support for leadership
- Public perception
- Risk of inaction
- Relationship to Chestnut facility and projects there

He asked the Executive Committee to take on all of these considerations as a joint responsibility with staff leadership, working to ensure enthusiasm, momentum, confidence, and commitment from the full Board. He also expressed the idea that due diligence should be performed without undercutting the message to the full Board and community that SFAI has total commitment and confidence.

### IV. Next Steps

Cynthia Plevin

**Fundraising Effort**
Ms. Plevin noted that due diligence has moved the project forward over the summer, and now the urgency that has existed around financial issues must be directed toward fundraising. The Executive Committee must work to engage the full Board in a serious fundraising effort even before the September Board meeting.

Ms. Frankel added that Cynthia Colebrook has been preparing a new plan for Campaign activities, and will present a draft at the Campaign Cabinet meeting the next day. The committee agreed that a better understanding of overall campaign strategy/scenarios and specific action items for trustees would be helpful in building engagement, and decided to invite Cynthia Colebrook to present to the Executive Committee on Tuesday, August 12 from 10:30am-noon.

Other topics discussed include:

- The continued importance of the Annual Fund
- The need for a newsletter to the Board and donors to keep them engaged and informed about progress
- Whether other forms of pledges, such as donors putting up guarantees for SFAI to borrow against, could help secure money in a bridge loan situation. Committee members asserted that this has not worked well in other organizations, and that obtaining actual pledges is the priority.

Contracts

Ms. Plevin reminded the committee that the Design Development phase will take 8 weeks, and SFAI needs new contracts with LMSA and mack5 to keep the process moving forward.

The committee agreed that the contracts should make clear that SFAI will not pay for change orders that arise out of adjustments required by local and federal agencies.

SFAI will obtain contracts/work orders for LMSA and mack5 to perform the Design Development phase and circulate them to the Executive Committee. There was unanimous agreement that if there are no questions on these documents, Mr. Desmarais is authorized to sign contracts totaling up to $250K.

Minutes prepared by
Anne Shulock, Senior Assistant to the President for Strategic Planning and Communications
Combined Finance/Executive Committee Meeting  
Monday, September 15, 2014  
3:00-5:00 pm  
Room 16B

Attendance:  
Trustees: Penny Finnie, Diane Frankel, Michael Jackson, Jay Kern, Bonnie Levinson, Dusan Mills (by phone), Cynthia Plevin, Steven Spector, Chris Tellis  
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:  
Trustees: Jenny Emerson  
Committee Members: Frank Mainzer, Michael O’Shea

Summary of Actions Taken

The Committees agreed that SFAI should proceed with a Summer 2015 construction start date and that the next months are critical to the success of the Capital Campaign.

Minutes

I. Welcome  
Chris Tellis

Mr. Tellis greeted the Finance Committee and proceeded to the first item of business.

II. Approval of May 12, 2014 Finance Committee Minutes  
Chris Tellis

Mr. Tellis asked for a motion to approve the May 12 Finance Committee meeting minutes. Mr. Spector made the motion and Ms. Plevin seconded. All were in favor and the motion passed.

III. Results for Total Year ending June 30, 2014  
Espi Sanjana

The year-to-date June Operating Surplus is $1.46 million, which is $532K better than budget. The above budget Operating Surplus plus the improvement in collections
during the year has resulted in SFAI not having to borrow from its Line of Credit at First Republic Bank this summer – a first in more than a decade.

Year-to-date 12 months Total Revenue of $20.6 million is $395K (1.9%) lower than budget. The breakdown is:

- Year to date June Net Tuition and Fees of $17.9 million are $535 K (3%) below budget but $695K (4%) above last year. The majority of the variance versus budget is attributable to low summer 2013 registration and above-budget college funded scholarships. Total tuition is $1.3 million (5%) above last year.
- Year to date Total Other Revenue (Contributions, Housing, etc.) of $2.7 million is above budget by $140 (5.4%). Housing is $136K above budget and miscellaneous income from facilities rental, printing fees, etc. is $127K favorable to budget. Contributions and Events (net) is $124K (13%) under budget and $40K lower than last year. Contributions is 4% of total revenues.

The Revenue shortfall from budget of $394K is more than offset by expenses of $19.1 million being $927K (4.6%) below budget. Nearly all areas are year to date under budget with the exception of Instruction, which has an unbudgeted $215K accrual for the liability associated with the Early Retirement Incentive Plan (ERIP) for tenured faculty. The largest variance is in Marketing, which, as previously discussed, is largely due to timing differences. Spending on the Branding Campaign will flow from the current year into the next fiscal year. In most other areas personnel costs are under budget – not hiring budgeted personnel or delays in replacing terminating employees – as seen on the dashboard, headcount has been under budget all year.

Net Change before Depreciation and Investment Income is a $1.46 million surplus, which is $532K (57%) better than the $927K budgeted surplus but $425K (23%) lower than the surplus in the prior year.

During June we booked $415K in Capital Campaign pledges, making the total pledges booked $4.425 million. Against the $4.2M year to date revenues from the Capital Campaign there are expenses of $372K, resulting in a $3.8 million net increase in surplus to $5.3 million. While pledges are below the projected level, cash flow exceeds the projected level, resulting in collections being 20% of amount pledged versus 10% initially projected.

June investment gain of $182K on the endowment portfolio results in year-to-date investment gain of just over $1.4 million or 18.0%. $166K of endowed scholarship revenue was received in May – $141 at the Gala and $25K from the Velma Peterson estate. The portfolio value is $9.5 million after the $315K annual draw in July 2014. As long as the gain is higher than our annual draw, the endowment will continue to increase in value.
The Balance Sheet is strong. Student Receivables are $14.3 million under budget because they do not include $14.7 million in Fall 2014 billings, which were included in the budget – not a fiscal 2013-2014 item and reversed out in the year-end actuals. Capital Expenditures for the year were over budget due to carry over of prior year items, security deposit on the new gas kiln to be received prior to start of Fall 2014 semester, and some unbudgeted items like the new electric kiln to replace the one that died. There were no borrowings against the Line of Credit versus $698K budgeted.

SFAI is in good financial condition going into the next academic year and with Fall 2014 enrollment looking good, financial strength should increase during this year.

IV. Results for the 2 months ending August 31, 2014  

Espi Sanjana

Mr. Sanjana reported that this is the best start to an Academic Year in a long time. Revenues should exceed budget by a good margin and cost control has been built into the DNA of SFAI.

Attached are the results for year to date August 2014. The operating deficit of $1,315K is $649K or 33% favorable than the $1,964K budgeted deficit. Like other summer months, August is a low revenue month where revenues do not cover costs.

August YTD Total Revenue of $1,677K is $250K (18%) better than budget. The breakdown is:

- Net Tuition and Fees of $1,343K are $236K (21%) above budget and $361K (37%) above last year. Fall 2014 enrollment as of the end of August was at 685 FTE vs a budget of 646 FTE, led by higher than planned Graduate level enrollment (see the Dashboard). In addition, in the month of August, we are seeing the continued impact of strong summer enrollment in the Post Baccalaureate program and higher than budgeted participation in our summer Pre-College program.
- Year to date Total Other Revenue (Contributions, Housing, etc.) of $334K is above budget by $14K (4%). Housing is $84K above budget driven by higher occupancy rates and additional revenue in July and August for third party summer rentals. In addition, miscellaneous income from facilities rental, printing fees etc. is $36K favorable to budget. Contributions, Events and Exhibitions net revenue is $106K below the budget. The primary driver in the variance to budget is due to the delay in timing on a $100K donation for the Chamberlain Harker Award. SFAI is currently working with the Harker Award trustees to reconfigure grant-funded programs in alignment with Ann Chamberlain’s will. Funds are expected in the current fiscal year.
Year to date August Expenses of $3 million were $399K (12%) below budget. Nearly all areas are year to date under budget, mostly due to timing. As of August there were 9 open staff positions, which are driving some of the lower than budgeted spending. (See the Dashboard) The unfavorable variance in Academic Support is mostly the result of a change in the accounting method for the faculty Early Retirement Incentive Plan compared to what was budgeted. Per our auditor’s recommendation, we modified our accrual for the liability for the plan and we are now expensing more in the current fiscal year than we anticipated in our budget.

Net Change before Depreciation and Investment Income is a $1,315K deficit, which is $649K (33%) better than the $1,964K budgeted deficit and $175K (12%) better than the deficit in the prior year.

Year to date revenue from the Capital Campaign is lower than planned by $963K. Expenses are over plan by $2K or 6%. See the dashboard for the breakdown of campaign vs. project expenses incurred year to date.

Overall, Capital Campaign pledges have reached $4,350K. While pledges are below the projected level, campaign to date cash receipts on pledges exceeds the projected level, resulting in collections being 20% of amount pledged versus 10% initially projected – see Dashboard.

The investment portfolio gained $347K. The portfolio value is $9.4 million - after the $318K annual draw this month.

The Balance Sheet is strong. Cash is at $6.7M, $2.4M higher than budgeted due to higher than budgeted enrollment and strong collections for Fall 2014. Student Receivables are $815K under budget due to strong collections. Year-to-date CapEx is under budget mostly due to delayed timing on two large projects – the machine shop ventilation system and the new kiln.

SFAI has begun its new fiscal year in good financial condition with Fall 2014 enrollment driving the favorable results. There will be pressure to increase expenses due to higher than budgeted enrollment; therefore we must continue to monitor spending carefully. We expect that the financial strength should continue during this year.

Ms. Frankel inquired if Public Education programs were more successful than last summer, and Ms. Levinson replied that PreCollege had 5 more people than last year and Public Education enrollment is up.

Mr. Tellis noted that SFAI had exceeded its summer budget partly due to having budgeted a lower goal. Ms. Schreiber described ongoing efforts to build summer programs, such as a summer Post-Bac option and bringing in Stanya Kahn next summer (to be confirmed) as a distinguished artist-in-residence for the Low-Residency MFA.
Mr. Tellis inquired if there were any impacts on student experience due to increased enrollment numbers. Mr. Desmarais explained that there have been some extra expenses such as for increased studio tech hours, and that SFAI is also focusing on recruiting and filling in programs that have capacity, such as the MA program.

Mr. Tellis congratulated Mr. Sanjana and his team on a job well done.

V. Fort Mason Update and Next Steps

a. Capital Campaign status

Mr. Desmarais noted that the summer was a slow period with many Trustees and cultivation prospects traveling, but activity has been ramping up in the last several weeks.

Ms. Colebrook confirmed that $7M has been raised in the campaign, inclusive of testamentary. Ms. Frankel added that by March, at the time construction contracts need to be signed, SFAI should have raised another $5.5M. Ms. Colebrook added that five individuals have agreed to Co-Chair the former Trustee phase of the campaign: Agnes Bourne, Howard Oringer, Paul Sack, Jack Schafer, and Roselyne Swig. SFAI’s new Manager of Institutional Giving, Cristiana Baik, is working on proposals to Wells Fargo and the Koret Foundation.

Mr. Desmarais emphasized that while due diligence in regarding financial and legal matters is extremely important, it can negatively impact enthusiasm and momentum, and it is important to consider the proper balance.

b. Construction start date

Mr. Desmarais invited the Committee to consider key questions about the Fort Mason project: Why do we need this project? What is SFAI buying? What are the costs? What are the risks?

The Committee collectively listed the benefits:

- A $54M building for $17M
- Studio space
- Decreased annual lease payments
- Moving from Class C to Class A building
- Increased recruitment and retention
- SFAI’s reputation
- Philanthropy
- Beautification of both campuses
- Securing known future costs
- Further exposure of public programs
- Parking spaces
The Committee then considered the risks:

- Hurt reputation, if goal is not achieved
- A waste of capital
- Future costs of Third Street facility
- Insolvency
- Overextended
- Debt
- Inflation due to timing

*The Finance Committee transitioned to a combined meeting with the Executive Committee to continue discussion on the graduate center’s construction start date, followed by Executive Committee business.*

The Committees discussed at length the risks and benefits of a Summer 2015 construction start versus waiting until December 2015. A delayed construction start date raised concerns about losing excitement, momentum, and urgency for the Campaign and increased costs due to escalation and hiatus costs.

Moving forward with a Summer 2015 start date brought concerns about SFAI’s ability to raise significant capital before the April Board meeting, unresolved lease negotiation and Historic Tax Credit issues, the potential need to borrow, and a potential loss of the $300K deposit to Fort Mason if FMC turns away facility rentals and SFAI does not meet the target start date and needs to compensate FMC for lost income.

After much discussion, the Committee agreed that SFAI should proceed with a Summer 2015 construction start date and that the next months are critical to the success of the Capital Campaign.

**VI. Approval of May 12 & August 6 Executive Comm. Minutes  Cynthia Plevin**

Ms. Plevin called for the approval of the May 12 Executive Committee minutes. Ms. Finnie made a **motion** and Ms. Plevin **seconded** the motion. All were in favor and the motion **passed**.

Next, Ms. Plevin called to approve the August 6 Executive Committee minutes. Mr. Tellis made a **motion** and Ms. Frankel **seconded** the motion. All were in favor and the motion **passed**.

Ms. Plevin reported that the Board of Trustees committee memberships were being finalized and would be distributed soon. She also announced that she and Mr. Desmarais are planning to arrange a Board training session focused on the appropriate role of the Board, and invited the Committee to provide recommendations for Board governance facilitators. Ms. Schreiber added that Jill Ferguson, SFAI’s WASC/NASAD consultant,
will be on campus in March and will hold a session for Trustees on their role in accreditation reviews.

VII. President’s Report

Charles Desmarais

Mr. Desmarais greeted the Committee and proceeded with a number of reports:

- There was a positive meeting this morning with representatives from the National Park Service and State Historic Preservation Office as part of the Pier 2 project approvals process.
- The 2013-2014 year-end events were a great success with Gala Vernissage netting over $257K for the scholarship fund. Commencement will return to the Nourse Theatre this academic year, but will be held on Sunday, May 17 (instead of Saturday). This will affect the day of the annual President’s Dinner.
- The 2014-2015 academic year is off to a strong start with 700 students in total. Tomorrow, September 16, is the last day to add/drop classes, after which the retention rate can be calculated.
- The Board voted to approve Steven J. Spector as a new Trustee at the Annual Meeting in June, making a total of four new Trustees elected since February. A number of strong trustee candidates are in the pipeline.
- The opening reception of the exhibition *Javier Téllez: Games are Forbidden in the Labyrinth* had 465 in attendance.
- The Public Programs lecture series includes an impressive roster of artists such as Chip Lord, Allison Miller, and Lucy Lippard. Free tickets for the Lucy Lippard talk are sold out, but dinner tickets are still available. A number of free tickets for Trustees are on reserve. The Public Programs brochure was distributed in the _NY Times_ in early September.
- A video about SFAI’s identity initiative, produced by Gershoni, was distributed to the Board, faculty, staff, and students with positive feedback received. The website, Phase I, is now live, and the next Phases will roll out in October. Trustee business cards have been ordered and will be distributed at the September 23 Board meeting. Mr. Desmarais extended special thanks to Elizabeth Ronn and Janette Andrawes for leading the initiative.
- Mr. Desmarais and Ms. Plevin lead an All Faculty/Staff meeting recently with updates from Ms. Andrawes on the Identity Initiative and from Ms. Colebrook on the Capital Campaign and fundraising.
- The September 23 Board meeting will be held at Pier 2, with a walk-through beforehand.

VIII. Chestnut Street Planning Process

Dusan Mills

Mr. Mills updated the Committees that the Campus Planning Committee has been assessing various options for the Chestnut Street campus. When Mark Kelley returns from vacation, the Committee will refine costs and prioritize. He also noted that Mack has estimated that Studios 9 and 10 could be put back into service for $300K, which would be functional for another 10 years. Mr. Mills noted that the Campus Planning
Committee would need to determine the best use of that space as a part of their overall re-programming work.

IX. Finance Report  
Chris Tellis

Mr. Tellis recapped the Finance Committees strategic discussion about construction start dates and general consensus to push forward for an August 2016 opening date. He then reported that SFAI is off to the best start in many years with its finances and enrollment numbers.

VIII. Campaign Cabinet Update  
Diane Frankel

Ms. Frankel reported that five solicitations have been scheduled to take place before the end of the month. Three leadership solicitations are in the works, one in New York, and two locally. A number of cultivation events have been organized, the first of which is to take place tomorrow evening hosted by Trustee John Sanger. On October 14, the Jameses, Ronns, and Gaudianis are hosting a cultivation event in Palo Alto. Co-chairs for the Former Trustee Committee have been selected. Ms. Frankel reiterated that there are only fifteen weeks remaining until January and there should be a sense of urgency to move swiftly with fundraising efforts.

IX. Committee Reports (written reports distributed in advance of meeting)  
Exhibitions and Public Programs, Bonnie Levinson

The Exhibitions and Public Programs committee met last week to review current and new initiatives and there are several exciting projects being launched in the department.

- Public Education enrollment has experienced a significant increase in enrolled students over the last year; for instance last fall 87 students enrolled; as of today 126 have enrolled for this fall and enrollment is continuing.
- Walter and McBean Galleries attendance has increased 93% since the summer of 2013.

- Following the successes of ENERGY THAT IS ALL AROUND, SFAI is developing several future exhibitions with the goal to amplify local histories—these include:
  - A partnership with SFMOMA next spring to present Doug Hall’s *The Terrible Uncertainty of the Thing Described*;
  - A Doug Hall retrospective;
  - And an exhibition of David Ireland’s work, to be presented in January 2016.

- SFAI is initiating a partnership with Kadist Art Foundation that will commission new works and support curatorial work by artists. An annual project cycle will result in a commission of new work by an internationally prominent artist, a group exhibition collaboratively curated with the artist, and a nine-month $25K post-grad fellowship for an SFAI MA or MFA grad. Kadist will contribute $50K annually.
• SFAI is also preparing to launch an Exhibitions and Public Programs Fellow—an annual full tuition award for an incoming MA student. Major goals for this fellowship are to improve the link between the MA program and public programs, and to serve as an aid to MA recruitment efforts.

**Committee on Trustees**, Diane Frankel

Ms. Frankel had no new business to report.

**Development Committee**, Jay Kern

Mr. Kern made a number of reports related to fundraising efforts and the Capital Campaign:

- $250K of grants have been submitted to Wells Fargo and the Koret Foundation.
- A letter to former trustees has been mailed.
- Alumnus Katharine Butler is to host an alumni event in Sausalito.
- A Chair and members are needed to lead the Gala Committee. This is a big and important role; please speak to him after the meeting if you are interested.
- A Director of Development search has been mounted, with seven applications so far. Four have been short-listed. The selection process will begin with telephone interviews, followed by finalist in-person interviews.

**Academic Affairs Committee**, Penny Finnie

SFAI is up for re-accreditation this year by both of our accreditors: WASC and NASAD. They will conduct a parallel visit this spring (April 8, 9, and 10). SFAI has hired a consultant, Jill Ferguson, who specializes in assessment in the creative disciplines. She will be working with faculty, the President’s Cabinet, and some board members prior to the visits to prep SFAI for these visits.

- "Art and Technology" has been approved by NASAD as the new name for the major formerly known as “Design and Technology”.
- Admissions and recruitment have been suspended for the BA and MA in "Urban Studies". This decision follows from a number of factors, including:
  o Numbers: there are only about 6 students currently, which is not enough to sustain the curriculum.
  o We are out of compliance with our accreditor, who initially rejected the name “Urban Studies” because it is the name used for a social science major. (At the time, they approved the name “Urban Studies (Art)” but this name was never used, likely because it’s confusing.)
  o We conducted an external program review which revealed some significant issues in the program, in particular a dissonance between the stated aims of the program and its curriculum.
  o We have chosen suspension because we might consider re-launching the
program with significant revisions.

- Other changes being considered following the BA/MA external review:
  - Should “History and Theory of Contemporary Art” be a BA or a BFA?
  - Should the MA programs in Exhibition & Museum Studies and HTCA merge, or should they distinguish themselves?
- Additionally, we are no longer using the “School of Interdisciplinary Studies” and the “School of Studio Practice” as structural entities (we don’t feel it’s necessary now that we only have 4 departments, BA, BFA, MA, MFA).
- These changes will all be seen on the new web site.

The changes mentioned above reflect the vision for SFAI, which is to re-hone our identity as a “fine arts” or “studio arts”-only institution. At this time, there are only a small handful of such institutions remaining in the country.

The library also went through a self-study and external review this summer. SFAI will be considering significant library improvements based on that review.

Academic Affairs will be conducting 4 searches this year for full-time, tenure-track faculty, in:
- Art History
- New Genres
- Art and Technology
- Photography

And finally, Dean Schreiber is currently in negotiation with SEIU, a slow process.

X. Preparation for September 23 Board Meeting  

Cynthia Plevin

The Committees agreed that they could expect a lively discussion about the construction start date at the September 23 Board meeting. Ms. Plevin noted the importance of building confidence in the decision-making process, especially for Trustees who have been less involved in the day-to-day efforts.

A newsletter is due to be in hand by the Board meeting including updates about the Capital Campaign that will help Trustees feel informed and engaged, and other campaign communication efforts are being developed.

XI. Adjourn  

Cynthia Plevin

With no further business, Ms. Plevin thanked both Committees and adjourned the meeting.

Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson
Respectfully submitted,

Bonnie Levinson
Secretary of the Board of Trustees
Executive Committee Meeting
Monday, October 20, 2014
4:00-5:00pm
Studio 16B

Attendance:
Trustees: Penny Finnie, Charles Hobson, Jay Kern, Cynthia Plevin, Chris Tellis
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Rachel Schreiber, Anne Shulock, Susan Wayland
Absent:
Staff: Espi Sanjana, Elizabeth O’Brien
Trustees: Jenny Emerson, Diane Frankel, Bonnie Levinson, Dusan Mills

Minutes

I. Welcome

Cynthia Plevin

Ms. Plevin greeted the Executive Committee and proceeded to the first item of business.

II. Approval of Minutes from September 15 Joint Finance/Executive Meetings

Ms. Plevin asked for a motion to approve the minutes from the September 15 joint Finance and Executive Committee meetings. Ms. Plevin made the motion and Mr. Kern seconded. All were in favor and the motion passed.

III. President’s Report

Charles Desmarais

Mr. Desmarais presented a number of reports:

- The State of SFAI Report was distributed to the Executive Committee on Friday.
- Mr. Desmarais recently attended for the first time the NASAD Annual Meeting in Minneapolis, and presented on the *The Role of the Community in Expanding the Resource Base*. That same weekend in Minneapolis, he attended the AICAD Fall Board meeting.
- A number of cultivation events and activities are taking place. Most recently two cultivation parties were hosted, one by John Sanger and one by the Jameses, Ronns, and Gaudianis. Mr. Desmarais stopped over in Chicago on his way to
NASAD/AICAD to meet with Stephanie Comer of the Comer Foundation, and an alumna of SFAI. Mr. Desmarais has also had cultivation and solicitation meetings with Al Baum/Robert Holgate, Mary Bitterman of the Osher Foundation, Carl Doumani, Mike Wilsey, and Wells Fargo.

- *Fertile Ground: Art and Community in California* opened at the Oakland Museum including many notable SFAI alumni. The exhibition is open through April 12 and provides a wonderful cultivation opportunity for donor prospects.
- The Legacy Luncheon was held on October 8 and had a total attendance of 47 people. There were 22 award recipients and 16 donors and trustees, and several attendees have already arranged for studio visits with student artists.
- Coming up in November is SFAI Concentrate (November 15, 6-8pm & Sunday, November 16, 1-6pm) and Alumni Day (Saturday, November 15, 1-6pm).
- Upcoming cultivation opportunities include a cultivation party on October 29 at the home of Tony and I’lee Hooker and a cultivation dinner hosted by Brent Sikkema after the Erin Shirreff VAS lecture on November 4. The East Bay Cultivation Party will be rescheduled in January, and ideally held at the Oakland Museum.
- On April 8-10, there will be a concurrent on-site visit by WASC/NASAD. Participation by Trustee leadership will be expected. Jill Ferguson will be on campus six weeks prior for a site-visit and will be available to meet with Trustees. Mr. Sanjana and Ms. Wayland will also run financial literacy workshops for Trustees in preparation.

IV. Finance Report

Chris Tellis

Mr. Tellis recapped the Finance Committee meeting:

1. These are the best results he’s seen in his time on the Board. SFAI is off to a very good start to this academic year.
2. Steven Spector will take over the role of Chair of Investment Subcommittee and will work towards finding a local company to manage SFAI’s investments.
3. SFAI is in the last stage of lease negotiations with FMC, with an open item being CPI-based rent increases.

Mr. Tellis communicated his concern about the effect of CPI-based rent increases, as discussed in the Finance Committee meeting. The Executive Committee continued this discussion, including the possibility of locating an alternate venue to use as a negotiating tool and the importance of figuring out the mechanism for renewing SFAI’s initial lease. Mr. Kern offered to connect with colleagues in the real estate business for advice on the terms of comparable leases. The Committee reiterated its support of the Fort Mason project, and agreed to gather more data. Mr. Tellis and Mr. Desmarais will speak further with Mr. Hillis as a next step.

V. Capital Projects Update

Charles Desmarais/Cynthia Plevin

a. FMC Approvals Process and Design Development
Mr. Desmarais reported that SFAI has SHPO approval and architect Marsha Maytum (LMS) was in Washington, DC, recently and received very positive feedback from the National Park Service tax credit office, which is the next step in the approvals process.

b. Process for deciding number of studios in pier 2

A discussion on this topic took place in the Finance Committee meeting with all but one Committee member present, therefore the Committee agreed not to repeat it.

c. Chestnut Street Panning Process

Mr. Mills, Ms. Schreiber, and Ms. Hickman Holland are scheduling a phone meeting with Mr. Kelley to review cost estimates for the options discussed at the September Campus Planning meeting.

VI. Capital Campaign Update

Charles Hobson/Cynthia Colebrook

Ms. Colebrook reported that there are a number of solicitations in the pipeline and activity has been ramping up. The upcoming Alumni Day and SFAI Concentrate is a prime event to bring prospects and introduce people to the school. Tony and I’lee Hooker are to host a cultivation party in Tiburon on October 29.

As part of the ongoing strategy to engage more and more Board members in the Campaign, a committee of former trustees has had a great initial meeting and continues its work on the next steps for the Campaign. Ms. Colebrook acknowledged that reaching the goal of raising $12.5M (another $5.5M) by the April Board Meeting is the biggest challenge at the moment and she hopes that everyone will join together to keep moving forward towards this goal.

VII. Committee Reports

Exhibitions and Public Program Committee

Mr. McGraw on behalf of Bonnie Levinson

The Phoebe Snow Foundation is making a $50K gift to Public Education for its operations. Ms. Levinson worked very closely with Regina Scully of the Phoebe Snow Foundation to secure this gift.

Committee on Trustees

Ms. Colebrook on behalf of Diane Frankel

- The Committee has not met since May, but the next meeting is tentatively scheduled for 10/29
- Jeremy Stone has tendered her resignation to spend more time with her children, but had emphasized that she still loves SFAI. Now have 22 trustees/24 with faculty
Need to grow committee (Jeremy was on this committee)
Selection of Faculty Trustees: Nicole Archer For 2-year terms. Paul Klein is in second year of his term.
Selection of Student Representatives: Caitlin Molloy, Graduate Rep.; Undergraduate Rep still to be selected.
Three candidates in various stages of cultivation
Eight new candidates to be discussed by committee
Always welcome suggestions for candidates from board and staff

**Development Committee**

*Jay Kern*

**Institutional Giving (Cristiana Baik)**

*Foundations:*
- Received word of $50K grant forthcoming from the Phoebe Snow Foundation for City Studio, thanks to personal cultivation by Bonnie Levinson
- Mary Crocker Trust proposal for $15K submitted. Site visit for trustees set for 10/29

*Sponsorships:*
- Developed prospect list for Gala sponsorship

**Annual Fund Fall Appeal (Monique Willms)**

- Over 50% of trustees have given or pledged for FY15; will send reminders to others
- Thank you to Jeff Magnin for signing and personalizing renewal letters scheduled to be mailed this month
- Employee campaigns are underway. Staff chaired by Sarah Morrison and Faculty by Christopher Coppola. Goal to exceed 47% participation of last year
- Campus Philanthropy Day will be October 29

**Alumni Relations (Lindsey Lyons)**

- Alumni Reunion 11/15, 1:00 – 6:00; opening reception 6:00 – 8:00 for Concentrate with Alumni Exhibition *Collected*, and emerging artist sale. Concentrate continues on Sunday 1:00 – 6:00

**Gala Vernissage (Lindsey Lyons)**

- May 13 in Pier 2, Fort Mason
- Committee meeting held 10/20; a Gala Chair still has not been found
- Sponsorship packets redesigned; board can help with sponsor solicitation

**Director of Development Search (Cynthia Colebrook)**

- 3 interviews scheduled this week with Charles Desmarais, Susan Wayland, and Cynthia Colebrook

**Academic Affairs Committee**
The 4 searches for new full-time faculty have been announced and there has been positive response (Art History, New Genres, Art and Technology, Photography).

SFAI will have some very high profile visiting artists/critics this year:
  - Stanya Kahn will be a distinguished visiting artist-in-residence for the low residency MFA program, Summer 2015.
  - Peter Plagens and Laurie Fendrich will be Distinguished Visiting Artist and Critics in Fall 2015.
  - Chip Lord will be here during the 2 week January intensive period to teach a course titled “On the Waterfront”.

Faculty-led travel:
  - Keith Boadwee will lead a travel program to New Orleans for Prospect.3, January 2015.
  - Mark Van Proyen will take students to the Venice Biennale, as he has done in the past. This year, students will be supported by a $10,000 grant given by a 2014 alumnus, who shared that the Venice trip with Mr. Van Proyen was the highlight of his studies at SFAI.

The Faculty Senate has created an Ad Hoc committee to oversee student exhibitions campus-wide.

NASAD has agreed to allow SFAI to use the WASC self-study plus an appendix as its NASAD report, which will significantly cut down on the work that Dean Schreiber, Ms. Rissler, and others will need to prepare.

The Assessment Committee is evaluating new online course evaluation products.

Negotiations with SEIU are continuing slowly.

**VIII. Adjourn**

Cynthia Plevin

With no further business, Ms. Plevin adjourned the meeting.

*Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson.*

*Respectfully submitted,*

Bonnie Levinson
Secretary of the Board of Trustees
Executive Committee Meeting
Monday, December 1, 2014
4:00-5:00pm
Studio 16B

Attendance:
Trustees: Diane Frankel, Jay Kern, Bonnie Levinson, Cynthia Plevin, Chris Tellis
Staff: Cynthia Colebrook, Charles Desmarais, Tamara Loewenstein, Hesse McGraw, Elizabeth O’Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:
Trustees: Jenny Emerson, Penny Finnie, Charles Hobson

Minutes

I. Welcome

Ms. Plevin greeted the Executive Committee and proceeded to the first item of business.

a. Approval of Minutes from October 20 Meeting

Ms. Plevin asked for a motion to approve the minutes from the October 20 Executive Committee meetings. Mr. Kern made the motion and Ms. Frankel seconded. All were in favor and the motion passed.

b. Board Retreat Update

Ms. Plevin updated the Executive Committee that she is working to coordinate a Board Retreat, and hopes to schedule it for some time in January 2015. This will be an opportunity to prepare for the WASC/NASAD visit in April, and address any governance concerns from past WASC reports in advance of their on-site visit.

II. President’s Report

Mr. Desmarais presented a number of reports:
SFAI’s recent Campus Philanthropy Day was a great success and the Faculty/Staff Giving Campaign had a 38% overall participation rate, with 42% of that in staff participation.

SFAI Concentrate and Alumni Day had an attendance of 1,685 throughout the weekend. More than $10,000 in sales went directly to 130 student artists.

The 2013-2014 Annual Report was recently distributed by mail. Mr. Desmarais encouraged the Committee to pick up additional copies up in the Advancement Office as a cultivation tool for friends and potential donors.

There have been a number of positive Fort Mason cultivation meetings, including meetings with Ron and Joyce Castellino, Al Schreck, and a cultivation party hosted by SFAI alumnus Brent Sikkema for artist Erin Shirreff. A number of key cultivations are coming up, including meetings scheduled with Nion McEvoy and Colin Bailey, among others.

On November 10, SFAI’s Owner’s Representative, Mark Kelley, held a Mini Mock-Up and Layout at Pier 2 with his team and key internal staff.

The Marketing team is working with Gershoni closely to finalize SFAI’s Capital Campaign identity and logo.

On December 3, Mr. Desmarais will attend the Panama Pacific International Exposition Centennial Press Launch hosted by the California Historical Society. SFAI is a core partner and will be mounting an exhibition of student-work in the Diego Rivera Gallery in March, with the release of a student publication, celebrated with a salon-inspired opening reception and performances.

Mr. Desmarais invited everyone to join SFAI’s Annual Holiday Party: December 12, 1-5pm, in the Café!

### III. Finance Report

**Chris Tellis**

**Tuition Increase**

Mr. Tellis reported that at the preceding Finance Committee meeting, they approved a motion to recommend to the Board a 3% tuition increase for the 2015-2016 budget. The Finance Committee reviewed comparisons of other AICAD schools’ tuitions and took into consideration the importance of retention in deciding on a 3% increase.

**Cash Flow**

Mr. Tellis reported there will be an estimated operating surplus of $1.6M at year end, at which time the Board will need to vote if a portion of this surplus should go into an unrestricted fund in the endowment.

**Audit**

At the Finance Committee, Mr. Spector reported that SFAI received the cleanest audit he has seen, and congratulated everyone on their hard work.
Retention

Mr. Tellis acknowledged the great work of Ms. O’Brien and her team on student retention. The retention rate for first-time freshmen has increased from 54% in 2010 to 69% in 2014.

IV. Capital Projects Update

Charles Desmarais/Cynthia Plevin

a. Lease Negotiations

Ms. Plevin updated the Executive Committee on the two key items currently being negotiated for the lease with Fort Mason:
1) CPI rates by which rents will increase
2) The rent that SFAI would have to pay in 19 years when, upon renegotiating the initial lease, rent must be set at fair market value according to tax credit regulations.

b. FMC Approvals Process and Design Development

Ms. Plevin reported that the National Park Service has approved the latest Design Development stage.

c. Construction Contracts

Mr. Kelley has recommended that SFAI work with a contractor to secure a Guaranteed Maximum Price. SFAI has accelerated this negotiation process because of how booked up contractors are in the hot construction market.

d. Chestnut Street Planning Process

-Potential rehabilitation of Studios 9 & 10

Mr. Desmarais reported on the potential rehabilitation of Studios 9 and 10, following his memo distributed to the Executive Committee that included an assessment and recommendation of repairs and costs provided by mack5. An important consideration is the highest and best use of the space. Mr. Desmarais emphasized the importance of creating better working spaces for staff, which will have the direct impact of better serving students. The current office set-up at 800 Chestnut Street often sends students through a maze of offices, leading to confusion and frustration, and has been a concern of the Retention Working Committee in its impact on student experience. Studios 9 and 10 could house up to 19 workstations, thereby freeing up other spaces for artistic uses. This solution has not been priced, and regulatory impacts have not yet been determined. Alternatively, the studios could be rehabilitated back into classroom/studio space with a lifespan of 5-10 years for an estimated $300K.
Ms. Schreiber added that Studios 9 and 10 is very high on the list of student concerns, and agrees that SFAI lacks two kinds of curricular space for New Genres: installation space and seminar space. These space constraints also have a ripple effect on majors outside New Genres.

Next steps are to get more information about the cost of these two options, which would be considered by the Campus Planning Committee as part of the larger Chestnut plan. With Dusan Mills, co-chair of that committee, having left the Board, there is the need to think about the leadership of that committee.

V. Capital Campaign Update

Diane Frankel

Ms. Frankel reported that although there have not been significant funds raised for the Capital Campaign in the last months, one year in the life of a Campaign for an organization that has not been on the frontlines for a long time is a blip in time. Currently, $7M in commitments has been made, with $4.5M available in cash. This figure will increase with a number of individuals sending in their pledges before the end of the fiscal year.

The Campaign Cabinet is currently focusing on the solicitation of lead gifts. Tours of Pier 2 will be held December 8 and 16, and Ms. Frankel invited the Executive Committee to consider who they can invite to come. Ms. Frankel made a number of updates about Capital Campaign activity:

- A recent request to the Osher foundation for $10M was declined, however Ms. Colebrook has asked to resubmit and is in conversation with the Foundation about a more realistic number.
- Mr. Desmarais’ recent meeting with alumna Stephanie Comer, of the Comer Foundation, may lead to a transformative leadership alumni gift.
- On January 21, Norman and Nora Stone are holding a cultivation event at their home.
- A cultivation party will be held with Magnolia Editions, who has printed a number of alumni work, in early February (TBD). (Update: This event has been confirmed for March 1).
- This year’s Valentine’s Luncheon will be held on Wednesday, February 18.
- Ms. Levinson confirmed a verbal pledge with the Kramlichs in the amount of $100K.
- The Campaign Cabinet holds regular, monthly meetings on the second Thursday of the month, and all are welcome.
- There are still several Trustees to be solicited for the Capital Campaign.

Ms. Frankel concluded by stating that she and Mr. Hobson do not believe they will be able to raise $5M in time for the April Board meeting. They asked that Mr. Sanjana look into bridge financing, with First Republic Bank being the best option. The Committee
agreed that it is important to keep pressure on the Board to meet fundraising goals, even as borrowing is investigated.

VI. Committee Reports (written reports distributed in advance of meeting)

Academic Affairs Committee

Penny Finnie

1) The Assessment Committee is working on SFAI Institutional Learning Outcomes (ILO) to be finished by the end of January. Currently there are no institution-wide measurable outcomes, although they have been developed at the program and course levels. The board will review/ approve these in the spring, and then they will be posted on the website.

2) A significant number of undergraduate students (20+) showed up at the faculty Senate meeting to voice concerns. Primary concern was lack of space for New Genres and their desire to see Studios 9 & 10 re-opened. They expressed concern as well that everything is being put off until the capital campaign. “We are here now,” seems to be the refrain. They also expressed some concerns about the new chair structure. Getting a representative on the board could be helpful for communication and to that end, Cynthia Plevin is interviewing students in the upcoming weeks. Dean Schreiber has also been meeting with the Student Union to address their additional concerns.

3) The second annual curriculum retreat is happening 12/12 with the focus this year on the curriculum of BFA majors and changes that could/should be made, such as a Jr. review, or adding 300- and 400-level courses. Also under consideration is adding a yearly theme to the Contemporary Practice course that would also be integrated into the public programs. Stay tuned!

4) AICAD Post MFA Teaching Fellowship is moving along. The purpose is to increase diversity of faculty in the schools that are participating and provide professional practice opportunities for MFA grads. Students will be nominated who are graduating this spring or who have graduated within the past 3 years. The application deadline will be February 1, 2015. The position will be nearly full-time, with an assigned faculty mentor and consideration for faculty development.

5) SEIU update: Negotiations are ongoing. The SEIU submitted its final proposals at a meeting on November 18. Dean Schreiber plans to present SFAI’s counter proposals at the next meeting, scheduled for January 12.

6) In very good shape with WASC and NASAD. Responses to the WASC Lines of Inquiry have been drafted, and work has begun on the NASAD self study. Jill Ferguson, external consultant, has been extremely helpful in all this.

Committee on Trustees

Diane Frankel
Ms. Frankel emphasized that the Committee is focused on recruiting trustees who are younger, have connections to the technology industry, and have significant capacity.

**Development Committee**  
_Jay Kern_

Mr. Kern confirmed that SFAI has received approval to tent the parking lot at Fort Mason Center as the site of the Gala dinner.

Please see Pages 11-12 for the Advancement goals and results to date.

**Exhibitions and Public Programs**  
_Bonnie Levinson_

**Concentrate** achieved multiple goals—140 student artists presented their work, 700 people attended Alumni Day and the opening of Concentrate. 1500 attended Concentrate, campus was alive with a bounce house, beer garden, goats and much more!

We have begun work on the **SFAI Mobile Engagement** app: tour guide Speed Levitch was commissioned to conduct campus tours during Concentrate.

Spring **Public Programs** schedule will be available soon!

Spring **Public Education** enrollment has begun.

Recently submitted grants to Warhol Foundation (exhibitions), Veritas (artist housing), Robert Lehman Foundation (Doug Hall exhibition), Surdna Foundation (Jill Magid exhibition).

**City Studio** exhibition opens Tuesday December 16 in Diego Rivera Gallery.

**Finance Committee Report**  
_Chris Tellis_

**Results to Date**  
2014-2015 is off to a very good start.  
Year to date revenues of $8.1M are 9% over budget and 16% above last year.
Year to date expenses of $6.8M are 7% higher than last year, but still 5% below budget.

As a result, Net Change before Depreciation and Investment is 343% better than budget and 102% higher than last year. This places us with a $1.35M operating surplus by October of 2014.

**Behind the Results**

**Income**

74% ($503k) of the positive variance in revenue ($683k) is due to increased enrollment, leading to increased tuition income.

| 9 Net Tuition and Fees | $7,054,493 | $6,551,774 | $502,720 | 7.67% |
SFAI achieved its highest enrollment in years. In particular there was a significant increase in graduate enrollment:

<table>
<thead>
<tr>
<th></th>
<th>Actuals YTD</th>
<th>Budget YTD</th>
<th>Pr Year YTD</th>
<th>Variance from Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergrad</td>
<td>447</td>
<td>446</td>
<td>472</td>
<td>0.2%</td>
</tr>
<tr>
<td>Graduate</td>
<td>219</td>
<td>200</td>
<td>187</td>
<td>9.3%</td>
</tr>
<tr>
<td>Total</td>
<td>665</td>
<td>646</td>
<td>659</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

The next major contribution was in development:

| 11 Contributions, Development | 339,171 | 218,664 | **$120,507** | 55.11% |

This is largely due to early contributions by trustees to the annual fund. In addition, housing revenue (which is a function of freshman enrollment) and other revenue (facilities rental, printing fees) was $180k over budget:

| 16 Total Other Revenue | 1,050,656 | 870,600 | **$180,056** | 20.68% |

**Expense**

Every category was ahead of budget except Academic Support. In this case, recognizing expenses earlier for the Faculty Early Retirement led to increases in the Academic Support category.

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Current Year</th>
<th>Budget</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Instruction</td>
<td>2,275,021</td>
<td>2,281,223</td>
<td>6,202</td>
<td>0.3%</td>
</tr>
<tr>
<td>19 Community Programs</td>
<td>158,798</td>
<td>190,120</td>
<td>31,412</td>
<td>16.5%</td>
</tr>
<tr>
<td>20 Public Programs</td>
<td>162,722</td>
<td>186,892</td>
<td>24,172</td>
<td>12.9%</td>
</tr>
<tr>
<td>21 Academic Support</td>
<td>267,038</td>
<td>232,457</td>
<td>(34,581)</td>
<td>-14.9%</td>
</tr>
<tr>
<td>22 Enrollment Services</td>
<td>818,014</td>
<td>853,219</td>
<td>35,205</td>
<td>4.1%</td>
</tr>
<tr>
<td>23 Institutional Support</td>
<td>1,279,936</td>
<td>1,301,498</td>
<td>22,111</td>
<td>1.7%</td>
</tr>
<tr>
<td>24 Facilities</td>
<td>739,439</td>
<td>877,745</td>
<td>138,306</td>
<td>15.8%</td>
</tr>
<tr>
<td>25 Development</td>
<td>147,586</td>
<td>183,508</td>
<td>35,922</td>
<td>19.6%</td>
</tr>
<tr>
<td>26 Marketing</td>
<td>431,078</td>
<td>515,058</td>
<td>83,980</td>
<td>16.3%</td>
</tr>
<tr>
<td>27 Housing</td>
<td>479,841</td>
<td>497,032</td>
<td>17,190</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>28 Total Expenses</strong></td>
<td><strong>6,750,832</strong></td>
<td><strong>7,110,752</strong></td>
<td><strong>359,920</strong></td>
<td><strong>5.1%</strong></td>
</tr>
</tbody>
</table>

Endowment:

The endowment has been up and down over the past three months, due largely to fluctuations in energy stocks. Nevertheless, by October 31, the endowment had only lost $37K since July. As of this writing, the Endowment has recovered and stands at $9.17M. SFAI also took its annual distribution of $316K. This is 4% of the average value over the past 12 months.
Balance Sheet:
Balance sheet is strong. Improved collections and increased enrollment contributed to an additional $2.1M in cash. This will be partially absorbed as projected tuition payments catch up to actuals.

Capital Campaign cash is 39% lower than expected ($311k).

Capital Campaign Pledges are 36% lower than expected ($1.8M).

This is an area of concern. SFAI Trustees will soon be authorizing addition expenditures for the construction bidding.
Overall the Institute is in good financial shape. Because SFAI budgets are predominantly enrollment dependent, yearly performance can be estimated with some confidence when the fall enrollment figures are confirmed. Assuming continued retention and cost control, SFAI should have a financially strong year.

Nevertheless, SFAI still operates from year to year with significant exposure to external circumstances. For this reason, the President and COO are developing a proposal to the Board to establish a reserve fund.

VII. Adjourn  

Cynthia Plevin

With no further business, Ms. Plevin adjourned the meeting.

VIII. Executive Session

The Executive Committee met in a closed Executive Session from 5-6pm.

Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson.

Respectfully submitted,

Bonnie Levinson
Secretary of the Board of Trustees
# San Francisco Art Institute

## Chair of Development: Jay Kern

### Advancement Annual Goals

11/24/2014

<table>
<thead>
<tr>
<th>Committee</th>
<th>Chair(s)</th>
<th>2012-2013 Actual</th>
<th>2013-2014 Actual</th>
<th>2014-2015 Goal</th>
<th>2014-2015 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Gifts</td>
<td>Jay Kern</td>
<td>$152,650</td>
<td>$184,077</td>
<td>$215,000</td>
<td>$168,624</td>
</tr>
<tr>
<td>Major Gifts</td>
<td>Jeff Magnin</td>
<td>$108,031</td>
<td>$117,832</td>
<td>$170,000</td>
<td>$14,500</td>
</tr>
<tr>
<td>Gala Vernissage</td>
<td>Elizabeth Ronn</td>
<td>$191,150</td>
<td>$315,750</td>
<td>(Gross) $250,000</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$257,887 (Net)</td>
</tr>
</tbody>
</table>

| Annual Appeal              | Monique Wilkins    | $48,670          | $38,289          | $60,000        | $21,347        |
| Foundations                | Cristiana Baik     | $222,732         | $210,617         | $280,000       | $166,572       |
| Institutions/Corporations  | Cristiana Baik     | $2,621           | $2,204           | $35,000        | $1,565         |
| Government Funding         | Cristiana Baik     | $65,100          | $125,100         | $125,100       | $0             |
| Sponsors                   |                    |                  |                  |                |                |
| In-kind sponsors           |                    | $10,000          | $23,383          | $55,000        | $0             |
| Misc. Income               |                    |                  |                  |                |                |
| Diego Donation Box, Etc.   | n/a                | $4,799           | $2,150           | $2,000         | $1,591         |
| Misc. Income               |                    |                  |                  |                |                |
| DFW Trip                   |                    | $2,583           | n/a              | n/a            | n/a            |

| Budgeted Contingency       |                    |                  |                  |                |                |
| Totals                     |                    | $821,736         | $2,401,245       | $1,192,100     | $374,199       |

$961,539 (Net)

| Permanently Restricted     |                    | $71,295          | $31,800          | $140,700       |
|                            | C. David and Mary L. Robinson Scholarship Fund | | | |
I. **Chair’s Welcome**  
*Cynthia Plevin*

Ms. Plevin welcomed all and made a motion to approve the minutes from the May 30 Board meeting. The *motion* was seconded by Diane Frankel; a vote was taken and the motion *passed*.

Ms. Plevin then introduced Mr. Hesse McGraw, new Vice President for Exhibitions and Public Programs, to provide an overview of the upcoming Walter and McBean Galleries exhibition.

II. **Walter and McBean Galleries Presentation**  
*Hesse McGraw*

Mr. McGraw spoke about ENERGY THAT IS ALL AROUND, featuring works from the Mission School and curated by Natasha Boas. An accompanying slideshow featuring select works from the exhibition provided background on the artists: Chris Johanson, Margaret Kilgallen, Alicia
McCarthy, Barry McGee, and Ruby Neri—who began their careers in the early 1990s in San Francisco’s Mission District. Mr. McGraw spoke to the importance of SFAI’s cultivation of Mission School both directly through alumni Barry McGee, Rubi Neri, and Alicia McCarthy, and by way of artists with close affiliations to SFAI. He noted that many of the artists exhibited have gone on to become nationally and internationally recognized with solo exhibitions in museums. Mr. McGraw noted that SFAI’s role in fostering the work of the Mission School should be recognized and that as a school it will be important to leverage this as a part of our continued support of artists and the arts community.

III. President’s Report

Charles Desmarais

Mr. Desmarais welcomed all and began his report by sharing the image of a pin dating circa 1910 that he acquired inscribed “California School of Design, San Francisco,” the San Francisco Art Institute’s former moniker. The pin is signed R.I.A., by artist Robert Ingersoll Aitken.

Mr. Desmarais provided several updates:

- The school has been able to provide shared offices for faculty, allowing professors to offer reliable office hours to students and a primary location to meet.
- Film, video, and photography checkout counters have been consolidated to one central location.
- The railing upgrade project is underway and slated to be completed soon in compliance with safety regulations.
- To reduce plastic bottle waste, the school has installed two water filling stations at the 800 Chestnut Campus and distributed aluminum water bottles to all faculty, staff, and students with an image of SFAI and its moniker inscribed on each.
- Lastly, Mr. Desmarais introduced his new Administrative Assistant, Tamara Loewenstein, to the Board.

IV. Capital Projects Overview

Charles Desmarais

Mr. Desmarais presented updates on the work completed over the summer months by the Ad Hoc Committee on Fort Mason, the Campus Planning Committee, and the Pre-Campaign Planning Committee with SFAI’s consultants Leddy Maytum Stacy Architects, Page & Turnbull, Mack5, and BuildingBlox Consulting.

Mr. Desmarais gratefully acknowledged all the work of the committees and consultants over the summer months.

Mr. Desmarais began by reviewing SFAI’s mission and vision for proceeding with the Pier 2 at Fort Mason project and 800 Chestnut renovations. He noted
the importance of SFAI providing an art experience that encourages experimentation and innovation, builds community, and prepares people to adapt and succeed in changing times. The vision for the project is to create a powerful symbiosis between 800 Chestnut Street and Fort Mason, and amongst the undergraduate, graduate, and public programs. This would also position SFAI for a vibrant and sustainable future as both an international leader in arts education and a central part of the Bay Area cultural landscape.

Mr. Desmarias posed the question “why now?” and answered with the following key reasons:
1) Increase SFAI’s visibility in the community
2) Raise sights of philanthropy
3) Provide long-term security for the Institute and its programs
4) Address long-deferred 800 Chestnut issues as part of larger vision

He also noted that the 3rd Street Graduate Studios building lease is currently set to end in 2018.

Mr. Desmarais provided an overview of the recommendations for Fort Mason and 800 Chestnut Street as provided by the Executive Committee.

The recommendation for 800 Chestnut Street was to proceed with an investment of $7 million for:
- Intermediate accessibility upgrades
- Reprogramming
- Interior expansion/renovation
- Addressing deferred maintenance

The recommendation for the Fort Mason project was to proceed with developing Pier 2 for graduate studios and public programs, at an estimated project cost of $17.5 million.

V. BuildingBloxx Preliminary Feasibility Study Nate Levine

Mr. Levine of BuildingBloxx Consulting presented preliminary findings from the feasibility study for SFAI. He noted that the study was at its halfway point in the planned external interviews, and therefore that the results are skewed to SFAI insiders. The study Mr. Levine presented included 16 prospect interviews, of which 10 were current SFAI Trustees and Trustees Emeriti.

In reviewing current annual giving, Mr. Levine stressed that Trustees and Trustees Emeriti have contributed 30% of the annual fund to SFAI over the last two years, so it will be important that capital contributions are in addition to—not instead of—annual operating support.
Mr. Levine emphasized 3 key, necessary points for moving forward with a Capital Campaign:

1. A case for giving
2. A probable set of donors
3. Bandwidth and leadership necessary to proceed with the campaign

Mr. Levine noted that most interview prospects had many positive remarks about SFAI and saw it as a critical leader in cultivation of artists. The interviews also revealed that many individuals felt they did not know Charles Desmarais well enough yet, an indication of the importance of moving forward with face-to-face cultivation. Mr. Levine urged the Board to think about Board giving as critical for the campaign because it becomes a multiplier, setting an example for others outside the immediate SFAI circle in their giving.

BuildingBlox’s very preliminary analysis of fundraising probability indicated a “sweet spot” ranging from an 80% probability of raising $23.5 million to a 60% probability of raising $26 million. (This figure is for all fundraising over the next five years, including annual.)

BuildingBlox made the following preliminary recommendations:

1. Scale back the scope of the Campaign to ensure a win that positions SFAI for future success.
2. Complete face-to-face Board solicitations as soon as possible.
3. Use one-on-one face time to develop deeper long-term relationships with major donor prospects.
4. Identify additional potential major donors.
5. Increase targeted ask amount where appropriate.
6. Strengthen the Board of Trustees over time by actively recruiting trustees that have readiness to make audaciously generous gifts and a willingness to leverage their networks.
7. Ready the field for major donor cultivation by growing the public profile of SFAI.
8. Use SFAI public events to cultivate and engage major gift prospects.

Mr. Levine allowed an opportunity for questions after his presentation.

VI. Executive Committee  Cynthia Plevin

Recommendation, Resolution and Discussion
Ms. Plevin reiterated the Executive Committee’s resolution as sent in advance of the meeting and presented below. She opened the meeting for discussion.

*The Executive Committee recommends that the Board approve a resolution to:*

1. Proceed with developing Pier 2 at Fort Mason Center as a dynamic site for graduate studios and public programs, at an estimated full project cost of approximately $17.5 million (not including historic tax credits);
2. Invest in the historic 800 Chestnut Street campus through intermediate accessibility upgrades, interior expansion/renovation, reprogramming, and addressing deferred maintenance, with a scope of $7 million;
3. Embark on a Capital Campaign to raise $24 million for projects at both Fort Mason and Chestnut Street, which will be practically phased to gain economies of scale, tax benefits, and assurance that SFAI will have a venue for the graduate studios;
4. Given the important correlation between Board giving and campaign dollars raised, commit to an immediate, dedicated Board Campaign with individual face-to-face meetings to discuss game-changing, example-setting, audaciously generous five-year pledges; and
5. Refine the project scope and Campaign goal by the November 14 Board meeting based on the final conclusions and recommendations of the BuildingBlox study and the results of Board pledging.

A discussion ensued about whether the campaign should be a Comprehensive Campaign (inclusive of annual fundraising) or a Capital Campaign, with annual fundraising conducted separately (which is how the resolution is currently framed).

Numerous Trustees then spoke in support of the Pier 2 project as a game-changing proposal that will position SFAI for future success. The Trustees agreed that the next two-month period is critical for assessing the degree of certainty around raising money.

A *motion* was made by Mr. John Sanger to adapt the resolution by deleting numbers 1 and 2 and adapting number 3 to read as follows:

1. In order to develop a dynamic site for graduate studios and public programs at Fort Mason and make necessary improvements at 800 Chestnut Street in order to meet instructional and other requirements, embark on a Capital Campaign to raise $24 million;
2. Given the important correlation between Board giving and campaign dollars raised, commit to an immediate, dedicated Board Campaign
with individual face-to-face meetings to discuss game-changing, example-setting, audaciously generous five-year pledges; and
3. Refine the project scope and Campaign goal by the November 14 Board meeting based on the final conclusions and recommendations of the BuildingBlox study and the results of Board pledging.

After more discussion Ms. Jeremy Stone seconded the motion. Ms. Plevin called the motion to a vote on the adapted resolution, which **passed**.

**VII. Adjournment**

Ms. Plevin concluded the meeting by thanking everyone for their dedication and commitment to SFAI and attendance at the Board meeting.

With no additional business, Ms. Plevin adjourned the meeting at 8:00pm.

*Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson*

*Respectfully submitted,*

*Bonnie Levinson*

*Secretary of the Board of Trustees*
Board of Trustees Meeting  
Thursday, November 14, 2013  
5–8 pm  
SFAI Café

Attendance:

Trustees: Jennifer Emerson, Hank Feir, Diane Frankel, Charles Hobson, Michael Jackson, Bonnie Levinson, Pam Rorke Levy, Jamie Lunder, Jeff Magnin, Dusan Mills, Cynthia Plevin, Lara Ritch, Elizabeth Ronn, John Sanger, Jeremy Stone, Chris Tellis  
Consultants: Charlene Akers and Nate Levine of BuildingBlox Consulting  
Staff: Janette Andrawes, Cynthia Colebrook, Charles Desmarais, Heather Hickman Holland, Tamara Loewenstein, Hesse McGraw, Elizabeth O’Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland  
Faculty Trustees: Dewey Crumpler, Paul Klein  
Student Representatives: Benjamin Ashlock, Tina Dillman

Absent:

Trustees: Sandra de Saint Phalle, Penelope Finnie, Candace Gaudiani, Joy Ou

I. Chair’s Welcome  
Cynthia Plevin

Ms. Plevin welcomed the Board. She began by noting that Lee Gregory had decided to resign from the Board. Ms. Plevin conveyed that she held a two-hour meeting with Lee to discuss the resignation and to thank her for her years of service. Lee will continue to be an advocate for SFAI and plans to stay involved. She then turned the meeting over to Ms. Frankel and Mr. Hobson for their Pre-Campaign Planning Committee Report.

II. Pre-Campaign Planning Committee Report  
Charles Hobson/Diane Frankel

Ms. Frankel announced that to date solicitations had resulted in securing $7.6M in Trustee pledges, inclusive of annual, capital and testamentary giving. Ms. Frankel invited the Board to applaud this great success, made possible by contributions from each Trustee.

Mr. Hobson thanked the Board for all their support and encouragement. Ms. Plevin added that she felt pleased and overwhelmed by how far along the Board already was with the Capital Campaign, and thanked Ms. Frankel and Mr. Hobson for all their hard work and service. She then asked SFAI’s consultants to present the finding of the Fundraising Feasibility Study.
Mr. Levine, of BuildingBlox Consulting (BBC), began his presentation by thanking the Board for the opportunity to work with the San Francisco Art Institute.

Campaign Milestones

Mr. Levine outlined the three key milestones of a Capital Campaign: 1) the Planning Phase, 2) the Quiet Phase, and 3) the Public Phase. In the Planning Phase, typically lasting 6-9 months, Trustees and Trustees Emeriti are invited to give, making up 20-30% of the Campaign goal. The Quiet Phase, usually lasting 9-12 months, reaches out to additional major gift prospects and should bring the total to 50-65% of the Campaign goal. Lastly, the Public Phase, lasting 12-24 months, reaches out to a broad public, incorporating gifts of all sizes, and eventually reaches 100% of the Campaign goal.

Role of Trustees

Mr. Levine emphasized the role of Trustees as instrumental to the success of the Campaign. Making an audaciously generous Campaign commitment allows each Trustee to serve as a more enthusiastic and effective ambassador. Mr. Levine explained that not every Trustee needs to solicit on behalf of the Campaign, as there are many other opportunities to engage potential donors: introducing, thanking, providing tours, hosting events, and acting as face-to-face ambassadors on behalf of the Institute.

Interview Feedback

Mr. Levine emphasized that the success of the Capital Campaign is largely dependent upon relationship building. He then summarized key feedback from BBC’s interviews with SFAI’s past and current donors, which indicated positive feelings for SFAI and for President Desmarais. The interview feedback also indicated some concern over the difficulties of past years. The interviews confirmed SFAI’s need for a strong Board that will role-model support to the larger community.

Fundraising Probability

Mr. Levine reminded the Board of the importance of continuing to raise funds for SFAI’s Annual Campaign in addition to the Capital Campaign, because the Annual Fund is critical to SFAI’s health.

He began by reviewing a slide with probability projections of Trustee giving (calculated prior to gifts commitments received in the days prior to this meeting).

Mr. Levine recommended setting a specific goal for total Trustee giving over the five-year campaign period in the $8-12 million range.

BBC projects that SFAI can raise between $16,875,000 (low projection; 80% confidence) and $24,235,000 (high projection; 60% confidence) in total Capital Campaign giving from Trustees, major donors (some of which have not yet been identified), and the broader community.
Recommendations

BBC made twelve recommendations to the Board for its approach to the Campaign:

1. Scale back the scope
2. Complete all Trustee solicitations soon
3. Secure annual gifts commitments
4. Start face-to-face cultivations of major gift prospects
5. Identify additional potential major donors
6. Be bold when asking for gifts, where appropriate
7. Strengthen the Board of Trustees
8. Build the SFAI brand
9. Leverage SFAI’s art and artists
10. Develop necessary campaign infrastructure
11. Expand the Campaign Committee

Mr. Hobson asked Mr. Levine to speak to who is willing to make the necessary cultivation and solicitation visits. Mr. Levine responded that SFAI would need to make more than 1,000 visits to accomplish its goal, and that based on responses to a leadership survey there was great enthusiasm from faculty, staff, and Trustees to make the visits.

Mr. Levine encouraged the Board to review the comments from the interviews in the appendices of their final report, and it was agreed that SFAI staff would distribute that appendix to all Trustees.

There was discussion about running a Capital Campaign versus a Comprehensive Campaign. In particular, there was concern with the idea of asking major donors for gifts multiple times, instead of once. Mr. Hobson noted that so far, he and Ms. Frankel had been asking for both Capital and Annual commitments.

Ms. Plevin thanked Ms. Akers and Mr. Levine of BuildingBlox for their presentation and all their work on the study.

III. Capital Projects Overview

Charles Desmarais

Faculty and Staff Campaign

Mr. Desmarais began by announcing that SFAI is conducting its first-ever Faculty and Staff Campaign as part of the Annual Fund, with Co-Chairs Linda Connor and Dewey Crumpler (Faculty) and Jeff Gunderson and Heather Hickman Holland (Staff). He noted that the national average of participation in internal campaigns is 21%, and SFAI had already reached 43%.

Mr. Desmarais then passed around two ceramic “brick” prototypes to commemorate donors who support the Capital Campaign, which SFAI alumnus and Visiting Faculty member John de Fazio had taken the initiative to create. Mr. Desmarais noted that future discussion of donor recognition models will be necessary, but that this was a great show of campaign enthusiasm from a faculty member.
Overview

Mr. Desmarais stated his deep confidence in the staff as responsible administrators, and assured the Board that any decisions made will be done so with prudence and careful consideration for the success and well-being of the Institute. He assured the Board that every month Mr. Sanjana and Ms. Wayland would closely review the actuals.

Mr. Desmarais then emphasized the non-financial, “intangible” reasons to move these capital projects forward with urgency:

- It is important to maintain the momentum of the Campaign
- The construction phase of a project is a key opportunity to cultivate donors and secure major gifts
- While SFAI is on par with, or ahead of, other art schools in terms of faculty and student quality, the Institute is far behind on facilities (as seen during Mr. Desmarais’ recent retreat to Philadelphia and AICAD conference at MICA in Baltimore). This makes it more difficult for Admissions to recruit students.
- The disjuncture between the two campuses is hurting the school
- There is demand from students for better graduate resources, but SFAI has not invested in upgrades at a site with a relatively short-term lease
- There is an enrollment “opportunity cost” for each semester without the new facility

Timeline

Mr. Desmarais reviewed a recommended timeline (See Page 8 for the graphic) to proceed with building at Pier 2 and upgrades at Chestnut Street. The timeline for Pier 2, which was distributed to Trustees during the meeting, ends with a target opening date for Pier 2 of August 2016.

Key Dates: Pier 2 Construction

- June 2014: Exercise option to lease (must give 13 months notice to Fort Mason before starting construction), pay security deposit ($300K)
- Quarter ending March 2015: Entitlements
- Quarter ending June 2015: Pre-construction (total entitlements + pre-construction costs of $2.9M, though may be up to $1M less)
- July 2015: Begin construction (total construction costs of $13.6M)
- August 2016: Open facility
- December 2017: Expiration of eligibility for tax credits

Key Dates: Chestnut Street Upgrades

- Summer 2014: Accessibility and reprogramming ($1M)
- Summer 2015: Other upgrades ($2.2M)

Mr. Desmarais reiterated that with this timeline, no major financial commitments relating to Pier 2 would be made until June 2014, when a security deposit of $300,000 would be made to Fort.
Mason to secure the lease. This timeline would allow the Board and staff six full months to continue to raise Capital contributions. During this period, the Board can monitor the status of fundraising, and determine if a security deposit should be made in June of 2014. The staff would continue to review the numbers carefully on a monthly basis, and report its findings to the Board.

IV. Discussion/Decision on Recommendation from the Pre-Campaign Planning, Finance, and Executive Committees to the Board

Ms. Plevin presented the combined recommendation on behalf of the Pre-Campaign Planning, Finance, and Executive Committees, which states:

*The Board of Trustees of the San Francisco Art Institute resolves to embark upon a Capital Campaign of $24 million for improvements at the 800 Chestnut Street campus and to establish a graduate center at Fort Mason (the Project).*

*At each Board meeting, the Trustees will review the progress of the Capital Campaign, and no major financial commitments in connection with the Project will be made without prior Board approval.*

There was a lively discussion regarding investments in 800 Chestnut Street for reprogramming and accessibility upgrades versus construction of graduate studios at Fort Mason, since the modeling presented at the meeting allocates $3.6M over the next two years, but is silent on a larger number of a total $7M that had been discussed at a prior meeting. In particular, there was concern from some Trustees that Chestnut Street would not be a priority and lose out in the shadow of proceeding with building graduate studios. In addition, concerns were raised about the borrowing costs being high with the proposed timeline, which has SFAI opening Pier 2 ahead of the 3rd Street lease expiration and the end of the tax credit period.

Ms. Shulock read aloud the text of the resolution that the Board passed at the September 3 meeting to clarify that the resolution included embarking on a Capital Campaign to raise $24M, but did not specify allocations for each site.

A lengthy discussion occurred about how to appropriately distribute and prioritize funds to the two sites. Key points that were made included:

- There is the need to understand what happens with already secured pledges if not enough funds are raised to proceed with the capital projects
- There is the need to more clearly develop and understand the work that will be done at Chestnut Street
- SFAI should develop a campaign narrative that better frames the improvements planned for Chestnut Street, so that it is clear that Chestnut is part of the whole vision

In response to concerns about investing in improvements to the graduate over the undergraduate site, Mr. Crumpler pointed out that the graduate program is not isolated, but part of a whole, and is the high-visibility “bow of a ship” that attracts top students (including undergraduates) to the Institute.
In response to concerns about focusing on accessibility at Chestnut Street, Ms. Schreiber clarified that changes that improve accessibility will also improve programming and facilities, leading to a better student experience.

Several Trustees expressed the desire to set a higher Campaign goal, such as $30M, in order to better position SFAI to meet its reprogramming, upgrades, and space needs. Others were concerned about setting a goal that is unattainable, reminding the Board that BBC was retained to realistically estimate the Institute’s fundraising potential. Another suggestion was to postpone the setting of a specific goal until necessary in June 2014, allowing more time to develop the Campaign. Mr. Levine explained that to meet a goal of $30M, Board giving would need to total $12.5-$13M, and a lead gift of at least $4M would be necessary. Ms. Plevin urged the Board to understand that SFAI is in need of a win, and by setting an unachievable goal, the institution risks failure that would have a significant, detrimental impact on its credibility and confidence.

Through the discussion, it became clear that all Trustees are committed to the Fort Mason project. The Trustees agreed that it is crucial that the next six months be used productively to further develop the fundraising pipeline and plan, and to further develop the scope of work to be done at Chestnut Street and how it can be phased. Mr. Levine added that it is very important that SFAI internally understand its priorities, so that if fundraising targets aren’t met, projects can be phased as necessary.

After more discussion, the recommendation was adapted to reflect a distribution of funds for programmatic and infrastructure improvements at the 800 Chestnut Street campus and the amount needed to establish a graduate center at Fort Mason. Ms. Plevin made a motion to approve the recommendation as amended, and Mr. Feir seconded the motion. A vote was called, and the motion passed unanimously. The approved resolution states:

*The Board of Trustees of the San Francisco Art Institute resolves to embark upon a Capital Campaign of $24 million—$7 million for programmatic and infrastructure improvements at the 800 Chestnut Street campus and $17 million to establish a graduate center at Fort Mason (the Project).*

*At each Board meeting, the Trustees will review the progress of the Capital Campaign, and no major financial commitments in connection with the Project will be made without prior Board approval.*

Mr. Hobson then proposed a motion to approve campaign spending of $150,000 through June to support Campaign infrastructure, with the source of funds being unrestricted funds that have been given to the Campaign. Ms. Plevin seconded, and all were in favor. The motion passed.

**V. Audit Committee Report**

Mr. Tellis reported that SFAI received a clean bill of health from the audit committee with several very minor compliance issues, which essentially fell into the arena of typos. Mr. Tellis proposed a motion to accept the audit report, and Ms. Plevin seconded the motion. All were in favor and the motion passed.

**VI. Adjourn**
Ms. Plevin thanked the Board for their service and apologized to those Trustees and Representatives who did not have an opportunity to make their reports, due to lack of time. She suggested the reports be tabled for the next Board meeting on January 9, 2014, and adjourned the meeting at 8:30pm.

Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson

Respectfully submitted,

Bonnie Levinson
Secretary of the Board of Trustees
### San Francisco Art Institute
Capital Projects Schedule

**June 2014:**
- Exercise option to lease
  - Security deposit ($300K)

**13 months notice to FMC**

**Pre-construction costs ($2.9M)**

**July 2015:**
- Begin construction

**Total construction costs $13.6M**

**August 2016:**
- Open facility

**December 2017:**
- Expiration of eligibility for tax credits

**Pre-construction costs**

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**Summer 2014:**
- Chestnut Upgrades ($2.2M)

**Summer 2015:**
- Accessibility/reprogramming work at Chestnut ($1M)

**July 2015:**
- Begin construction

**Total construction costs $13.6M**

**August 2016:**
- Open facility

**December 2017:**
- Expiration of eligibility for tax credits
Board of Trustees Meeting
Thursday, January 9, 2014
5:00–8:00 pm
Lecture Hall, Third Street Graduate Center

Attendance:
Trustees: Jennifer Emerson, Hank Feir, Penelope Finnie, Candace Gaudiani, Charles Hobson, Bonnie Levinson, Pam Rorke Levy, Jamie Lunder, Joy Ou, Cynthia Plevin, Lara Ritch, Elizabeth Ronn, Chris Tellis
Trustees Emeriti: Paul Sack
Staff: Janette Andrawes, Cynthia Colebrook, Charles Desmarais, Heather Hickman Holland, Tamara Loewenstein, Elizabeth O’Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock
Faculty Trustees: Dewey Crumpler
Student Representatives: Benjamin Ashlock, Tina Dillman

Absent:
Trustees: Sandra de Saint Phalle, Michael Jackson, Diane Frankel, Jeff Magnin, Dusan Mills, John Sanger, Jeremy Stone
Trustees Emeriti: Paule Anglim, Gardiner Hempel, Beverly James, Howard Oringer, Jack Schafer, Roselyne C. Swig, William Zellerbach
Staff: Hesse McGraw, Susan Wayland
Faculty Trustee: Paul Klein

Prior to the Board meeting Graduate Student Representative Tina Dillman provided Trustees with a tour of the Third Street Facility.

I. Chair’s Welcome

Cynthia Plevin

Ms. Plevin welcomed the Board and called for approval of the minutes from the November 14 meeting.

II. Approval of the Minutes from November 14 Meeting

Cynthia Plevin

Ms. Plevin called for a motion to approve the minutes from the November 14 Board meeting. Ms. Gaudiani made a motion and Ms. Levinson seconded it. All were in favor and the motion passed.

III. President’s Report

Charles Desmarais

Mr. Desmarais welcomed the Board and proceeded with a number of reports:

• The relationship between SFAI and the Fort Mason Center (FMC) is developing. Rich Hillis, Executive Director of FMC, has expressed that SFAI is integral to FMC’s new strategic plan, which seeks to return FMC to its focus as a cultural center. Mr. Hillis invited Mr. Desmarais
to present at a future FMC Board meeting, and Mr. Desmarais extended the same invitation. Mr. Hillis offered use of Pier 2 free of charge for SFAI’s 2015 MFA exhibition. Mr. Hillis was also very positive about the recent ArtPlace America LOI that the Institute submitted.

- Mr. Desmarais and Mr. McGraw met with Ms. Ou to discuss utilizing property she owns near the Warfield Theatre, at 6th and Market Streets, as a site for a temporary public project. There are buildings that will be demolished in two years, and Ms. Ou has offered SFAI the opportunity to develop a project that would revitalize the building’s façade and bring life to the area.

- A WASC off-site review took place via Skype on December 12 with very positive feedback about SFAI’s new leadership and administrative improvements. WASC has postponed its on-site review from October 2014 to April 2015, to allow more time for SFAI to continue with improvements. After this pending approval, SFAI would be accredited for up to another decade.

- Mr. Desmarais thanked and acknowledged the hard work of Ms. O’Brien, the Admissions staff, and the Retention Working Committee who organized an all-staff Best Practices for Student Success event to engage in conversation about how each individual and department can better support student success and retention.

- A meeting with Mayor Ed Lee accompanied by JD Beltran, San Francisco Arts Commission President and SFAI faculty member and City Studio Director, is scheduled for January 17. Mr. Desmarais hopes to introduce the growing partnership between SFAI and FMC, as well as discuss reopening the MTA tunnel that connects Fisherman’s Wharf to Fort Mason.

- Francis Cape: Utopian Benches opens Thursday, January 30 from 7-9 pm at the Walter and McBean Galleries, with a VIP reception from 6-7 pm. The exhibition will feature an installation of 17 poplar benches, on loan from the collection of Nion T. McEvoy. A dinner will be held on January 29 for Mr. Cape.

- Full-time faculty with 30 years of service will receive a proposal for an Early Retirement Incentive Plan that will allow faculty to transition into retirement over a three-year period. The plan is completely optional. Mr. Desmarais added that the 403(b) plan was recently reinstated in January 2012, and in January 2014 SFAI’s match of 50% of the employee’s contribution was increased to a maximum of 8% of the employee’s salary from a maximum of 4% of the employee’s salary.

IV. Academic Affairs Committee Report Penelope Finnie

Ms. Finnie reported that the Academic Affairs Committee was focused on increasing retention and graduation rates. The Committee has learned that students who declare a major by the end of their first year have a higher retention and graduation rate than those who do not. In response, Academic Affairs is simplifying paperwork procedures and making first-year declaration a requirement, rather than a recommendation. The Committee has also discussed potential changes to education requirements, such as online courses and simplifying the transfer process.

Ms. Gaudiani inquired if students can change their major. Ms. O’Brien replied that students can change their major, but declaring one is a first step. Students may also declare a minor.

Ms. Finnie added that applications are also coming in for the faculty searches in Printmaking and Sculpture/New Genres.
V. Finance Committee Report

Mr. Tellis began by noting that the Institute continues to make up for missing revenue targets with controlled costs. The semester system makes income asymmetrical, with summer and December as low-revenue periods.

Year to date the Institute’s Operating Surplus is ahead of budget by $173K. The newly implemented wire transfer student payment option has greatly increased timely payments and thus increased cash flow. Summer tuition revenue was down by 52.64%, but fall tuition was only down by 1.22%. The lower summer revenue is almost entirely due to low enrollment, which was impacted by factors such as the lack of Pell Grant availability in the summer months. Mr. Tellis continued that Development contributions were down by $113K. Losses at the Alumni Event in October were significant; next year the Institute will need to look to spend much less.

Housing income continues to be strong, and income from the Digital Imaging Studio is above budget. Mr. Tellis noted that the school continues to be completely dependent upon tuition income, which currently is 89.5% of the Institute’s revenue. Tuition plus housing revenue makes up 95% of the Institute’s revenue. This underscores the importance of enrollments and retention efforts.

All expense line items are currently under budget; however, some of these can be attributed to delayed spending, such as Marketing’s rebranding campaign and the Assistant Vice President for Technology position to be filled. Mr. Tellis concluded that at this stage of the year, the Institute is ahead of budget and should meet its projected $1M surplus for the year.

Mr. Tellis reiterated that fall revenue is down only by 1.22%, which can be attributed to undergraduate drops. This again reinforces the importance of student retention. He noted that regular faculty is down by 1, but CU’s are down by 13. Administrative staff is currently down by 4. The quality of the student body is improving as reflected by higher GPA and portfolio review scores. He noted that more out of state students are experiencing a higher burden on their respective families due to lack of Cal Grant opportunities.

Mr. Tellis concluded that it has been a challenging year. The budget variances have been a result of time shifts more than actual costs savings. Cost savings as a method to stay on budget are not sustainable; the focus needs to be on Spring enrollment and retention, in addition to savings. The graduate student experience will need to continue to be emphasized as instrumental to the Institute’s well being.

a. 2014-2015 Budget Assumptions Approved by Finance Committee

The Board needs to approve the Tuition and Institutional Aid rates for the 2014–2015 fiscal and academic year in order to develop the year’s budget. Mr. Tellis began by stating that SFAI is at the low-end of the tuition spectrum as compared to other AICAD schools for undergraduate tuition, and mid-range at the graduate level. He stated that the Finance Committee has looked at a variety of tuition and institutional aid combinations and arrived at the recommendation to increase tuition by 4% for graduates and 4.5% for undergraduates, and increase the institutional aid rate to 31%. Mr. Tellis noted
that the strategic plan calls for a 4% tuition increase for both graduate and undergraduate programs, and a 29% institutional aid rate.

Ms. Gaudiani inquired if the Institute is able to attract more students with financial aid offerings. Ms. O’Brien responded that most AICAD schools that have higher-revenue design programs can give more institutional aid to fine arts students. Ms. O’Brien added that tuition increases make more of an impact on continuing students than new students. Mr. Tellis added that the expectation is that students from a wealthier background will be financially supported or assisted by their family.

Mr. Tellis called for a resolution to approve the following actions for the 2014-2015 budget:

- A 3% cost increase across the board expected for inflation
- A tuition increase of 4% for graduates and 4.5% for undergraduates
- An institutional aid rate of 31%

Ms. Rorke Levy inquired how confident the Institute is about meeting the budgeted enrollment numbers. Ms. O’Brien replied that she feels very confident and that in fact the budgeted numbers are conservative, especially as retention numbers continue to grow stronger.

With no further questions, Mr. Tellis called for a motion to approve the budget assumptions. Ms. Rorke Levy made the motion, and Ms. Gaudiani seconded it. All were in favor and the motion passed.

VI. Public Programs Committee Report

Bonnie Levinson

Ms. Levinson announced the newly renamed Public Education program (previously Adult Continuing Education) and referred to the recently printed brochures distributed to Trustees. She encouraged Trustees to sign up for classes and noted that she herself has signed up for two. Ms. Levinson noted she is confident the newly revamped Public Programs offerings distinguish SFAI from other institutions and will take the Institute to the next level.

Ms. Levinson referred to a handout listing the Spring semester Visiting Artist and Scholars (VAS) and Graduate Lecture Series (GLS), noting a number of well-known and important artists on the roster. Public Programs is working to arrange dinners, some hosted by Trustees, for the guests.

The next Public Programs Committee meeting is scheduled for January 22 from 3:30-5:00 pm. A discussion ensued about methods for promoting Public Programs. Ms. Andrawes explained that the Public Programs brochures are mailed to 13,000 individuals each semester, and that last fall, the brochure was distributed with the Sunday edition of the local New York Times. In addition, the Institute advertises with San Francisco Art Quarterly (SFAQ), the Bay Guardian, SF Gate, and via Facebook, among others. Her team can evaluate success by tracking website traffic following e-blasts or print ads, as well as event sign-up via Eventbrite.

Mr. Desmarais added that a short-term strategic decision was made to focus marketing efforts on digital media and social platforms in order to reach prospective students. Now that the Capital Campaign is underway, the Institute will move towards more traditional print publicity to increase visibility, and the budget for the Campaign includes public relations.
Ms. Colebrook thanked the Trustees and Trustees Emeriti for their generosity and support of the Capital Campaign. She noted that four seven-figure gifts have been pledged among Trustees alone; the first of that scale since 1997. Ms. Colebrook stated that a Capital Campaign starts from the inside out, and she thanked the Board again for demonstrating their belief in the Institute and setting an example for the community to follow.

The Staff and Faculty Campaign resulted in a 46% participation rate. Ms. Colebrook noted that the national average for employee giving at higher education institutions is 20%. She extended her gratitude to Mr. Crumpler for being the co-chair on the faculty campaign and Ms. Hickman Holland for being co-chair on the staff campaign.

Ms. Colebrook reported that the Advancement Department is working diligently on fostering a culture of philanthropy within and beyond the Institute. Marci Scott has been promoted from Development Associate to Annual Fund Manager. Ms. Scott recently organized Campus Philanthropy Day during which students, faculty, and staff drew thank you notes to the Institute’s donors. This is one part of a multi-step stewardship program. Ms. Colebrook added that within 48 hours of receiving a donation, a thank you note with her signature is sent. Donors who make gifts above $1,000 receive a handwritten note from President Desmarais, and gifts below that amount, Ms. Scott makes a personal phone call to thank the donor. The next element to be added to this stewardship program is a thank you card from Campus Philanthropy Day.

Ms. Colebrook reviewed the Development Group Goals handout, emphasizing that fundraising results are 43% ahead of where they were at the same time last year, but still not quite to 50% of the year-end goal. She noted the low number in the Miscellaneous Income YTD 2013-2014 line item is attributed to the Diego Rivera Gallery donation box theft, and the loss of donations during the time it took to replace it. Ms. Colebrook thanked and acknowledged the chairs of each Committee.

Ms. Colebrook read a note from Mr. Magnin, who chaired the recent Phonathon, and could not attend the Board meeting due to a recent surgery:

“To everyone who participated in last month’s Phonathon: Thank you very much. It’s as a result of your efforts, not mine, that the Phonathon was a success. Already having committed yourselves to the Art Institute, you committed yourselves yet again, and did so in response to a request from someone junior to you on the Board, from someone new to it. I’m grateful for your devotion, your skill, and for the results you achieved, and I’m optimistic that the next similar fundraising effort can be still more successful. Thank you again. Kind regards, Jeff.”

Ms. Colebrook added that the response rate for giving to the Phonathon after receiving both a phone call and follow e-mail was 18-25%.

Ms. Colebrook added that there are a number of upcoming cultivation opportunities including the opening of the exhibition Francis Cape: Utopian Benches at the Walter and McBean Galleries, the Valentine’s Luncheon, and Gala Vernissage. On April 17, 2014 ENERGY THAT IS ALL AROUND opens at the Grey Art Gallery at New York University in New York City.
VIII. Student Representative Reports

Benjamin Ashlock/Tina Dillman

Benjamin Ashlock

Mr. Ashlock greeted the Board and reported that in addition to being a Student Representative with the Board of Trustees, he is a member of the Institute’s Student Union and would like to share some of his experiences and updates:

- By-law revisions for Student Union are approaching, which need to be approved by the Board and will be brought to a future meeting.
- A student-led academic council committee has been formed with three students and undergraduate department chairs Nicole Archer and Paul Klein.
- Once the search for two tenure-track or tenured professors of Printmaking and New Genres/Sculpture has been narrowed down to three candidates each, two students will join the review committee.
- Student Union has created two student liaison positions that will support Public Programs with coordinated events, co-sponsored visiting artists, and other initiatives.

Mr. Ashlock said that undergraduate students hope that the above actions and other programming such as a Student Union Town Hall each semester will strengthen communication between students and the staff and faculty.

Mr. Ashlock welcomed the Board to utilize student artists as a resource to connect with potential donors. He added that he hopes that in the future that more social space can be carved out for students and Board members to connect. In response to an inquiry about current opportunities for Trustees to meet students, Mr. Ashlock suggested the Diego Rivera Gallery openings on Tuesday afternoons, and added that events during lunch or after lectures would work well with student schedules.

Tina Dillman

Ms. Dillman greeted the Board and reported that graduate students are doing very well. She then spoke to the “elephant in the room” that is deeply affecting many graduate students: the skyrocketing cost of living in San Francisco, which means that many students cannot afford to live here. Ms. Dillman noted that she herself has had to take on three campus jobs, with a workload of five classes in addition to working in the studio. She does not have the time to work off-campus in order to supplement her income.

Ms. Dillman proceeded with a presentation that briefly introduced Board members to a number of graduate students at the Institute: Shay Arick, Marshall Elliot, Nolan Jankowski, Owen Laurion, and Alex Ziv.

IX. Capital Projects Review

Charles Desmarais/Cynthia Plevin

Mr. Desmarais greeted the Board and noted that he found the November meeting to be distressing. To better communicate the progression of decisions made to embark on a Capital Campaign to build a
graduate center at Fort Mason and revitalize 800 Chestnut Street, he presented a Powerpoint that reviewed the need, process, and steps taken:

- The vision is to create a powerful symbiosis between 800 Chestnut Street and Fort Mason, and amongst the undergraduate, graduate, and public programs—positioning SFAI for a vibrant and sustainable future as both an international leader in arts education and a central part of the Bay Area cultural landscape.
- Key to this is SFAI’s role as an integrated “Institute”—not simply a typical art school or a typical contemporary arts organization. A diagram from a 2002 strategic planning process demonstrates this idea (see Figure 1). Mr. Desmarais emphasized this is the “soul” of the Institute, and the idea has dated back to its founding in 1871.
- Mr. Desmarais has overseen or been deeply involved in past capital projects: renovation of a historic building for the California Museum of Photography; building the Contemporary Arts Center, Cincinnati; and the Elizabeth A. Sackler Center for Feminist Art, Brooklyn Museum.
- Now is the right time for capital projects because of SFAI’s financial stability and strong leadership team; the community’s deep love for the Institute; and the need to provide long-term security for the Institute and its programs, address deferred 800 Chestnut Street issues as part of a larger vision, increase SFAI’s visibility, and raise sights of philanthropy. Mr. Desmarais noted that Board giving for the Campaign is already at $8M, an extraordinary number compared to a few years ago when giving was only at $100K.
- Facilities planning has been underway since March 2012, with ongoing work by Board committees and, since May 2013, by Board-approved consultants
- The Strategic Plan approved by the Board in March 2013 established goals to 1) establish a “second campus” at Fort Mason to open in Summer 2015, and 2) undertake conservation of historic 800 Chestnut Street buildings, with a timeline of completing a plan for upgrades by January 2015 and undertaking construction during Fiscal Years 2017 and 2018. He emphasized that there is no dichotomy between a commitment to Chestnut Street and to Fort Mason.
- At the November meeting, the Board passed a resolution to “embark upon a Capital Campaign of $24 million--$7 million for programmatic and infrastructure improvements at the 800 Chestnut Street campus and $17 million to establish a graduate center at Fort Mason (the Project).”

X. Capital Projects Next Steps

Ms. Plevin expressed that a lot of work has to be done in order to move the capital projects forward. The Board’s Committees will be called upon for assistance. Ms. Ou and Mr. Tellis have agreed to assist with compiling a master list of action items and securing an Owner’s Representative. Ms. Plevin invited Trustees to consider potential individuals, such as lawyers and project managers, who could assist with the Capital Project.

XI. Committee on Trustees Report

Ms. Ronn reported on behalf of Ms. Frankel who was unable to attend the meeting. She reported that the Committee was working to find new Trustee candidates, particularly in the technology and
corporate sectors. She also noted the lack of racial diversity on the Board, which the Committee is hoping to improve. Currently there are eight candidates in the pipeline of which five are being cultivated, and three are actively considering.

There are currently 22 Trustees, including Faculty Trustees, and the By-laws state the maximum number of Trustees is 25. At the next Board meeting, the Committee on Trustees will recommend that the Board revise the By-laws to raise the limit to 30, allowing the Board to achieve its full potential for support and involvement. Mr. Feir added that the Board should also seek a member with an investment background, as Mr. Jackson, head of the Investment Subcommittee, will be away much of the year and has expressed a desire for someone to replace him in that role.

XII. Campaign Cabinet Report

Charles Hobson

Mr. Hobson reported to the Board that a Campaign Coordinator, Meagan Stasz, has been hired. Ms. Stasz has worked in both the arts and development for 20 years. A Campaign Cabinet is being formed and Trustees Emeriti Roselyne Swig and Beverly James have agreed to be honorary co-chairs. Mr. Hobson asked Mr. Sack if he had been asked yet. Mr. Sack replied that he had not, and agreed to join the Cabinet as an honorary co-chair.

Mr. Hobson asked the Board if they had seen the video featuring student artist Ed Drew recently produced as a part of the multi-channel annual fundraising campaign Champion Idiosyncrasy. Many Trustees had not seen it, and Mr. Hobson presented the video for the Board to watch. Mr. Hobson requested that a link to the video be distributed to Trustees by e-mail after the meeting.

XIII. Additional Business

Ms. Plevin informed the Board that SFAI is introducing a series of “Board Breakfasts,” meant to further educate Trustees about aspects of the Institute. She encouraged everyone to attend the first session, focused on Academic Affairs, on Thursday, January 23.

With no additional business Ms. Plevin thanked the Board and adjourned the meeting.

Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson

Respectfully submitted,

Bonnie Levinson
Secretary of the Board of Trustees
Figure 1
Board of Trustees Meeting
Thursday, March 13, 2014
5:00–8:00 pm
SFAI Café

Attendance:
Trustees: Jennifer Emerson, Hank Feir, Penelope Finnie, Diane Frankel, Candace Gaudiani, Charles Hobson, Teresa Johnson, Bonnie Levinson, Pam Rorke Levy, Jamie Lunder, Jeff Magnin, Joy Ou, Cynthia Plevin, Lara Ritch, Elizabeth Ronn, John Sanger, Chris Tellis
Faculty Trustee: Paul Klein
Visitors: Rich Hillis, Nate Levine
Staff: Janette Andrawes, JD Beltran, Cynthia Colebrook, Charles Desmarais, Heather Hickman Holland, Tamara Loewenstein, Hesse McGraw, Elizabeth O’Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland
Student Representatives: Benjamin Ashlock, Tina Dillman

Absent:
Trustees: Sandra de Saint Phalle, Michael Jackson, Dusan Mills, Jeremy Stone
Trustees Emeriti: Paule Anglim, Gardiner Hempel, Beverly James, Howard Oringer, Paul Sack, Jack Schafer, Roselyne C. Swig, William Zellerbach
Faculty Trustee: Dewey Crumpler

Minutes

Summary of Actions Taken

1. The Board agreed to conduct a vote on the proposed Student Union By-law amendments via e-mail (See item VII).
2. The Board voted to approve Trustee candidate c b Watts to the Board of Trustees, effective March 13, 2014 (See item XI).
3. The Board voted to approve an amendment to the By-laws to reflect an increase in the maximum number of Trustees from 25 to 30 (See item XI).
4. The Board passed a resolution to proceed with SFAI’s application for National Historic Landmark status for the Chestnut Street buildings (See item XII).

I. Chair’s Welcome and Approval of Minutes from Jan. 9 Meeting
Cynthia Plevin
Ms. Plevin welcomed the Board of Trustees and extended a special welcome to new Trustee Teresa Johnson. She also welcomed visitors JD Beltran, City Studio Director and President of the San Francisco Arts Commission, and Rich Hillis, Executive Director of the Fort Mason
Ms. Plevin asked for a motion to approve the January 9 Board of Trustees minutes. Ms. Frankel made a **motion** and Mr. Magnin **seconded** the motion. All were in favor and the motion **passed**.

### II. President’s Report

**Charles Desmarais**

Mr. Desmarais welcomed the Board and proceeded with a number of updates:

- Inside the Board packets, Trustees have been given a list of staff contacts and their various responsibilities, as well as a compiled list of upcoming Trustee meetings and events through June 2014.
- He met with Al Baum, a supporter of the Institute, to discuss how SFAI could further engage the LGBT community and gain its support. In the near future, a number of events will be organized at the Institute, featuring artists of the LGBT community.
- He thanked Ms. O’Brien for leading a valuable Board Education Session on Costs and Value. He noted the next session, on Wednesday, March 26, will be about architectural history and led by Librarian Jeff Gunderson.
- He recently attended a dinner with 37 other Presidents at Mills College to honor the appointment of UC President Janet Napolitano and UC Berkeley Chancellor Nicholas B. Dirks.
- He continues to work as a Trustee on the AICAD Board and is chairing the new Thought Leadership Committee.

Mr. Desmarais introduced JD Beltran to the Board to report on a recent visit with Mayor Ed Lee.

#### a. Report on Meeting with Mayor Lee

**JD Beltran**

Ms. Beltran introduced herself as the director of SFAI’s City Studio, a faculty member, an SFAI alumna, and the President of the San Francisco Arts Commission (SFAC). In that role, which she has held since 2012, she oversees an $18 million public art portfolio of art. She spoke fondly about her experience working with the “City Family,” including Mr. Hillis, who was formerly Deputy Director for the San Francisco Office of Economic and Workforce Development.

On February 5, Ms. Beltran, Mr. Desmarais, and Mr. Hillis met with Mayor Lee and Todd Rufo, the City’s Director of Economic and Workforce Development to share the Institute’s plans to move its graduate center to Pier 2 at Fort Mason. During a 45-minute meeting (exceeding the allotted time), the Mayor expressed great interest in SFAI and the project. Ms. Beltran noted that the graduate center move is in alignment with the City’s goals to support higher education and the arts as an economic engine. Overall, it was a very positive meeting.

### III. Capital Projects Update

**Cynthia Plevin**

Ms. Plevin explained that the Executive Committee had decided that the theme for the Board meeting should be “Window of Opportunity,” indicating that five years of stable finances, a strong Board, and the unprecedented opportunity of Fort Mason have all aligned.
She noted that the Capital Projects Coordinating Team is meeting weekly, and with Board approval has hired Mark Kelley of mack5 as the Owner’s Representative. His first order of business is to negotiate with Leddy Maytum Stacy Architects on their rate to complete the Schematic Design phase of the Pier 2 project, which is necessary to pursue tax credits and to obtain bids from contractors. SFAI plans to have this updated cost and tax credit information by the June Board meeting.

She noted that the project is moving forward very well, and that she and others feel great excitement about becoming an integral part of the City’s waterfront filled with history, art, and culture.

**a. Presentation on Fort Mason’s Strategic Plan**  
Rich Hillis

Mr. Desmarais introduced Mr. Hillis to present on how SFAI fits directly into the Fort Mason Center’s Strategic Plan.

*Introduction, Rich Hillis*

Mr. Hillis has worked as the Executive Director of the Fort Mason Center (FMC) for two years, and served for 15 years in various governmental capacities, most recently as the Deputy Director for the San Francisco Office of Economic and Workforce Development.

*Fort Mason Center*

FMC is a non-profit organization that opened in 1977, turning an old military installation into a cultural center. It has a lease from the National Park Service to operate the site, on which approximately 50 years remain. FMC has become a hub of activity for nonprofit resident/partners, as well as an events concourse. Six years ago, as part of a lease amendment, FMC agreed to take on the cost of capital improvements. This has led to a strategic plan designed to 1) generate revenue, and 2) strengthen FMC’s identity as an arts and cultural center, reclaiming its public mission. Mr. Hillis shared that the park Service, community groups, and current tenants are all excited about SFAI coming to FMC as a key part of this plan.

Mr. Hillis reviewed the programming and improvements envisioned over the next ten years:

- **Pier 1**: FMC does not have jurisdiction over Pier 1, which is currently vacant, but is proposing its reuse as a hotel, which the Park Service has expressed interest in.
- **Pier 2**: The strategic plan features SFAI as an anchor tenant that would activate the site on a daily basis. The Cowell Theater, with a 430-seat capacity, will remain.
- **Pier 3**: FMC envisions a curated art/event space, similar to The Armory in New York, that has a synergistic relationship activities on the rest of the campus.
- **Campus-wide**: Activate the ground floor and waterfront space. Ideas include shared workspaces for the creative community, a restaurant in the firehouse, a more welcoming entrance to the site, and retail spaces (though they are limited to nonprofit uses). The extension of the F line through an existing tunnel to Fort Mason would also be a boon.

Mr. Hillis explained that FMC is underway on $20M of renovations on Pier 2 to be completed in July 2014, and that in 2007 the NPS completed a $13M substructure renovation of the Pier. The
scope of the current Pier 2 renovation includes interior and exterior work encompassing a wide range of systems and structural upgrades. Funding is a combination of FMC funds, long-term debt, historic tax credits, federal grants, and other grants and philanthropy.

Next Steps
Mr. Hillis indicated that signing a lease with SFAI would be the biggest change to FMC since Greens Restaurant opened 30 years ago. Next steps include approval by the Park Service (initial tenant approval has been granted; official approval is “subject to design review”) and meeting the requirements for tax credits. He does not see significant challenges in proceeding with these next steps.

Questions
Ms. Rorke Levy asked what have been the most effective levers for fundraising for FMC’s capital improvements. Mr. Hillis replied that the tax credits provided huge savings, but that in general FMC doesn’t have a strong track record of fundraising and that part of the new vision is better positioning itself to raise money.

Ms. Levinson inquired about City College of San Francisco, and their current agreement with FMC. Mr. Hillis said that he has not been able to get in touch with them about their future occupancy plans.

IV. Campaign Cabinet Report

Mr. Hobson reported that there is progress on the Capital Campaign, referring to the handout Comprehensive Gifts and Pledges, FY 2013-2018 distributed to Trustees. The handout indicates that all gifts and pledges to date total $7,875,000, inclusive of an anticipated Annual Fund total of $1,095,000.

Mr. Hobson emphasized that more cultivations are the next step, and the Campaign Cabinet is beginning to reach beyond the Institute’s immediate circle of close friends and supporters. An example is Agnes Bourne, a former Board chair, who recently pledged $250K to the Capital Campaign. Mr. Hobson noted this is of particular importance because she had left the inner circle of the Institute and has returned to support its new ventures.

There are a number of upcoming cultivation opportunities. April 3 is a VIP reception for visiting artist Iñigo Manglano-Ovalle, followed by his VAS lecture. The next Fort Mason Tour is scheduled for April 10 from 4-5pm.

Mr. Tellis added that the theme “Window of Opportunity” is evidenced by the unprecedented opportunity that moving the graduate studios to Pier 2 at Fort Mason would offer. He asserted that this is a rare project that creates stability rather than more risk, and noted that SFAI is lucky that the facility is on federal land, which means the permitting process is much less complex than what the Exploratorium recently went through. The Institute can become part of the renaissance of the northern waterfront and have the opportunity to solidify its finances and future. He concluded that the Institute will never again see an opportunity where investment in infrastructure will have this big of an impact.
V. Identity Initiative Update

Elizabeth Ronn

Ms. Ronn reported that she and Ms. Andrawes are leading an Identity Initiative to “burnish” the identity of SFAI and help the Institute regain its appropriate status as a cultural institution. An Identity Initiative Advisory Committee, composed of Trustees and outside experts in public relations, design, consumer understanding, and strategy, has been appointed to steer the rebranding campaign. The Committee has met once and will continue to meet on a bi-monthly basis through June, at which time it will be prepared to share updates on its progress.

Ms. Ronn and Ms. Andrawes have begun holding Identity Input Sessions (composed of staff, faculty, students, alumni, donors, community influences, and friends of the Institute) to understand how people see SFAI, and learn what their hopes and dreams are for the future of the Institute. The result will be a clear idea of what the Institute is and is not, and how to tell its story. Ultimately, the hope is to develop a cohesive story that is inclusive of many voices, speaks to the vision and purpose of the Institute, and that the community embraces.

Mr. Tellis asked what the deliverables of the Initiative will be. Ms. Andrawes replied that the outcome will be a new logo, a visual and verbal means to communicate SFAI’s identity, and guidelines to drive marketing and storytelling that will engage audiences and build relationships. Ms. Andrawes invited Trustees to join a session to get a sense of the process as well as people’s deep love for the school.

VI. Campaign Messaging

Nate Levine/Charles Desmarais

Mr. Levine discussed the importance of Campaign Messaging as the Board embarks on the Capital Campaign and conducts cultivations and solicitations. He stressed the importance of face-to-face meetings, and clear, concise, consistent messaging that is tailored appropriately as needed for each meeting. He spoke to the importance of including an emotional punch, by speaking to the personal, and sharing one’s own direct story and relationship to the SFAI community.

Mr. Levine then introduced the concept of the “master narrative,” meant to be delivered verbally as an introduction to an organization. A master narrative should be 60 seconds or less, and begin with the “why,” which stems from mission. The complete formulation is Belief, Problem, Solution, Vision. Mr. Levine invited Mr. Desmarais to review SFAI’s in-progress master narrative with the Board. The Board provided feedback on the narrative, which will continue to be refined through cultivation and solicitation as people “road test” the message.

Ms. Colebrook pointed out that the master narrative is also a “window of opportunity” and should be considered a starting point for longer, engaged conversations.

VII. Student Reports

Benjamin Ashlock/Tina Dillman

Benjamin Ashlock

Mr. Ashlock reported that Student Union has proposed amendments to its By-laws, which have not had revisions in three years. The Board of Trustees must approve amendments in order to
take effect. The amendments include the following revisions:

- Correction of typos and grammatical errors
- Clarified student union chair responsibilities
- Changed Department Representatives to Major Representatives to align with new academic administrative structure
- Replaced the now defunct Assessment Committee with the new Student Academic Council, which will meet regularly with the BA/BFA department chairs and hold school-wide Town Halls
- Simplified the process of recalling student union members
- Reduced the restrictions on forming Student Union-funded clubs to make them more inclusive of minority and diversity issues

In order to allow sufficient time to review the amendments, the Board asked that the proposed amendments be re-distributed by e-mail with a request for a vote.

_Tina Dillman_

Ms. Dillman reported that she is thrilled to hear about the rebranding initiative because she has been disturbed by SFAI being confused with the Academy of Art and the Art Institute of California so many times.

Ms. Dillman was excited to report that SFAI and CCA graduate students have joined forces to embark on collaborative projects and pop-up shows.

Thirteen graduate students are nominated for a Graduate Fellowship with the Headlands Center for the Arts, and Ms. Dillman is pleased to report she is one of them.

Ms. Dillman concluded her presentation by sharing images of the Old Mint, where the graduate exhibition _Principal_ will be shown. She spoke to the relevance of building’s raw space that acts as a unique invitation for student artists to make site-specific work tailored to the space.

**VIII. Finance Committee Report**  

_Chris Tellis_

Mr. Tellis reported that the Institute is in good financial shape and should come in ahead of budget at the end of the year. The details of his report reflected:

*Financial Summary*

- Year to date revenues of $11.479M were $518k under budget (4.3%)
- Year to date expenses of $10.739M were $951k ahead of budget (8.14%)
- Net of $740k is 141% above budget, 19.7% better than prior year to date
- Continuing pattern of revenue deficits being covered by lowered expenses
- Steady improvement in variance on Net Change: -20%, +10%, +141%
- $497K of this deficit was from summer tuition - diminishing effect
- Expense variance staying constant. Revenue variance is improving -6.6%—4.3%
Revenues

- Significant increase in contributions. Housing remains strong
- Other Revenue went from a negative to a positive variance

Expenses

- Identical to last report. Ahead of budget in all categories
- Largest variance is marketing. $100K will be spent in next month on rebranding.

Enrollment

- Tilt continues to Undergraduate Enrollment, however now ahead on FTE (-5 to +25) because of strong retention into Spring 2014
- Projected a decrease of 56 FTE, actual was 26 FTE
- CU’s overall down by 7%

Personnel

- Added one teacher/academic staff since the last report
- Added two administrative staff
- Expense advantage will decline

Endowment

- Endowment posted a 143K loss in January, but is up by $506K or 6.3%
- Present value includes $316K annual draw last July
- Balance sheet is stronger, with Cash at $3.1M higher due to better collections of Spring Tuition
- Delay in railing project is raising surplus in Capital Expenditures
- Financial aid is running 30.2% versus projection of 28.4%. This is due to increase in undergraduate aid from 32.8% to 36%

Capital Campaign

- The Capital Campaign is listed at the bottom of the Statement of Activities; only written pledges are included. In January, the Institute received five pledges for $1.2M
- As Required by GAAP (Generally Accepted Accounting Principles), future contributions are discounted by 3%

Conclusion

- It has been a challenging year, and budget variances are result of time shifts more than actual savings
- Annual pattern of lower revenue being salvaged by cost savings is not sustainable
- Need emphasis on the graduate student experience; Fort Mason will be a big improvement in this area and attraction for prospective students
• Need to focus on Spring enrollment, retention, and cost control
• Need to discuss future allocation of Surplus; a “rainy day fund”

**IX. Committee on Trustees Report**

**Trustee Nomination**
On behalf of the Committee on Trustees, Ms. Frankel proposed C b Watts as a new Trustee. Ms. Gaudiani described Ms. Watts as coming from a family of great community service with strong links to the technology and corporate sectors. She has had wonderful experiences working with Ms. Watts and nominates her without reservation. Ms. Gaudiani made a **motion** to approve Ms. Watt’s nomination. Ms. Plevin **seconded** the motion; all were in favor and the vote **passed**.

**By-laws Amendment**
On behalf of the Committee on Trustees, Ms. Frankel proposed to amend the By-laws to reflect an increase in the maximum number of Trustees from 25 to 30. Ms. Levinson made a **motion** to approve the amendment, and Mr. Magnin **seconded** the motion. All were in favor and the motion **passed**.

Ms. Frankel reported that more Trustee candidates are in the pipeline. She indicated a special need for more Trustees with backgrounds in the corporate and technology sectors. It was noted that a replacement for Mr. Jackson’s role as Investment Chair is still needed.

**X. Academic Affairs Committee Report**

Ms. Finnie reported on a number of updates:

**Faculty Finalists**
Six faculty finalists for the tenure-track or tenured Printmaking and Sculpture/New Genres positions have been selected. Finalist public presentations will began on March 12 and continue through April. All presentations are scheduled for 12-1pm in the Lecture Hall. Finalist information and visiting dates were distributed at the start of the meeting.

**Post-MFA Teaching Fellowship**
Academic Affairs is working on implementing a Post-MFA Diversity Teaching Fellowship in collaboration with about 12 other art schools. The program would be an exchange through which top artists from underrepresented backgrounds receive a one-year, full-time teaching position at a school other than their alma mater.

**Trustee Class Visits**
The Academic Affairs Committee is working to coordinate a proactive system for interested Trustees to attend critiques to learn more about the Institute and the student experience.

**Faculty Categories**
Mr. Desmarais and Ms. Schreiber have developed a new, tiered structure to organize the hiring, compensation, and review of full-time and visiting faculty. The proposal was shared with the Faculty Senate, and met with a positive reaction.
XI. Public Programs Committee Report
Bonnie Levinson

Ms. Levinson reported on a number of updates:

- *Francis Cape: Utopian Benches* closes this evening, and Ms. Levinson invited Trustees to toast the show at the reception once the Board meeting adjourns.
- Ms. Levy and her husband Mr. Brooks will be hosting a dinner in honor of visiting artist Iñigo Manglano-Ovalle on Wednesday, April 2. Mr. Manglano-Ovalle was a 2001 recipient of the MacArthur (“genius”) Fellowship.
- The exhibition *ENERGY THAT IS ALL AROUND* is travelling to the Grey Art Gallery at New York University, with a VIP reception on April 17 from 5-7pm. Ms. Levinson invited any Trustees in NY at that time to attend.
- *Wrong’s What I Do Best* is the next exhibition at the Walter and McBean Galleries featuring work by Tanyth Berkeley, Keith Boadwee/Club Paint, Brad Kahlhmer, Dana Schultz, and Kara Walker among others. The VIP reception will be on April 26 at 6pm.
- Public Education’s spring semester enrollment is up 17.5% over last spring and part of a 69% increase over the past three years. Two free Public Education workshops—some of the more experimental courses—will be offered this spring.

XII. Campus Planning Committee Report
Jenny Emerson

Ms. Emerson reported that the Campus Planning Committee is currently focusing on developing a plan for the $7M allocated for 800 Chestnut Street upgrades. The plan will include renovations and updates to the courtyard, library, meadow, and studio spaces, among other updates to rework and improve existing spaces.

Additionally, the Campus Planning Committee is working toward achieving National Historic Landmark status for the Chestnut buildings, which would allow the Institute to qualify for grants and historic tax credits. Ms. Emerson explained that this designation would not further limit renovations SFAI could make to the buildings, since the 1926 building is already a local landmark and controls come from the local level. Ms. Emerson put forward a motion to proceed with the application for National Historic Landmark status. Mr. Feir seconded the motion. All were in favor and the motion passed.

XIII. Development Committee Report
Cynthia Colebrook

Ms. Colebrook reviewed the Development Group Goals handout, noting that year-to-date results are 34% ahead of last year.

She reported that ticket sales for Gala Vernissage are doing very well; 20 out of the 25 tables have been sold before the invitation has been distributed, but help will be needed in promoting the new $200-level tickets.

Ms. Colebrook added that in 30 years of working, she has never seen a Board so uniformly and fully engaged, and thanked the Trustees for their generosity and support.

XIV. Additional Business

With no further business, Ms. Plevin thanked the Board and adjourned the meeting at 8:10pm.
Minutes prepared by Tamara Loewenstein, and reviewed by Bonnie Levinson

Respectfully submitted,

Bonnie Levinson
Secretary of the Board of Trustees
Board of Trustees Meeting  
Thursday, June 12, 2014  
5:00-7:30pm  
SFAI Café  

Annual Meeting  
7:30-8:00pm  

Attendance:  
Trustees: Sandra de Saint Phalle, Jennifer Emerson, Penelope Finnie, Diane Frankel, Charles Hobson, Michael Jackson, Teresa Johnson, Jay Kern, Bonnie Levinson, Jeff Magnin, Dusan Mills, Cynthia Plevin, Lara Ritch, Elizabeth Ronn, John Sanger, Chris Tellis  
Trustees Emeriti: Gardiner Hempel  
Student Representative: Tina Dillman  
Visitor: Adam Franch, LMSA  
Staff: Janette Andrawes, Cynthia Colebrook, Charles Desmarais, Heather Hickman Holland, Tamara Loewenstein, Hesse McGraw, Elizabeth O'Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland  

Absent:  
Trustees: Hank Feir (proxy: Diane Frankel), Candace Gaudiani (proxy: Diane Frankel), Pam Rorke Levy, Jamie Lunder, Joy Ou, Jeremy Stone (proxy: Bonnie Levinson), c b Watts  
Trustees Emeriti: Paule Anglim, Agnes Bourne, Beverly James, Howard Oringer, Paul Sack, Jack Schafer, Roselyne C. Swig, William Zellerbach  
Student Representative: Benjamin Ashlock  
Faculty Representatives: Dewey Crumpler, Paul Klein  

Summary of Actions Taken  

I. The Board voted to negotiate an option agreement with attached lease with Fort Mason Center, which will be presented to the Board for approval before execution (See Item IV, Section E).  
II. The Board voted to approve the 2014-2015 Budget (See Item VI).
Minutes

I. Chair’s Welcome

Ms. Plevin greeted the Board and extended a special welcome to Mr. Jay Kern, the Board’s newest Trustee. She thanked both Ms. Dillman (Graduate Student Representative) and Mr. Ashlock (Undergraduate Representative), who have both graduated and are rotating off the Board, for their service.

II. Approval of Minutes from March 13 Meeting

Ms. Plevin called to approve the March 13, 2014 Board of Trustees meeting minutes. Ms. Frankel made a motion and Ms. Johnson seconded the motion. All were in favor, and the motion passed.

III. President’s Report

Mr. Desmarais greeted the Board and reported on a number of items:

- Mr. Desmarais extended a warm thank you to Ms. Plevin for hosting the President’s Dinner on Tuesday, June 10, noting it was a lovely event and a wonderful way to thank donors and celebrate a successful year together.
- SFAI has been awarded a $60K grant from the National Endowment for the Arts to launch a mobile engagement project that will engage visitors and share the Institute’s history and artists. The app will include artists’ projects such as a “Dis-orientation” guide to SFAI by notable alumnus Rigo 23.
- Mr. Desmarais thanked everyone who attended and supported the gala. It was successful evening, raising $252,887 (net income) in scholarship funds, $135,700 of which will launch the new C. David and Mary L. Robinson Scholarship Fund to endow a scholarship for photography students. Mr. Desmarais especially thanked Pam Rorke Levy and Matt Brooks for their $50,000 matching gift challenge.
- For the first time, SFAI hosted a Dealer’s Breakfast at the MFA exhibition at the The Old Mint with 22 galleries, curators, and press.
- Mr. Desmarais congratulated Dean Schreiber on the successful hiring of two new permanent faculty, Asuka Ohsawa as Assistant Professor, Printmaking and Maria Elena Gonzalez as Assistant Professor, Sculpture.

IV. Capital Projects

a. Overview and Pier 2 Schematic Design Presentation

Mr. Desmarais began his presentation by emphasizing that moving SFAI’s graduate center from Third Street to Pier 2 at Fort Mason is the most important decision for the Institute in 50 years. Among the many benefits, he noted that it will strengthen the long-term health for the school, considerably decrease the commute for students and faculty.
between the two campuses, and allow SFAI to be an integral part of Fort Mason’s revitalization plan to become a cultural hub.

Mr. Desmarais emphasized that the Fort Mason Center has already invested $20M into the structural needs of Pier 2. Mr. Desmarais introduced the Schematic Design to the Board, shared the revised animated fly-through, and reviewed the following updates:

- **Entrance:** It is important to the State Historic Preservation Office (SHPO) and the National Park Service that the Pier 2 design, especially at the gallery entrance, be open enough to showcase the historic, expansive pier shed.
- **Studios:** The design currently includes 172 studios, each measuring 150 square feet, a size on par with other similar institutions. It is an open question whether SFAI will rent additional studio space at Fort Mason or divide some of the studios into smaller spaces to accommodate planned graduate program enrollment.
- **Light:** Roll-up doors have been opened up to provide natural light and spectacular views of the bay. Clerestory windows and design elements such as perforated metal on the stairs and walkways increase the flow of natural light.
- **Seminar/Board Room:** One seminar room with an incredible view of the Golden Gate Bridge has been reconfigured into a large meeting space that can be used for classes, Board meetings, and other gatherings.
- **Value Engineering:** The Schematic Design report and renderings include a number of elements, such as a “floating” installation room above the gallery space, that will likely be adjusted to stay within SFAI’s construction budget.
- **Cost Plan:** The cost plan is based on a 2015 start of construction date, and includes target “deductive alternates.” The “total cost” does not include operating, fundraising, or financing expenses.

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Ms. Dillman asked whether the MFA exhibition would be held at Pier 2 once SFAI occupied that site, expressing that a site like The Old Mint allows for more complex and sophisticated installation possibilities. Mr. Desmarais explained that the 2015 MFA show will be held at Pier 2 before construction begins, and that he is not sure about plans beyond that. He likes the experience and challenge of an off-site venue, but it could be beneficial to save costs by exhibiting at Pier 2.

Ms. Dillman also inquired if there was an elevator for accessibility and Mr. Desmarais confirmed there is one in the plans. Ms. Johnson added that navigating the acoustics in a large, open space like Pier 2 would be important. Mr. Franch confirmed that LMS\(^A\) is consulting an acoustics expert.
b. Chestnut Street Planning Update        Dusan Mills/Jenny Emerson

Mr. Mills presented a number of updates about plans for 800 Chestnut Street:

- The Campus Planning Committee is working under the Board directive of a five-year plan for Chestnut Street by January 2015. It is understood that the $7 million budgeted for Chestnut Street includes hard costs, soft costs, and escalation.
- The decision framework for the revitalization and updates will prioritize projects based on importance and impact. For example, renovations at Chestnut Street must account for Third Street facilities not duplicated at Fort Mason and increased use of certain facilities at Chestnut Street as a result.
- The plans include long-deferred maintenance and addressing ADA compliance.
- With input from staff and faculty, the Campus Planning Committee will produce a detailed report for the Board outlining the plan. The plan will be presented in the context of a broader vision that looks forward to the long-term needs and goals of the Institute.

c. Financial Scenarios        Chris Tellis

Mr. Tellis directed Trustees to three spreadsheets in the Board packet projecting cash flow scenarios for three different Pier 2 opening dates: 1) August 2016, 2) August 2017, and 3) December 2017 (the deadline to complete the project and still receive historic tax credits). At Chestnut Street, the school is still investigating the opportunities for historic tax credits, but the horizon is longer.

Mr. Tellis emphasized that the spreadsheets represent the surface of a process that requires assembling thousands of data points, and that they are simply projections of an estimated future. Mr. Tellis noted that the Trustees could expect to see updated versions of these projections at each Board meeting over the next five years, as projected expenses and income become actuals.

Mr. Tellis emphasized that as Trustees with fiduciary responsibility for the Institute, the most important goal is to understand the major summary numbers that affect the Institute’s prospects. He directed Trustees to a guide to the spreadsheets that he had prepared to help decipher the complex materials.

Mr. Tellis noted that the financial scenarios include the following assumptions:

- Ability to obtain historic tax credits will be received.
- Ability to rent the majority of studios at Third Street studios and withdraw from the lease with limited liability.
- Potential capital expense for an additional 26 land-side studios.
- Enhancements at Chestnut Street will accommodate increased use of facilities not duplicated at Fort Mason.
- An annual construction cost inflation of 7.5%
He noted that by the start of construction SFAI will have spent $2.7M, but that committing to construction contracts is a big risk point. A strong argument to open by August 2016 is saving $1.38 million; in all cases, postponement means getting less for the same amount of money or needing to raise more money.

Ms. Johnson inquired if SFAI had considered raising the Campaign goal to ensure costs would be covered. Mr. Tellis responded that there are various possibilities to bring cash in sooner, for example by asking people to pay their pledger earlier, and Mr. Sanger explained that the campaign goal is based on a feasibility study conducted before the Campaign launch. Mr. Mills emphasized that these spreadsheets give SFAI a good modeling tool to continue to develop, as activities get more concrete.

Mr. Kern asked if it is common behavior for nonprofits to commit to construction with a significant gap between project costs and pledges received. Ms. Desmarais emphasized that most institutions in this phase of a capital project still have much money to raise, and noted that during construction is a key opportunity to bring donors on board. Mr. Sanger added that the Board will have the opportunity to review fundraising status and approve future expenditures and commitments as laid out on pg. 7 of the Board packet.

d. Capital Campaign Update and Plan        Charles Hobson/Diane Frankel/
Cynthia Colebrook

Ms. Frankel began by reminding Trustees of the $33 million already invested in Pier 2 by the National Park Service and Fort Mason, and that there are very few opportunities like this in San Francisco.

Ms. Colebrook presented an overview of the Capital Campaign effort to this point and the plan moving forward. She emphasized that in her 25 years of fundraising experience she has learned that the most critical variables in capital campaign success is Board courage and full institutional commitment.

Ms. Colebrook indicated that the $24 million goal is a stretch but attainable, and there are a number of tangible goals in the coming months:

- Obtain the leadership gift by year’s end; honor that person at the 2015 Gala
- Raise $12.5 million by March 2015
- Use 2015 Gala Vernissage (to be held at Pier 2) as kick-off for public phase

Referencing a diagram in her presentation, Ms. Colebrook noted that the Campaign Cabinet provides strategic direction and oversight to a whole complement of campaign activities, such as campaign trainings, cultivation events, donor prospect solicitations, Gala Vernissage, and a possible national auction of prominent SFAI alumni to support the campaign. All of these activities feed into a donor prospect pipeline, which moves prospects from research to cultivation to solicitation to a closed pledge in a coordinated, documented system.
Following on this “macro” view of the campaign, Mr. Hobson provided a “micro” approach, distributing business-sized cards that read:

```
One Step
One Visit to Fort Mason

Cultivate a Prospect.
Arrange a one-to-one tour of Pier 2.
Have tea or coffee at Greens.
Any weekday, after 4PM.
Contact Meagan Stasz 415-749-4521
She will set it up for you.
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Mr. Hobson emphasized that tours of the Pier under construction are an excellent resource to engage prospects.

Mr. Kern asked whether, from a marketing perspective, the Campaign’s total goal should reflect the $57 million total project cost (including $33 million in work done by NPS and Fort Mason), to raise the sights of giving. The Board agreed that materials and presentations will include this impressive total project cost.

e. Executive Committee Recommendation and Discussion

Ms. Plevin directed Trustees to three memos in the Board packet that give a sense of the path forward for capital projects:
   1) A basic list of resolved/unresolved terms in the Term Sheet;
   2) The basic steps required to finalize the deal with Fort Mason Center to relocate the graduate center; and
   3) Future required board approvals needed to finalize this deal

Ms. Plevin asked to put a motion on the floor to reaffirm SFAI’s desire to move forward with the Pier 2 project. The full text of the recommendation (distributed to the Board in advance of the meeting) reads:

The Board of Trustees of the San Francisco Art Institute hereby directs that SFAI shall negotiate an option agreement with attached lease with Fort Mason Center and/or its affiliates for the lease of Pier 2 and associated needed space in other buildings at Fort Mason (if necessary) to accommodate the projected need for full relocation of the graduate center, other than for those facilities to be accommodated at 800 Chestnut. Such option agreement shall be presented to the Board for approval before the execution.
Mr. Kern made the motion, and Mr. Sanger seconded it. The proxies presented three in favor on behalf of Mr. Feir, Ms. Gaudiani, and Ms. Stone who were not in attendance. All were in favor and the motion passed.

V. SEIU Election Update   Charles Desmarais

Mr. Desmarais conveyed that the overreliance on part-time adjuncts is a nationwide issue, and that the SFAI administration recognized the particular challenges facing its Visiting Faculty; the strategic plan includes an initiative to address this situation and Mr. Desmarais and Dean Schreiber were working on a plan.

However, over the last months the Service Employees International Union (SEIU) has been mounting an aggressive campaign called Adjunct Action to organize adjuncts in metropolitan areas across the country, and in April SFAI received a petition for an election. The Institute stated its case about why SEIU was not the union for SFAI, but Visiting Faculty voted yes to be represented by SEIU, with a vote of 124 to 35. The work will now begin to negotiate a contract. (The full-time faculty are already represented by their own union, the San Francisco Art Institute Faculty Union.)

Mr. Desmarais noted that what the union members will likely most want is a long-term commitment. Ms. Schreiber added that there are open questions about union membership, such as how it would work if an SFAI faculty member teaches at multiple schools with unions.

VI. Approval of the 2014-2015 Budget   Chris Tellis

Mr. Tellis reported that SFAI is projected to close this fiscal year with revenues of $20.4 million with surplus of $1.36 million. This will be the sixth year in a row of operating surpluses. He extended special thanks to the hard work of Mr. Sanjana and Ms. Wayland, and to Ms. O’Brien for her work on student retention and admissions.

Mr. Tellis continued that the endowment currently measures at $8.84 million. The 2014-2015 budget includes an overall increase in operating costs of 7% (a large portion of which is employee compensation) and a projected operating surplus of $1 million. In recent years, the surplus has gone, to paying down the principal on SFAI’s loans and to capital improvements.

He called for a motion to approve the 2014-2015 budget. Mr. Sanger made the motion, and Ms. Frankel seconded it. All were in favor, and the motion passed.

VII. Identity Initiative Status Update   Elizabeth Ronn

Ms. Ronn reported that since the last meeting, she and Ms. Andrawes had completed 16 input sessions for the Identity Initiative that were composed of students, staff, faculty, alumni, Trustees, donors, public education students and faculty, and SFAI program attendees. In total, 90 people attended those sessions, which resulted in 52 pages of research and 276 images to reference.
Next, she and Ms. Andrawes sent a request for proposals to 15 top design firms across the country. They received 13 proposals—indicating that firms were very excited by the opportunity—and narrowed it down to five firms to interview. They selected Gershoni Creative Agency, located in San Francisco, because of their experiential approach, past work, ability to meet a tight deadline, reasonable cost, and strong understanding of the character and needs of the Institute. Gershoni will be producing a logo, new website, a web-based application, and assist with marketing collateral designs. The goal is to have the graphic identity by August so it is ready for fall admissions materials and the September 7 insertion of the Fall Public Programs brochure in the Sunday *New York Times*, and go live with priority pages for the new website in August. Deeper website content, style guides, and a maintenance plan will continue through September.

Ms. Ronn asked that Trustees keep their eyes out for summer correspondence asking for Board input on the project. She feels very excited about the possibilities.

Mr. Hobson inquired if the Capital Campaign could dovetail with this initiative. Ms. Andrawes said that she can envision Gershoni as a longer-term relationship, and Ms. Ronn added that campaign materials would be linked to the new identity and have a campaign logo developed by Gershoni. Ms. Plevin thanked both Ms. Ronn and Ms. Andrawes for all their dedicated work.

**VIII. Committee Reports**

*Public Programs*

Ms. Levinson noted that summer Public Education enrollment is up by 40 students, and PreCollege is up by 20%. Both numbers have improved since the written report included in the Board packet.

*Development Report*

Mr. Magnin invited Trustees to join him and the Advancement Office on June 17 and 18 for a Phonathon to close out the fiscal year ending on June 30. Participants will be calling past supporters who have already received letters over Mr. Magnin’s signature, and SFAI is only about $25K away from meeting its goal. He also commended the Advancement team for their work, noting that the department has been understaffed. Mr. Magnin passed around a sign-up sheet to volunteer.

**IX. Adjourn**

Cynthia Plevin

With no further business, Ms. Plevin adjourned the Board meeting and proceeded to the Annual Meeting.
Annual Meeting

Summary of Actions Taken

I. The Board approved the proposed slate of officers, renewed Trustee terms, and approved one new Trustee (See Item II).

Minutes

I. Call to Order                           Cynthia Plevin

Ms. Plevin called to order the Annual Meeting of the Board of Trustees and asked Ms. Ronn to proceed with presenting on behalf of the Committee on Trustees.

II. Committee on Trustees Recommendations     Elizabeth Ronn

a. Election

A notice of recommendations had been distributed to the Trustees in advance of the meeting recommending the following:

Proposed Slate of Officers

The following officers have completed a one-year term, and have agreed to serve another one-year term, if elected.

Cynthia Plevin, Chair
Penelope Finnie, Vice Chair
Bonnie Levinson, Secretary
Chris Tellis, Treasurer

Election to a Third Three-Year Term

The Committee on Trustees recommends approval of the re-election of Diane Frankel who has completed two three-year terms and has agreed to stand for re-election.

Election of Partial Term Trustees to Full Three-Year Terms

Any individuals who are elected and who serve partial terms on the Board of Trustees during the course of a fiscal year need to be elected at the Annual Meeting to a full three-year term, to begin July 1: John C. Kern (Jay), Teresa L. Johnson (Terry), and c b Watts. The Committee recommends this election.
Election of New Trustee

The candidacy of Steven J. Spector is recommended by the Committee on Trustees.

Ms. Ronn made a **motion** to approve all the above recommendations from the Committee on Trustees, and Mr. Magnin **seconded** the motion. All were in favor, and the motion **passed**.

b. Next Steps

Election of Faculty Trustee

The Faculty Senate has recommended three nominees. The Committee on Trustees is in the process of interviewing these candidates and will ask for an e-mail vote later in the summer for one Faculty Trustee to serve a two-year term.

Student Representatives to the Board

When the fall semester begins, and prior to the first meeting of the Board of Trustees for 2014-2015, the Committee on Trustees will interview three undergraduate candidates proposed by the Student Union and three graduate candidates proposed by the Legion of Graduate Students (LOGS), to select one grad and one undergrad student representative for a one-year term.

Ms. Frankel noted that the Board should be aware that an e-mail vote will be distributed in advance of the first Board meeting for the these open positions. Ms. Johnson noted that e-mail votes must have 100% response rate and be unanimous in order to pass.

The Board discussed the importance of e-mail headings in communications to Trustees to assist with streamlining activities such as votes and materials distribution. Ms. Shulock announced that the Office of the President is reviewing various board portal options and hopes to present an option at the September Board meeting. This will allow Trustees to log in into one site where all agendas, materials, minutes, contacts, schedules and additional information would be available.

c. Recognition of Service

Ms. Ronn acknowledged the service of the following Board Members:

Jamie Lunder has completed a three-year term and has decided to rotate off the Board of Trustees. She conveyed to the Committee that she still loves the Art Institute, will speak highly of it in the community, and will continue to attend and bring guests to events. With two daughters getting ready to go off to college in the next three years, she didn’t feel she could serve again at this time.
Dewey Crumpler has completed a two-year term as a Faculty Trustee. Student Representatives Benjamin Ashlock and Tina Dillman have both graduated and completed their terms.

The Committee on Trustees commends them all for their service.

**III. Board of Trustees Schedule for 2014-2015**  
Cynthia Plevin

Ms. Plevin announced that the 2014-2015 Board of Trustees meeting schedule is included in the Board packet. The Committee meeting schedule will be distributed once Committee memberships have been finalized.

**IV. Adjourn**  
Cynthia Plevin

With no further business, Ms. Plevin thanked the Board for their time and service, and adjourned the meeting at 7:55pm.

*Minutes prepared by Tamara Loewenstein, Administrative Assistant to the President*

*Respectfully submitted,*

*Bonnie Levinson*

*Secretary of the Board of Trustees*
Board of Trustees Meeting  
Tuesday, September 23, 2014  
5:00-8:00 pm  
Pier 2, Fort Mason Center

Attendance:  
Trustees: Jennifer Emerson, Hank Feir, Penelope Finnie, Diane Frankel, Candace Gaudiani, Michael Jackson, Jay Kern, Bonnie Levinson, Jeff Magnin, Dusan Mills, Joy Ou, Cynthia Plevin, Elizabeth Ronn, Steven Spector, Chris Tellis, c b Watts  
Faculty Trustees: Nicole Archer, Paul Klein  
Student Representative: Caitlin Molloy  
Visitors: Dewey Crumpler, Amy Gershoni and Gil Gershoni (Gershoni Creative Agency)  
Staff: Janette Andrawes, Cynthia Colebrook, Charles Desmarais, Heather Hickman Holland, Tamara Loewenstein, Hesse McGraw, Elizabeth O’Brien, Espi Sanjana, Rachel Schreiber, Anne Shulock, Susan Wayland

Absent:  
Trustees: Sandra de Saint Phalle, Charles Hobson, Teresa Johnson, Pam Rorke Levy, Lara Ritch, John Sanger  
Trustees Emeriti: Paule Anglim, Agnes Bourne, Beverly James, Howard Oringer, Paul Sack, Jack Schafer, Roselyne C. Swig, William Zellerbach

Summary of Actions Taken

I. The Board voted to approve the revised Faculty Senate By-Laws, pending edits suggested by Mr. Kern. The final version will be circulated to the Board.

II. The Board approved the draft Naming Opportunities as guidelines for 800 Chestnut Street and the graduate center at Pier 2, Fort Mason, with the understanding that each opportunity is subject to negotiations by SFAI and the donor, and may be subject to approval by the National Park Service.

III. The Board approved the Executive Committee action to authorize $300K in expenditures to LMS³ and Mack⁵ for the Design Development phase of the Pier 2 project.
Minutes

A walk-through of Pier 2 was led by President Desmarais at 4:45pm.

I. Chair’s Welcome                             Cynthia Plevin
Ms. Plevin called the meeting to order and introduced C b Watts, recently elected Trustee, to her first Board meeting.

a. Introduction of Faculty Trustee and Graduate Student Representative
Ms. Plevin introduced Caitlin Molloy, newly elected Graduate Student Representative, and announced Nicole Archer as the new Faculty Trustee, who would be arriving later in the meeting due to a class.

b. Approval of Minutes from June 12
Ms. Plevin called for the approval of the June 12, 2014 Board of Trustees and Annual Meeting minutes. Ms. Ronn made the motion, and Ms. Emerson seconded the motion. All were in favor, and the motion passed.

c. Approval of Faculty Senate Revised By-Laws
Ms. Plevin called for the approval of the Faculty Senate revised By-Laws. Mr. Kern noted that he had edits to the draft. Ms. Plevin called for a motion to approve the By-Laws pending Mr. Kern’s edits, which were to be circulated to the Board. Ms. Gaudiani made the motion, and Mr. Feir seconded the motion. All were in favor and the motion passed.

II. President’s Report                          Charles Desmarais
Mr. Desmarais greeted the Board and proceeded with a number of updates:

• A draft of the Annual Report for the fiscal year 2013-2014 was distributed to Trustees, with the final version to be published in the coming weeks. The Report is distributed to donors and is used as a fundraising tool. In addition, a confidential addendum regarding internal business will be presented to the Executive Committee of the Board in mid-October.
• The 2013-2014 year-end activities were a success with Gala Vernissage netting $257,887 for student scholarships. Commencement will be returning to the Nourse Theatre in 2015, this year on a Sunday, May 17.
• The 2014-2015 academic year is off to a strong start with final enrollment numbers of 700 (674.63 FTE) versus budget of 684 (646 FTE). First-time freshmen retention rate is 69% (up from 65% last year and 63% two years ago).
• Mr. Desmarais thanked the hosts of last week’s cultivation events: John Sanger with Diane Frankel, Bonnie Levinson, and Jenny Emerson, and alumna Katharine Butler, who hosted an alumni event in Sausalito.
• The Pier 2 Reopening Reception & Dinner had a strong SFAI contingent of major donors.
• **Javier Téllez: Games Are Forbidden in the Labyrinth** opened in the Walter and McBean Galleries on September 11, with 465 guests in attendance and a successful VIP reception.

• There is an exciting lineup of Visiting Artists and Scholars/Graduate Lecture Series for the fall, including Allison Miller, Linda Mary Montano, and Lucy Lippard.

• SFAI now has a new identity and website, which will be discussed later in the meeting.

• At a recent All Faculty/Staff Meeting President Desmarais and Chair Cynthia Plevin provided administrative updates, Ms. Andrawes presented on the Identity Initiative, and Ms. Colebrook shared updates about the Capital Campaign and general fundraising.

• Mr. Desmarais has been invited to lead a session at the NASAD Annual Meeting called "The Role of the Community in Expanding the Resource Base." It is part of a larger four-part session on nurturing the constituent parts of postsecondary art and design institutions.

### III. Identity Initiative Update  
**Elizabeth Ronn/Janette Andrawes/Gershoni**

Ms. Ronn opened the presentation by asking Mr. Desmarais why SFAI decided to embark on an Identity Campaign. Mr. Desmarais explained that when he began as President he noticed there was great confusion about SFAI’s graphic identity, including staff using different logos on business cards and half a dozen different websites. It became clear that all of this needed to be pulled together into a single, cohesive identity. Ms. Ronn added that SFAI is a preeminent institution and should not be confused with other art schools, as it often has been.

Ms. Andrawes and Ms. Ronn described the Identity Initiative process, beginning with input sessions with many of SFAI’s faculty, staff, students, alumni, trustees, and supporters, in which people all shared the same words to describe what SFAI is and what it is not. Then, a call for proposals elicited submissions from top firms around the country and the ultimate selection of Gershoni Creative Agency.

Ms. Gershoni explained that SFAI gave her studio the gift of clearly understanding its identity. Gershoni began the rebranding process with language culled from the input sessions: SFAI is bold, clear, irreverent, always questioning, and forward thinking. Gershoni and the SFAI team used this language to craft propositions that informed the new identity and website.

Mr. Gershoni spoke to the importance of creating a new logo that can be easily identified and set apart from others. While designing the logo, Gershoni considered how to create an identity for an institution that is always questioning and changing. The various color versions of the logo reflect this fluidity. Ms. Gershoni added that the logo reflects a roughness and rawness to the institution.
Ms. Ronn concluded that the new identity is a system, not a mark. It will continue to grow, and be used for other initiatives such as the Capital Campaign. SFAI is poised to show that it is not like any other art school in the world, and it is not trying to be humble about it.

IV. Capital Campaign Path Forward  
Cynthia Colebrook/Diane Frankel

Ms. Frankel began by acknowledging Ms. Colebrook, who has been working tirelessly on the Campaign and has come up with a solid plan forward.

Current Status and Results

Ms. Colebrook described that the next steps’ main objectives are to inspire confidence in the Capital Campaign, show that it is attainable, present ways that Trustees can be involved, and have a little fun while at it.

Ms. Colebrook acknowledged that for an institution that has not had a capital campaign in 50 years this campaign is no small feat. When she began working at SFAI that were some 100 donors, and now there are some 400 plus donors. Ms. Colebrook acknowledged Ms. Frankel and Mr. Hobson for their Capital Campaign Co-chair efforts and Mr. Kern for stepping in as a new Trustee to Chair the Development Committee. She welcomed newest Trustee Steven J. Spector to the Board. She then passed around a foundations list for Trustees to check those they have connections with.

Current fundraising results-to-date are:

- Total Capital Campaign Commitments: $6,920,000
- Current Capital Projects Cash Pledged 2013-2018: $4,430,000

Campaign Plan

Campaign leadership is focused on increasing momentum and engagement. Ms. Colebrook reviewed a chart of the Campaign organization reiterating the many support committees that will be working toward a common goal. A Former Trustee Committee has been organized with Co-Chairs Agnes Bourne, Howard Oringer, Jack Schafer, and Cissie Swig. There have been 240 former trustee prospects identified. Their first meeting will be on October 6 with a kick-off dinner on December 11.

A number of cultivation events have been coordinated for the fall, and they present a great opportunity for Trustees to engage prospective donors.

A Case Study: Dewey Crumpler

Ms. Colebrook invited Dewey Crumpler, past Faculty Trustee, to speak to his own experience. Mr. Crumpler shared that he began as a student of SFAI, eventually joining the faculty. He thanked the Board for the opportunity to be a Trustee for two years. He spoke to the extraordinary thinkers and artists of SFAI and the importance of space,
location, and the physical environment in artists’ practice. Pier 2 provides just this type of inspiring space for SFAI student artists. Mr. Crumpler concluded that before he retires, he hopes to have the opportunity to teach classes on the Fort Mason campus.

Ms. Colebrook thanked Mr. Crumpler for his heartwarming contribution.

*Solicitation Materials*

Ms. Colebrook noted that soon, the Campaign would be acquiring a logo designed by Gershoni and visual identity for printed materials.

*Naming Opportunities*

Ms. Colebrook invited Ms. Levinson to present the Naming Opportunities draft for 800 Chestnut Street and the future graduate center at Pier 2 developed by the Campaign Cabinet. Ms. Levinson explained that the list should be reviewed as recommendations and points of departure, and will need to be refined as the Campaign moves forward. She noted that included are exciting opportunities for naming in honor of a significant artist or SFAI faculty member.

The Board discussed how the naming opportunities and their values were determined, by researching other cultural institutions including museums, arts schools and universities and considering the realities of SFAI’s donor base.

Questions and concerns included:

- Making sure any corporate sponsor aligns with the values of the institution
- Whether the names are only for the period of the lease with FMC, or would exist in perpetuity

Ms. Colebrook also clarified that those who have already given at leadership levels will be able to choose their appropriate naming opportunity.

Ms. Plevin called for a motion to approve the Naming Opportunities as guidelines for 800 Chestnut Street and the graduate center at Pier 2, Fort Mason, with the understanding that each opportunity is subject to negotiations by SFAI and the donor, and may be subject to approval by the National Park Service. Mr. Feir made the motion, and Ms. Watts seconded. All were in favor and the motion passed.

*Solicitation Role-Play*

Ms. Colebrook invited President Desmarais, Ms. Gaudiani, and Ms. Levinson to take part in a Campaign solicitation role-play of how a solicitation scenario might unfold. Afterwards, Mr. Kern added the importance of understanding that an ask is not a burden; it is giving someone an incredible opportunity. Ms. Levinson added that “no” is often the first step toward “yes.”
Campaign Goal

Ms. Frankel stated that the goal is to raise an additional $5.8M by the April 2, 2015 Board meeting, to get to 60% of the $17M Pier 2 project cost. She added that while the total goal of $24M is high for SFAI, it is not in the scheme of other campaigns and SFAI can reach the goal, but everyone needs to reach out to prospects and assist with cultivation. Mr. Desmarais added that Trustees do not have to make asks; making connections is also extremely important.

Mr. Tellis indicated he had come to three conclusions about the Campaign:

1. There is no question the Campaign will succeed.
2. There is no such thing as a campaign committee; we are all in it together.
3. If you have a list of people to cultivate/ask, start with those with highest capacity.

Ms. Finnie added that the Fertile Ground exhibition at the Oakland Museum of California includes a number of major SFAI alumni and is a great show to take potential donors to see.

Ms. Colebrook reminded Trustees that anyone who wants to schedule a tour of Pier 2 could coordinate with Meagan Stasz.

V. Capital Projects Update  Cynthia Plevin

Ms. Plevin reported that Ms. Schreiber and Ms. Hickman have developed a plan for Chestnut Street reprogramming, and the next step is to cost it. The Campus Planning Committee is considering that work alongside additional project options, and a full report will be prepared for Trustee review by January 2015.

On the Pier 2 front, SFAI’s lawyer is currently negotiating the lease with FMC. With LMS, SFAI is embarking on the Design Development phase, which will result in drawings that are used for obtaining contractor bids. Ms. Plevin called for the Board to approve the Executive Committee action to authorize $300K in expenditures to LMS and Mack for Design Development. Mr. Mills made the motion, all were in favor and the motion passed.

VI. Board Portal Proposal  Tamara Loewenstein/Bruce Griffin

Ms. Plevin introduced Bruce Griffin, Assistant Vice President of Technology, to the Board of Trustees. Mr. Griffin began by noting that the Board is at a pivotal juncture, with increased membership and an ambitious Capital Campaign goal. Meeting institutional goals requires implementing best practices and technology to empower the Board and help keep it organized as activities ramp up.

Ms. Loewenstein explained that a Board Portal addresses some current challenges for Trustees and administrative staff by offering:

- Improved communications, engagement, governance practices, security, archiving
• User-friendly experience
• Centralized location for all Board-related information
• Streamlined administrative processes (re-direct staff time and efforts)
• Reduced use of physical resources

After researching eight board portals and demo’ing five, Ms. Loewenstein and Mr. Griffin selected BoardEffect, which came highly recommended by the Development Staff at the Exploratorium.

Ms. Loewenstein referenced screen shots and reviewed a number of key features of BoardEffect, which include:
• Trustee profiles (contact info, term dates, committee memberships)
• Comprehensive calendar (syncs with personal)
• Board books (agenda and materials compiled and easy to download)
• RSVP function
• Committee workgroups
• News/Announcements
• Resource library (to access Strategic Plan, By-laws, past meeting materials, etc.)

Mr. Griffin reviewed the technical details of BoardEffect:
• Web-based interface (no software/hardware installations)
• iPad app; Android app forthcoming
• Several layers of security
• Assign admin permissions and access levels by individual or group
• Unlimited storage and daily data back-ups
• 24/7 Help Desk for administrators and users
• Training videos/materials included

The annual subscription cost is $15K, with no set up fees. Mr. Griffin noted this is a mid-range price, and compared to other portals on the lower-end that lacked key features, the most competitive. The timeline for implementation is to begin by signing a one year contract, and launch the Portal for Committee use in late Fall, with full Board use targeted for the December 4 Board meeting. Trainings will be provided for Trustees.

As a next step, Mr. Griffin announced that a survey will be distributed to the Board to capture feedback about Trustee experience and willingness to use a Board Portal. After the one-year contract is up, a follow-up survey will measure the portal’s value and effectiveness and will help to determine if another contract will be signed.

VII. Committee Reports  (written reports were distributed in advance of the meeting)

a. Finance Committee                        Chris Tellis

Mr. Tellis presented results from SFAI’s fiscal year of July 1, 2013 to June 30, 2014, noting that overall it was a strong year, and the sixth consecutive year of operating surplus.
Summary

- 2013-2014 Revenues of $20.588M were $395K under budget (1.8%)
- 2013-2014 Expenses of $19.128M were $927K lower than budget (4.6%)
- Revenue deficit of 2% offset by positive Expense savings of 5%
- Net of $1.46M is $532K above budget (57.4%). This is 22.5% better than prior year.
- Declining revenue shortfalls while maintaining expense control is leading to higher operating surplus.

Income

- Variance almost entirely due to summer tuition shortfall
- Contributions from Vernissage offset by alumni building events
- Received $166K of endowed scholarship revenue in May – $141K at Gala Vernissage and $25K from Velma Peterson estate
- 94% of income derived from tuition and housing

Expense

- Deficit in Instruction due to Early Retirement Incentive Plan ($215k)
- Large offset in Marketing (19%) due to delays in Identity Campaign

Other Significant Developments

- Graduate student deficit offset by increased Undergrad enrollment
- SFAI contributes a significant and increasing amount of financial aid: $7.3M
- Excellent year-to-year gain of $1.4M
- Staffing levels under budget throughout the year.

Results for the Two Months ending August 31, 2014

Summary

Mr. Tellis summarized the results of the two-months ending August 31, 2014, noting that for the first time in many years, SFAI did not have to borrow over the summer.

- YTD Revenues of $1.677M were $250K above budget (17.5%)
- YTD Expenses of $2.993M were $399K lower than budget. (12%)
- Net of -$1.316M is $649k better than budget (33%)
- Revenue variance of 18% amplified by positive Expense savings of 12%
- First positive summer revenue variance in several years

Financial Performance

- Tighter budgeting leads to first positive revenue YTD for August in years
- Summer tuition above budget by $59.7K. Last year it was down by $531K. Variance due to adjusting budget from $1.2M to $709K.
- Fall variance due to increased enrollment
- Significant improvement in Net Tuition and Fees. $236K is 21% over
budget. This is 37% higher than last year.

**Background to Increased Revenue**
- Increased enrollment, from budget, for both Graduate and Undergraduate is extremely significant
- Graduate student enrollment up by 36 FTE or 19% increase over last year
- Strategic plans calls for Grad enrollment of 200
- Total enrollment of 685 FTE is 39 FTE or 6% above budget
- Higher Graduate School proportion leads to lower financial aid requirement
- Excellent indicator for 2014-2015 results if expenses are held down

**Expense**
- Expenses to date are being held down
- Positive Variance of 12% in expense demonstrates continuing effective cost controls
- Some expenses, such as Marketing, are expected to catch up

**Other Significant Developments**
- SFAI increased Admin Staff from 54 to 60 in current budget
- Overall down 9 positions from budget, but up 20 CU’s in Visiting Faculty due to increased enrollment
- As permanent positions fill throughout the year, salary expense will increase
- Balance sheet is strong. Cash position is $6.465M which is $2.35M over budget.
- Positive variance is due to increased revenue and improved collections
- Student Receivables are down by $815K
- Endowment is $960K over budget.
- Asset Balance is $1.039M over budget while total liabilities are only $552K over budget

b. **Committee on Trustees**

Diane Frankel

1. Currently 22 trustees/25 including faculty trustees
2. Selection of Faculty Trustee in process
3. Selection of undergraduate Student Representative in process
4. Five candidates in various stages of cultivation
5. Three new candidates to be discussed by committee
6. Always welcome suggestions for candidates from board and staff

c. **Academic Affairs Committee**

Penny Finnie

- The 4 searches for new full-time faculty have been announced and there has been positive response (Art History, New Genres, Art and Technology, Photography).
- SFAI will have will have some very high profile visiting artists/critics this year:
  - Stanya Kahn will be a distinguished visiting artist-in-residence for the low
residency MFA program, Summer 2015.
  o Peter Plagens and Laurie Fendrich will be Distinguished Visiting Artist and Critics in Fall 2015.
  o Chip Lord will be here during the 2 week January intensive period to teach a course titled “On the Waterfront”.

- Faculty-led travel:
  o Keith Boadwee will lead a travel program to New Orleans for Prospect.3, January 2015.
  o Mark Van Proyen will take students to the Venice Biennale, as he has done in the past. This year, students will be supported by a $10,000 grant given by a 2014 alumnus, who shared that the Venice trip with Mr. Van Proyen was the highlight of his studies at SFAI.

- The Faculty Senate has created an Ad Hoc committee to oversee student exhibitions campus-wide.
- NASAD has agreed to allow SFAI to use the WASC self-study plus an appendix as its NASAD report, which will significantly cut down on the work that Dean Schreiber, Ms. Rissler, and others will need to prepare.
- The Assessment Committee is evaluating new online course evaluation products.
- Negotiations with SEIU are continuing slowly.

d. Exhibitions and Public Programs Committee

Bonnie Levinson

There are several exciting projects being launched in the department:

- Public Education enrollment has experienced a significant increase in enrolled students over the last year; for instance last fall 87 students enrolled; as of today 126 have enrolled for this fall and enrollment is continuing.

- Walter and McBean Galleries attendance has increased 93% since the summer of 2013.

- Following the successes of ENERGY THAT IS ALL AROUND, we are developing several future exhibitions with the goal to amplify local histories—these include:
  - A partnership with SFMOMA next spring to present Doug Hall’s The Terrible Uncertainty of the Thing Described
  - The Walter and McBean Galleries are beginning development of a Doug Hall retrospective;
  - And an exhibition of David Ireland’s work, to be presented in January 2016.

- SFAI is initiating a partnership with Kadist Art Foundation that will commission new works and support curatorial work by artists. An annual project cycle will result in a commission of new work by an internationally prominent artist, a group exhibition collaboratively curated with the artist, and a nine-month 25k post-grad fellowship for an SFAI MA or MFA grad. Kadist will contribute 50k annually.
• An Exhibitions and Public Programs Fellow position will be launched soon—an annual full tuition award for an incoming MA student. Major goals for this fellowship are to improve the link between the MA program and our public programs, and to serve as an aid to MA recruitment efforts.

Upcoming program highlights include Jill Magid lecturing this Thursday, and Katrina Sigurdardottir, a 1990 BFA, who is lecturing on September 29.

e. Development Committee

Jay Kern

Mr. Kern thanked the Trustees who have already made their Annual Fund gifts, and Mr. Magnin for again leading the major gifts portion of the Annual Fund.

He added that a Chair is needed for the Gala, which is a huge opportunity, and urged interested Trustees to talk with him.

Institutional Giving (Cristiana Baik)

Submitted in August:

• **$100K, two-year proposal to the Andy Warhol Foundation for the Visual Arts**, which would support SFAI’s Exhibitions and Public Programming led by Hesse McGraw;
• **$10K proposal to the Robert Lehman Foundation** to support SFAI’s spring 2015 Doug Hall exhibit (collaboration with SFMOMA’s “On the Go” program);
• **$90K proposal to the City/County of SF’s Historic Preservation Fund Committee**, which focuses on the planning phases of the rehabilitation of 800 Chestnut (related to the capital campaign);
• **LOI to the Mary Crocker Trust** (accepted)

Upcoming Sept/Oct. LOI/proposals include:

• Sept 22: Wells Fargo Foundation ($500K), Koret Foundation ($250K).
• Oct 10: $15K proposal to Mary Crocker Trust to rehabilitate the Ray Boynton courtyard mural
• October (date TBD; rolling deadline): LOI to Surdna Foundation for City Studio
• Early October: LOI to Lannan Foundation for Exhibitions catalogues ($10-20K range)

Annual Fund Fall Appeal (Monique Willms)

• Board of Trustees sent letters from Development Committee Chair August 28. So far, 8 have submitted their pledge forms, 1 intends to transfer stock soon.
• Personalized letters will be sent from advancement office to all active donors mid-October
• Letters and brochures will be sent to lapsed donors, all alumni, adult public education students, and full-pay parents in mid-November
• These letter appeals will be followed up by emails to coincide with national “Giving Tuesday” and calendar year-end.
Alumni Relations (Lindsey Lyons)

- Cultivation event on Sausalito house boat, hosted by alumna Katharine Butler 9/18
- Alumni Reunion 11/15 1:00 – 6:00; opening reception 6:00 – 8:00 for Concentrate with Alumni Exhibition *Collected*, and emerging artist sale. Concentrate continues on Sunday 1:00 – 6:00

Gala Vernissage (Lindsey Lyons)

- May 13 in Pier 2, Fort Mason
- Sponsorship packets being redesigned; will begin solicitations in early October
- Need to recruit a chair or co-chairs

Director of Development Search (Cynthia Colebrook)

- Position posted August 18 on the sites of the Golden Gate Chapter of the Association of Fundraising Professionals; Chronicle of Philanthropy; Chronicle of Higher Education
- 7 applications received; 4 short-listed, others not qualified

VIII. Adjourn

With no further business, Ms. Plevin adjourned the meeting at 8:10pm.

*Minutes prepared by Tamara Loewenstein, Administrative Assistant to the President*

*Respectfully submitted,*

*Bonnie Levinson*
*Secretary of the Board of Trustees*