On behalf of the Tower Foundation of San José State University, I am pleased to share the 2006-07 Donor Endowment Report. At more than $46 million, your gifts to SJSU’s endowment have made it a critical resource to the university. As the stories in our report illustrate, your contributions continue to have a positive impact—year after year—by funding a variety of important programs and scholarships that could otherwise not be offered.

We are happy to report that the endowment has grown significantly over the past year. This growth came from a positive investment environment and, more importantly, from new donor gifts. These gifts help us create permanent support for student scholarships, faculty development, new programmatic initiatives and facility improvements. They also help us to attract strong, vital talent to San José State so we may continue to expand our mission of education and research.

The SJSU endowment is operated through the Tower Foundation. Tower is dedicated solely to philanthropy and to building bridges with alumni and friends. The Tower Board of Directors includes prominent alumni and citizens who play a crucial role in shaping the philanthropic strategy for San José State and who work closely with us to reach other graduates and businesses in the community.

Formed in 2005, the Tower Foundation continues to grow and flourish. In January 2007, the Tower added to its endowment oversight and began managing all philanthropic funds for the campus. Now, all San José State gifts are accepted, deposited and disbursed through the Tower Foundation.

I’d like to personally thank you for your gift to the San José State endowment. Whether you contributed twenty years ago or just this year, your gift continues to make a difference to the university.

Don W. Kassing

"Familiar Places," the series of student-produced linoleum block prints used on the cover and throughout this report, were discovered in the university’s Special Collections archive during research for our sesquicentennial celebration. As we create a bright future for San José State University, we are inspired by our rich heritage, wonderfully evoked in these drawings.
Helping others as they were helped

Future nurses will benefit from couple’s commitment

With Diann Sant pregnant with their first child and husband David a master’s candidate at Utah State University, making ends meet was no mean task for this couple. The year was 1962; their student housing was an old army barracks and their week-end balance hard to achieve. What happened next was nothing short of a miracle for the Sants. “I received a fellowship,” recalls David. “That changed everything. I was able to devote all my energy to my studies.”

Shortly after completing his class requirements, David took a job with IBM and moved to San Jose with his wife and 6-month-old son Jeffrey. Three years later they were blessed with a daughter, Jennifer, and David had also completed an MBA, attending night school, at Santa Clara University.

Remembering tough times, they’re now helping others

While raising two kids was a full-time job for Diann, she nevertheless decided to pursue occupational therapy at San Jose State University. Not only did she get a bachelor’s degree in occupational therapy in 1976, she returned to San Jose State for a B.A. in nursing, which she completed in 1981. Following an internship at the Stanford Hospital in Palo Alto, Diann joined Good Samaritan Hospital in Los Gatos. “I had a wonderful learning experience at San Jose State and was determined to give back to the institution that helped me have a successful career,” says Diann. Who worked for 35 years as a cardiovascular nurse at Good Samaritan.

In 2006, the couple established the Diann L. Sant Nursing Endowment, which will provide scholarships for students in the SJSU School of Nursing. “Our gift to SJSU was to recognize the shortage and need for more trained health care professionals,” says Diann. The School of Nursing will select one or more deserving nursing students annually who have a minimum GPA of 3.0. “It is a pleasure to provide resources that can allow an individual to achieve his or her potential,” adds Diann.

Strong family ties

San Jose State holds a special place in the Sants’ hearts for another reason—both their children are also SJSU alumni. “Education was top on our list because we both know first hand what a well grounded education can do for someone,” says Diann. “Our family has four degrees from this university and this is our way of saying thank you.”

David underscores the importance of making philanthropic contributions to a university. “It is harder these days for students to meet the financial requirements of getting an education and many of them graduate with large debts,” he says. “I know the recipients of our fund will appreciate this help in the same way we did when we were students. And hopefully, in time, they will contribute generously to SJSU.”

San Jose State University
Giving the gift of time
Endowed professorships allow faculty to create new knowledge

In an era of increasing global competitiveness, it is imperative that academicians become front-runners and, through their research, provide rich insights for students, their colleagues and the community at large. Keeping in pace with the times, Sally and Donald Lucas established an endowed professorship for just this kind of research in 2006.

Part of their $10 million donation to the College of Business, the first Sally and Donald Lucas Endowed Professorship in Global Leadership was awarded to Professor Joyce Osland, an expert in international management, global leadership and organizational behavior. Osland’s expertise is strongly supported by her extensive international experience in Africa and Latin America. She taught at the Central American Institute of Business Administration in Costa Rica and the University of Portland, before bringing her broad perspective to San José State in 2002. “The field of global leadership is a culmination of many things that I have been interested in throughout my career,” says Osland.

Bringing new ideas to the classroom
The endowed professorship allows Osland to spend more time on her research and innovations like a Global Leadership Assessment module for graduate students. The endowment also gives her the opportunity to meet with industry people and keep abreast of new knowledge that she can then share with her students.

“My personal teaching philosophy is experiential,” says Osland. “In an experiential classroom, you don’t find tons of lecturing—students participate in simulations and role plays—it’s the kind of learning that’s closer to a person and, therefore, more memorable.”

Researchers need more encouragement
But such endowments are not the norm—they are indeed a rarity. “Great faculty are the bedrock of all great universities, and even though San José State is 150 years old, attracting and retaining the best faculty is an ongoing, never-ending quest,” says Michael E. Solt, associate dean of the Lucas Graduate School of Business. “As a state university, we face many challenges while competing both nationally and globally for the ‘best and brightest.’”

For Osland, the endowed professorship is truly a blessing. “It is the best thing that has happened to me in my whole career,” she says. “I wish we could have more professorships. There are so many teachers on campus who are excellent researchers and giving them this opportunity will allow them to flourish and take San José State one step closer to achieving excellence.”
Faculty have compelling reasons to give

Three gifts that are making a significant impact

Retirement from San José State does not mean ending one’s connections. For many faculty members, retirement offers new ways of remaining connected with the university—enabling them to offer their wisdom, time and money for the advancement of the three things they love most: teaching, learning and students.

Sharing the love of Shakespeare

“Teaching is all about transmitting our knowledge, our system of belief, our culture to the next generation—it’s more than sharing information,” says Arlene Okerlund, emeritus professor of English and former dean of the College of Humanities and the Arts. “So, if you’ve devoted your entire life to teaching, I guess it’s only natural that you’ll put your money where your heart is.”

In 2001 Okerlund established a trust fund to support the teaching and scholarly study of William Shakespeare’s literature at San José State. “My life has been greatly enriched by Shakespeare and I want future generations of students to have the opportunity to read the greatest literature ever written,” says Okerlund. “Shakespeare’s words transcend cultures and time—they resonate as much with today’s society as they did when he first wrote them. This fund ensures that there will always be a faculty member at SJSU who is committed to teaching Shakespeare.”

Securing a bright future

While Okerlund’s endowment supports the humanities, Jay Pinson’s endowment has a lasting impact in the world of engineering education. Established in 1994 after Pinson’s tenure as dean of engineering ended, the Jay D. Pinson Chair of Process Engineering allows the Charles W. Davidson College of Engineering to recruit outstanding faculty.

“The inaugural professors of the chair, Dan Hachey and Robert Orfali from IBM, established the client/server program, which, over the years, grew into one of the largest and most successful software engineering programs in the nation,” says Sigvard Meldal, professor and chair of the computer engineering department at San José State. “Throughout the last decade, instructors from industry have kept the program at the leading edge of technology development and the College of Engineering’s strong academic faculty have contributed solid research to the industry.” Certainly a win-win situation.

“It’s extremely difficult to maintain the quality of engineering education that is needed to serve the community, state and nation on the availability of state funds alone,” says Pinson.
What may seem a much smaller contribution in comparison to the multi-million dollar donations that the university is seeing today, has led to the development of a master’s program in software engineering that has approximately 600 students enrolled today from all over the world.

Over the years, the endowment has not only helped bridge the gap between corporate Silicon Valley and the academic world by providing funds that enable recruitment of engineering talent in leading areas of technology to teach courses, it has also assisted in development of new curriculum and laboratories and helped faculty undertake research—things that are critical to keeping the college at the cutting edge of innovation.

“Endowments last forever, especially when they’re preserved well,” says Pinson. “And although the university needs both, an endowment impacts a lot more lives on a continuing basis than a one-time contribution.”

Lending a helping hand

In the same vein, Ted Norton, emeritus professor of political science and former chair of the department, established the Political Science Faculty Endowment to provide grants for faculty research, scholarship, professional development and other activities.

“Years before others figured it out, Ted saw that funds for faculty research and scholarship were inadequate, even while the expectations for such scholarship were rising,” says Terry Christensen, political science professor and one of the faculty who Norton hired in 1970. “Throughout his career and into his retirement, he has cared deeply about the university. His legacy includes a generation of faculty inspired by his model, a raft of university and department policies, and an endowment that has generated funds to supplement the department’s meager travel and research budgets. We owe him a lot.”

These faculty members may not be millionaires, but their generosity comes straight from the heart. “Faculty usually don’t make enough money to give much away, but they realize that the university is grateful for everything it gets,” says Norton. “Even though my contribution is not very big, I believe that something is better than nothing. I asked myself where better to place it at number $46 among the approximately 800 universities reporting endowments. This is up from our ranking of $59 last year. The 2006 annual endowment standings published by the National Association of College and Business Officers show that 63 universities have endowments that top $1 billion. Typically, the larger the endowment, the stronger the academic reputation of the university. Alumni and friends know that when they contribute to their university, they’re not only paying back the investment made by previous generations, they’re investing in their careers and in future generations. The value of a university endowment makes a statement about the value of every degree granted. Figure 1 below shows how SJSU’s endowment (by market value) is distributed throughout the campus. The SJSU endowment continues to grow. Growth occurs in two ways: from investment returns on endowment funds and also by the addition of new contributions each year. In 2006-07, $5,075,112 in new principal was added to endowments. This adds to last year’s all-time high for a two-year increase of over $10,000,000. Figure 2 shows the new principal added over the last five years.

The SJSU endowment portfolio is comprised of 345 individual funds benefiting all areas of the campus—the various colleges, the King Library, intercollegiate athletics and other university-wide projects. Most of the endowments are restricted to specific uses such as support for a research center, establishment of a scholarship or the creation of an endowed chair.

What may seem a much smaller contribution in comparison to the multi-million dollar donations that the university is seeing today, has led to the development of a master’s program in software engineering that has approximately 600 students enrolled today from all over the world.

Over the years, the endowment has not only helped bridge the gap between corporate Silicon Valley and the academic world by providing funds that enable recruitment of engineering talent in leading areas of technology to teach courses, it has also assisted in development of new curriculum and laboratories and helped faculty undertake research—things that are critical to keeping the college at the cutting edge of innovation.

“Endowments last forever, especially when they’re preserved well,” says Pinson. “And although the university needs both, an endowment impacts a lot more lives on a continuing basis than a one-time contribution.”

Lending a helping hand

In the same vein, Ted Norton, emeritus professor of political science and former chair of the department, established the Political Science Faculty Endowment to provide grants for faculty research, scholarship, professional development and other activities.

“Years before others figured it out, Ted saw that funds for faculty research and scholarship were inadequate, even while the expectations for such scholarship were rising,” says Terry Christensen, political science professor and one of the faculty who Norton hired in 1970. “Throughout his career and into his retirement, he has cared deeply about the university. His legacy includes a generation of faculty inspired by his model, a raft of university and department policies, and an endowment that has generated funds to supplement the department’s meager travel and research budgets. We owe him a lot.”

These faculty members may not be millionaires, but their generosity comes straight from the heart. “Faculty usually don’t make enough money to give much away, but they realize that the university is grateful for everything it gets,” says Norton. “Even though my contribution is not very big, I believe that something is better than nothing. I asked myself where better to place it at number $46 among the approximately 800 universities reporting endowments. This is up from our ranking of $59 last year. The 2006 annual endowment standings published by the National Association of College and Business Officers show that 63 universities have endowments that top $1 billion. Typically, the larger the endowment, the stronger the academic reputation of the university. Alumni and friends know that when they contribute to their university, they’re not only paying back the investment made by previous generations, they’re investing in their careers and in future generations. The value of a university endowment makes a statement about the value of every degree granted. Figure 1 below shows how SJSU’s endowment (by market value) is distributed throughout the campus. The SJSU endowment continues to grow. Growth occurs in two ways: from investment returns on endowment funds and also by the addition of new contributions each year. In 2006-07, $5,075,112 in new principal was added to endowments. This adds to last year’s all-time high for a two-year increase of over $10,000,000. Figure 2 shows the new principal added over the last five years.

The SJSU endowment portfolio is comprised of 345 individual funds benefiting all areas of the campus—the various colleges, the King Library, intercollegiate athletics and other university-wide projects. Most of the endowments are restricted to specific uses such as support for a research center, establishment of a scholarship or the creation of an endowed chair.

What may seem a much smaller contribution in comparison to the multi-million dollar donations that the university is seeing today, has led to the development of a master’s program in software engineering that has approximately 600 students enrolled today from all over the world.

Over the years, the endowment has not only helped bridge the gap between corporate Silicon Valley and the academic world by providing funds that enable recruitment of engineering talent in leading areas of technology to teach courses, it has also assisted in development of new curriculum and laboratories and helped faculty undertake research—things that are critical to keeping the college at the cutting edge of innovation.

“Endowments last forever, especially when they’re preserved well,” says Pinson. “And although the university needs both, an endowment impacts a lot more lives on a continuing basis than a one-time contribution.”

Lending a helping hand

In the same vein, Ted Norton, emeritus professor of political science and former chair of the department, established the Political Science Faculty Endowment to provide grants for faculty research, scholarship, professional development and other activities.

“Years before others figured it out, Ted saw that funds for faculty research and scholarship were inadequate, even while the expectations for such scholarship were rising,” says Terry Christensen, political science professor and one of the faculty who Norton hired in 1970. “Throughout his career and into his retirement, he has cared deeply about the university. His legacy includes a generation of faculty inspired by his model, a raft of university and department policies, and an endowment that has generated funds to supplement the department’s meager travel and research budgets. We owe him a lot.”

These faculty members may not be millionaires, but their generosity comes straight from the heart. “Faculty usually don’t make enough money to give much away, but they realize that the university is grateful for everything it gets,” says Norton. “Even though my contribution is not very big, I believe that something is better than nothing. I asked myself where better to place it at number $46 among the approximately 800 universities reporting endowments. This is up from our ranking of $59 last year. The 2006 annual endowment standings published by the National Association of College and Business Officers show that 63 universities have endowments that top $1 billion. Typically, the larger the endowment, the stronger the academic reputation of the university. Alumni and friends know that when they contribute to their university, they’re not only paying back the investment made by previous generations, they’re investing in their careers and in future generations. The value of a university endowment makes a statement about the value of every degree granted. Figure 1 below shows how SJSU’s endowment (by market value) is distributed throughout the campus. The SJSU endowment continues to grow. Growth occurs in two ways: from investment returns on endowment funds and also by the addition of new contributions each year. In 2006-07, $5,075,112 in new principal was added to endowments. This adds to last year’s all-time high for a two-year increase of over $10,000,000. Figure 2 shows the new principal added over the last five years.
As California state support for higher education has steadily reduced in recent decades, SJSU’s endowment has become even more important. In fiscal year 2006-07, State General Fund dollars covered only about half of the total SJSU budget. This year’s endowment distribution of $1,640,547 was $1,640,547, helps fund programs that are vital to San José State and could not rely solely on state support. Many unique opportunities are made available through endowments—student scholarships, academic chairmanships or fellowships, vibrant programs such as the Lucas Business Graduate Program, many Spartan Athletics programs, the Valley Foundation Nursing Chair, and dozens of research laboratories and facilities. Figure 3 shows the endowment’s value by its targeted use. San José State’s endowment performance continues to be positive. Our one-year composite return finished at 12.3%, with the three-year composite return at 11.5%. This compares favorably with the S&P 500 index that shows one-year returns of 8.6% and three-year returns of 11.2%. The SJSU endowment performance also fared well when compared to other universities with similar endowment portfolios. The Tower Foundation works with an investment advisor to allocate the endowment assets to a diversified portfolio of common stocks, bonds, cash equivalents and other investments, all of which may reflect varying rates of return. The Tower Foundation’s investments are also diversified within asset classes to provide protection against a single security or class of securities having a disproportionate impact on aggregate performance. The 2006-07 distribution of $1,640,547 was $1,640,547, helps fund programs that are vital to San José State and could not rely solely on state support. Many unique opportunities are made available through endowments—student scholarships, academic chairmanships or fellowships, vibrant programs such as the Lucas Business Graduate Program, many Spartan Athletics programs, the Valley Foundation Nursing Chair, and dozens of research laboratories and facilities. Figure 3 shows the endowment’s value by its targeted use. San José State’s endowment performance continues to be positive. Our one-year composite return finished at 12.3%, with the three-year composite return at 11.5%. This compares favorably with the S&P 500 index that shows one-year returns of 8.6% and three-year returns of 11.2%. The SJSU endowment performance also fared well when compared to other universities with similar endowment portfolios.

The Tower Foundation is invested as of March 31, 2007. According to a survey conducted by Case (Council for Advancement and Support of Education) of Institutionally Related Foun-

### FIG. 3 | ENDOWMENT BY USE

- **55% Academic Programs**
- **35% Scholarships**
- **8% Athletics**
- **1% Kink Library**
- **1% Return to Principal**

### FIG. 4 | SJSU ENDowment PERFORMANCE

- **$12,000**
- **$10,000**
- **$8,000**
- **$6,000**
- **$4,000**
- **$2,000**
- **$0**

#### Return

* Average universe with 10% index 3% above

### FIG. 5 | SJSU INVESTMENTS BY TYPE

- **25% Int'l Equity**
- **23% Fixed Income**
- **17% Large Value**
- **15% Large Growth**
- **32% Small Value**
- **7% Real Estate**
- **1% Private Equity**
The Tower Foundation is San José State University’s auxiliary organization dedicated solely to philanthropy. Its primary mission is to build bridges with alumni and friends and encourage private gifts, trusts and bequests for the benefit of San José State.

Tower governance
The Tower Foundation provides a means, through membership on the Board of Directors, to engage prominent alumni and citizens in the life of the university. Board members play a critical role in shaping the philanthropic strategy and work closely with the university to reach out to other graduates and businesses to build commitment and funding for San José State.

The Tower Board of Directors is composed of a maximum of 35 community members, most of whom are SJSU alumni. Members are elected for three-year terms and may serve up to two consecutive terms. It is the responsibility of each board member to take a leading philanthropic role by making annual contributions to SJSU. Each office member, including the San José State president and his senior cabinet, serve on the Tower Board of Directors.

Developing and stewarding donations
In 2006-07, San José State received almost $50 million in outright and deferred gifts. These gifts were contributed to the Tower Foundation as cash, stock, equipment and other in-kind donations or through wills and bequests. They support a vast array of student scholarships as well as vibrant programs such as the CADRE Laboratory for New Media, the Martha Heasley Cox Center for Steinbeck Studies, the Biotech Masters Program, the Cypress String Quartet and many other research laboratories and facilities.

Financial management
The Tower Foundation is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. It is certified as an auxiliary organization under Section 501(c)(3) of the Internal Revenue Code. It is certified as an auxiliary University to reach out to other graduates and businesses to build commitment and funding for San José State.

The Tower Foundation provides a means, through membership on the Board of Directors, to engage prominent alumni and citizens in the life of the university. Board members play a critical role in shaping the philanthropic strategy and work closely with the university to reach out to other graduates and businesses to build commitment and funding for San José State.

The Tower’s Board of Directors is composed of a maximum of 35 community members, most of whom are SJSU alumni. Members are elected for three-year terms and may serve up to two consecutive terms. It is the responsibility of each board member to take a leading philanthropic role by making annual contributions to SJSU. Each office member, including the San José State president and his senior cabinet, serve on the Tower Board of Directors.

Developing and stewarding donations
In 2006-07, San José State received almost $50 million in outright and deferred gifts. These gifts were contributed to the Tower Foundation as cash, stock, equipment and other in-kind donations or through wills and bequests. They support a vast array of student scholarships as well as vibrant programs such as the CADRE Laboratory for New Media, the Martha Heasley Cox Center for Steinbeck Studies, the Biotech Masters Program, the Cypress String Quartet and many other research laboratories and facilities.
Tower Foundation
2006-2007 Board of Directors

Don W. Kassing
San José State University President

Charles W. Davidson
Chairman of the Board, Class of 1957

Donald L. Lucas
Vice Chairman of the Board, Class of 1959

Gary J. Sbna
Campaign Chair, Class of 1966

Phillip R. Boyce
Treasurer, Class of 1966

Wanda Hendrix-Talley
Secretary, Class of 1977

Laurence Boucher
Classes of 1969 and 1970

Stephen Caplan
Class of 1965

Dana C. Ditmore
Leslie C. Francis
Class of 1965

Wanda W. Ginner
Class of 1968

James Jimenez
Class of 1975

Roop Lakkaraaju
Class of 1992

Edward A. Oates
Class of 1968

Jay Pinson
SJSU Emeritus Dean of Engineering

Rich Previte
Class of 1956

P. Anthony Ridder
Patricia M. Smith
Class of 1964
President, Alumni Association

Peter Ueberroth
Class of 1959

David Wasick
Class of 1975

Tom Bowen
SJSU Athletic Director

Rose Lee
SJSU Vice President for Administration & Finance

Fred Najjar
SJSU Vice President for Advancement

Carmen Sigler
SJSU Provost & Vice President for Academic Affairs

Nancy Bussani
Tower Foundation Executive Director