



The Board of Regents Advancement Committee Meeting

November 2, 2011

Barry Gossett, Chair, presiding

Meeting Minutes

A meeting of the Board of Regents Committee on Advancement was held at the University System of Maryland office on November 2, 2011 at 11 a.m. In attendance were: Regents Barry Gossett, Thomas McMillen, John Young, Linda Gooden, and Collin Wojciechowski. Via conference call were Regents Orlan Johnson and Thomas Slater. From USM institutions: Brodie Remington (UMCP), Theresa Silanskis (UB), Gains Hawkins (UMES), David Balcom (UMCES), Sue Gladhill (UMB), Richard Lucas (BSU), Donna Mayer for Gary Rubin (TU), Greg Simmons (UMBC), Cathy Sweet-Windham (UMUC), Jason Curtin for Rosemary Thomas (SU), Lamonte Gwynn for Jim Roberts (CSU), and Colleen Stump for B.J. Davisson (FSU). From the USM office: Leonard Raley, Marianne Horrigan, Gina Hossick, Sapna Jacob, Pamela Purcell, Joseph Vivona, Vice Chancellor for Administration and Finance for USM, and Robert Page, Comptroller for USM. Not in attendance was William Schlossenberg (USG).

Approval of Minutes

The May 4, 2011 minutes were approved by the committee.

Spending Policies and Administrative Assessments

Vice Chancellor for Administration and Finance Joseph Vivona and Comptroller Robert Page discussed the reduction of the Common Trust's spending rates and administrative assessments. Given predictions that future returns will be closer to five or six percent, current spending from the Common Trust is decreasing its long-term purchasing power. Affiliated foundations across the USM face this same issue. A number of possible solutions and their ramifications were discussed.

The group agreed to convene a task force to further examine these issues and the available options. The task force will include selected vice presidents, regents, and affiliated foundation representatives. USM staff will convene the group in the coming weeks.

Trend Report: Funding Development Operations

Brian Flahaven, director of legislative, foundation and recognition programs for the Council for Advancement and Support of Education (CASE), provided a presentation on how institutionally related foundations across the country are funding their operations. Based on a recent CASE survey, institutions are seeing an upswing in imposing gift assessments, especially among comprehensive and research institutions. State support for development/foundation operations accounts for the largest amount of funding. Other options include:

- Gift Fees—there has been a strong movement toward imposing gift fees to help offset development costs, but those fees generally fund a very small percentage of development operations.
- Unrestricted gift funds—these also would constitute a very small percentage of any development budget.

- Using the “float” on operating funds—using the investment earnings is a popular choice, but cannot generate enough funds to run a development operation.
- Management fee on endowment funds—a very common practice at universities.

Campaign Update

Although totals in general are slightly behind our performance compared to last year, the trend is heading in the right direction—we expect to gain ground in the coming months. The federated USM campaign goal of \$1.7 billion was surpassed at the beginning of the fiscal year, but a number of campus campaigns are still working toward their goals.

Next meeting of the BOR Advancement Committee: February 1, 2012 @ 11:00 a.m., USM Office.