



The Board of Regents Advancement Committee Meeting

*February 5, 2014
11:00 a.m. – Noon*

*Chancellor's Conference Room
Elkins Building*

Barry Gossett, Chair, presiding

Minutes

A meeting of the Board of Regents Committee on Advancement was held at the University System of Maryland office on February 5, 2014 at 11 a.m. In attendance were: Regent Barry Gossett and Chancellor Brit Kirwan. Via teleconference were Regents Linda Gooden, Tom McMillen, Tracye Turner, Frank Reid, Samin Manizade, and Katherine Bainbridge (Office of the Attorney General). In attendance from USM institutions: Greg Simmons (UMBC), Cathy Sweet (UMUC), Greg Prince (SU), and Doug Dalzell (Coppin). Via teleconference: Theresa Silanskis (UB), David Balcom (UMCES), Gary Rubin (TU), Michael Dowdy (UMB), Rosemary Thomas (FSU), Stephen McDaniel (UMES), Richard Lucas (BSU), and Bill Schlossenberg (USG). From the USM office: Leonard Raley, Marianne Horrigan, Gina Hossick, Sapna Varghese, Pamela Purcell, Janice Doyle, Joe Vivona, Bob Page, Celeste Denson and Mike Lurie.

Regent Gossett welcomed the group and new members of the Advancement Committee.

1. Establishment of a \$50M Quasi-Endowment Fund to Enhance Development Operations

Regent Gossett reviewed background regarding the establishment of this fund, noting that legislation was passed last year to allow the USM to invest a portion of its fund balance with the USM Foundation to generate spendable income in support of advancement, in particular, endowment building efforts. He asked Associate Vice Chancellor Robert Page to discuss the details regarding the plan. Key points include: 1) Each USM institution will have an opportunity until May 1 to commit a portion of its fund balance to this fund; there will be no other opportunity to enroll after that point. 2) Committing to this fund will not affect bond agency ratings, since the funds are still the institution's, just separately invested from the rest

of their reserve. 3) For some institutions, this program will offset modest declines in the Common Trust administrative fee reimbursement, as well as add to resources for advancement. 4) The quasi-endowment will be invested in the University System of Maryland Foundation, most likely its operating fund, and later moved to the endowment portfolio after a few years at the direction of the Advancement Committee. 5) It is the intention of the Advancement Committee that the spendable income from the quasi-endowment be used to enhance funding available for the development and fund-raising operations, rather than a substitute for existing funding.

Regent Gossett emphasized to the vice presidents that there will be a need to report on progress made to improve fundraising (in particular endowment building) as a result of this new funding. The Regents Advancement Committee will require such reporting, and it is likely that such reporting will be used to communicate with the legislature. Vice Chancellor Vivona stressed that the next campaign must see a larger percentage of giving to endowment, since the System as a whole is behind its peers in this area. Vice Chancellor Raley urged that the presidents be encouraged to work on a significant endowment building effort.

2. Use of Services to Improve Alumni/Friend Engagement

Regent Gossett provided background on a company he learned about a few years ago (Royall) that began as an enrollment management vendor but has moved into alumni/donor engagement. Vice Chancellor Raley and Associate Vice Chancellor Horrigan have also had a number of conversations with representatives from the company. The handout provided demonstrated some of the trend research the company has conducted and provided ideas about how to increase alumni engagement and giving. Given the USM institutions' focus on increasing alumni participation, exploring whether multi-campus or individual campus partnerships with an outside company would generate results in a cost-efficient way may be worthwhile. Royall was presented as an example of such a company; there are many similar companies providing this kind of service.

3. Role of Presidents in Fundraising

Regent Gossett mentioned that he and Vice Chancellor Raley had visited most of the presidents, vice presidents, and advancement staff across the USM. He wanted to take the opportunity to stress the importance of the president's role in fundraising and to offer his and the USM office's help. Chancellor Kirwan noted that fundraising goals were part of the presidents' evaluations and suggested that perhaps there could be more metrics introduced into the evaluation. UMCES Vice President David Balcom also recommended that deans and lab directors be encouraged to take a lead in fundraising; the Chancellor enthusiastically endorsed this suggestion. The vice presidents thanked Regent Gossett for this offer and for his support.

4. Cost of Fundraising Summary

Regent Gossett noted the annual cost of fundraising survey provided in the materials, stating that the cost was up slightly for FY13, but was still in line with expectations.

5. Year to date fundraising report

The fundraising report through December 31, 2013 was reviewed. Funds raised were down as compared to December 2012, in large part because several campuses were completing campaigns in 2012 and were receiving a larger number of campaign-end gifts. A number of vice presidents provided positive news regarding recent gifts to their institutions.

The meeting adjourned at 12:15 p.m.

The next BOR Advancement Committee Meeting is May 14, 2014

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