These minutes are informational – as the BOR Advancement Committee Meeting did not convene in May 2011

The Board of Regents Advancement Committee Meeting

January 12, 2011
Barry Gossett, Chair, presiding

Meeting Minutes

A meeting of the Board of Regents Committee on Advancement was held on January 12, 2011 at 10 a.m. Because of inclement weather, the meeting became a conference call. In attendance: Regents Barry Gossett and (via teleconference) Thomas Slater. From USM institutions via teleconference: Cherie Krug for B.J. Davisson (FSU), Theresa Silanksis (UB), Veronique Diriker (UMES), David Balcom (CSU), Sue Gladhill (UMB), Richard Lucas (BSU), Gary Rubin (TU), David Nemazie (UMCES), Brodie Remington (UMCP), William Schlossenberg (USG), Greg Simmons (UMBC), and Rosemary Thomas (SU). From the USM office (and present in the Chancellor's conference room): Leonard Raley, Vladimir Jirinec, Marianne Horrigan, Gina Hossick, Donna Meyer, Pamela Purcell, Janice Doyle and Anne Moultrie.

Review and Approval of Minutes
Regent Gossett asked for approval of the meeting minutes for the October 6, 2010 meeting.

Philanthropic Elements of USM Strategic Plan
Regent Gossett, Vice Chancellor Leonard Raley, and USM Comptroller Robert Page initiated a discussion regarding long-term plans to increase endowment funds and to devote more resources to support fundraising.

The USM enjoys a very strong financial position, earning an AA+ bond rating, which is enabling the System to borrow money at historically low levels. Its one weakness is its lack of endowment relative to other institutions in the same bond rating group. This lack of endowment also affects investment in development, since some foundations and the Common Trust assess a fee against endowment to support development operations. This fee and the current spendable income rate, coupled with modest investment returns in recent year, also hinders long-term endowment growth.

USM institutions need to explore the following:

- Reducing or eliminating dependance on endowment assessments to support development operations
- Finding alternative and increased funding sources for development
- Making a sustained and focused effort to raise new funds for endowment

The USM Office of Finance and Administration and the USM Office of Advancement will work with the Vice Presidents Council to further explore these issues.

Campaign Update
The group reviewed preliminary numbers for December. The latest figures show that fundraising performance is slightly behind that of last year's, but is relatively stable. The federated campaign has exceeded $1.5 billion—we are on our way to achieving our $1.7 billion goal. UMES is the latest institution to reach and exceed its campaign goal of $14 million.

Legislative Forecast
Associate Vice Chancellor PJ Hogan spoke about the upcoming legislative session, noting that the Governor's budget had not been released and it was too early to comment on how higher education would fare. Discussions remain positive, but this year's budget shortfall promises a difficult year for most state agencies.

Report on Online Fundraising
The group reviewed a report on FY10 online giving transactions and number of gifts; this report will establish a simple benchmark for gauging growth of online giving in future years. Institutions report a definite upward trend in online giving, though some technologies are proving harder to adapt to higher education fundraising. An article from CASE *CURRENTS* regarding this issue is attached to the minutes.

USM Cost of Fundraising Summary
A summary of the System-wide cost of fundraising was discussed. Regent Slater pointed out a formatting flaw in the report; an updated report is attached to the minutes, reflecting the correction and newly updated data. The System as a whole remains well in line with industry standards.

The meeting adjourned at 11:30 a.m.

Next Meeting of the Board of Regents Advancement Committee: Wednesday, May 4, 2011, 10 a.m.-noon, USM Office