

To: Work Team 8 (WT8) File

DRAFT

From: G. Hanrahan, S. Wheatly

Date: July 25, 2011

Re: Minutes from WT8 Meeting #1 (held Mon. July 25, 2011)

Present: V. Arndt, K. Calara, G. Hanrahan, R. Holmes, R. Ronning-Lindgren, C. Sellin, S. Wheatly, S. Wilson.

Document distributed: WT 8 “Expand and Improve Philanthropic Resources and Endowment: Outcomes and Guiding Questions.

- 1.0 S. Wheatly convened the meeting at 11:07 am.
- 2.0 The meeting began with an overview of WT8’s objectives and charge: ‘how to expand and improve philanthropic resources and endowment, one component of CLU’s Strategic Vision plan covering the period 2012-2020. The Strategic Vision plan is to be presented to the Regents in May 2012.
- 3.0 Among its main tasks, WT8 is asked to identify and recommend future funding priorities: what would we like CLU’s priorities to be? (Stephen and Grady will be attending a strategic planning meeting at the end of the week; establishing priorities could be on the table by as early as next week; it was noted that WT8 ‘outcomes & questions’ document, questions 1 and 3 could be combined). The fundraising initiatives mentioned to date:
 - 3.1 The Sciences;
 - 3.2 School of Management;
 - 3.3 Theater, Arts, Music;
 - 3.4 Scholarship and Endowment;
 - 3.5 Experiential Learning and/or Study Abroad, and/or other academic programs;
 - 3.6 Expanding academic programs;
 - 3.7 increasing salaries and number of tenure-track positions;
- 4.0 In addition, a ‘Philanthropic Readiness Study’ (PRS) will be prepared—this follows a period of testing numbers and identifying support, in turn refining funding priorities— and must be presented to the board by late February/March 2012.
 - 4.1 S. Wheatly referenced the 2006 study that was produced, as an example of the PRS process; in it, a 226 million dollar campaign was tested and came back with negative response (this was produced during a period of transition following the then president’s departure from CLU, and shortly after the ‘Now is the Time’ Campaign had been completed).
 - 4.2 The PRS, essentially a feasibility study, will help determine funding priorities; it was pointed out that the last campaign (raised 93 million) was very successful. (It is a given, then, that our next campaign will set higher goals: 150 to 200 million, representing how we’ve grown).
- 5.0 In terms of priorities, generally speaking, do we lean toward capital construction funding or endowment funding? (e.g., historically, major endowment funding corresponds to planned giving (future giving). For example, a 10 million dollar endowment produces an annual amount of \$500K for CLU operations. WT8 must determine how much we should focus on endowment vs. on capital construction? Currently, capital construction is the priority, we focus less on endowment (this especially given the substantial recent changes in Estate Law and the

marketplace, which significantly affects tax-driven gifts and donor motivation). WT8's task, then, is to put these kinds of issues on the table; to identify changes in the 'environment'; and strategize how to maximize efforts to build endowments (planned gifts) while also generating capital construction.

- 5.1 Preliminarily, at least one WT8 member thought that capital construction was the better "investment" at this time in the marketplace.
- 5.2 As we go, we may want to further define 'capital construction': namely, could an 'endowment' be built into the capital construction funding somehow?
- 5.3 For capital construction, ideally one needs to have 100% gifts and pledges up front; with 85% of the gifts as cash in hand. (This has substantial implications for pledges –for example, individuals are more likely to give a smaller gift now, in one immediate payment, then, say, a larger gift committed to over a 4-5 year period of installments).
- 6.0 WT8 should consider the board of regents and determine their role in the next campaign. Typically, one looks at a board (regents) for 25-30% of what the total fundraising goal is; if we factor in the relative youth of the current board, the regent funding percentages are likely to differ here. (On WT8 'outcomes & questions' document, this is question 9). The regents will need to be our major "cheerleaders".
- 7.0 The campaign is an institutional campaign. So, how can WT8 help cultivate a culture of philanthropy and ownership across campus? The campaign must be well-coordinated and clear so that everyone will be 'on board' – including faculty, staff, etc. This too should be discussed and vetted by WT8. (On WT8 'outcomes & questions' document, this is question 10).
- 8.0 Experiential Learning (and Study Abroad, for that matter) is a great 'vehicle' to motivate donor support; this because EL initiatives have widespread, immediate, concrete ('feel good') impact.
 - 8.1 We may be able to attach "EL" initiatives to capital construction projects – perhaps we can tie academic programs to specific 'brick and mortar' initiatives?
- 9.0 The reconfiguration of CLU's 'annual fund' – a change in marketing – will help increase fundraising. At present it is difficult to articulate this fund; the fund itself is an unrestricted annual support fund (currently approx. 600K per year). Can this be better cultivated, supported, or staffed somehow? (On WT8 'outcomes & questions' document, this relates to question 6).
- 10.0 The increased engagement of Alumni, (and, parents and grandparents, for that matter), also represents an opportunity. How do we teach and create an increased sense of "support" in the early years to our future alumni? (Studies show that alumni who give after graduation in the first 5 years, are most likely to continue to give over the course of a lifetime). In the interest in future growth, we should explore ways to better engage CLU students earlier on.
- 11.0 Planned giving: what are the marketplace trends at the moment? Broadly speaking, because of the bleak economic climate, planned giving has decreased. However, for CLU, traditional alumni are now at this time getting older – so we might expect an increase at this time (which differs from the main marketplace trend).
 - 11.1 In addition to alumni, parents, and grandparents, there are more opportunities for planned giving that could be further looked into. These include: Amgen (volunteer coordinator probably needed here); University Village (a mentorship program need here, requiring an administrative coordinator). Volunteers would need to be trained and we would need initiatives to bring people to campus (
- 12.0 Another question for WT8: how far do we extend our fundraising reach? Ventura county population is at about 700,000: a relatively "new" community, relatively transient (that is moving more frequently than in other counties, 30%). Should we focus on Southern California

first and thereafter move beyond (into Arizona, etc.)?

12.1 CLU's visibility is relevant here: has its visibility increased over the year. One comment was that it hadn't increased visibility much. The Shakespeare theater, KCLU – these are potentially rich sites for volunteer opportunities. Should we review our PR strategies (K. Grennan's office could be consulted)?

12.2 Should we generate a kind of "community party": that is a big event – such as the "Field of Dreams" event – that invites people in a way that at the same time means we spend less (than on these kinds of events in the past)? To do things like this, one needs a large human resources investment – staff changes – a kind of 'frontloaded' investment. Typically, 7-8% of the campaign is devoted to this 'frontloaded' type of investment. At any rate, we should consider ways to "capture" people. What makes CLU a more important recipient (than other organizations)? Class reunions or alumni events would also be an opportunity for a coordinated fundraising opportunity. Visiting faculty offices and presenting at faculty meetings.

12.3 We have, in Ventura County, a changing community – a transient population, as noted previously – and we also have had at CLU significant turnover and change among faculty. It may be time, once again, to tell CLU's story here to these 'new' constituents.

13.0 In closing, once WT8 has reviewed these questions and considered strategies and outcomes, it will then be ready to make recommendations.

14.0 Meeting adjourned at 12 noon.