

STRATEGIC PLANNING TEAM
Work Team 8 Report
-Expand and Improve Philanthropic Resources and Endowment-

TEAM MEMBERS

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MEETING DATES

July 25, 2011, September 16, 2011, October 12, 2011, November 3, 2011. In addition, discussion and review was had with the entire Advancement Division at their all day Staff Retreat on September 8, 2011 and with the Advancement Committee of the Board of Regents on October 28, 2011. Work Team 8 was charged with the review of the following outcomes:

- 1. What philanthropic priorities will be the focus of the next strategic plan?**
- 2. What needs to be done to strengthen the University's Advancement program?**

NOTE: At the outset Work Team 8 came to the conclusion that it was not equipped to make recommendation as to what would be the focus of the philanthropic priorities for the next strategic plan. It was agreed that the decision for the recommendation as to philanthropic priorities would arise out of 1) the larger Strategic Plan Team and Strategic Plan Committee discussions 2) Presidential and VP input, 3) the outcomes and data provided by a subsequent philanthropic readiness study and 4) input and recommendations from the Board of Regents.

Work Team 8's primary focus was to analyze and provide feedback and make recommendation on Outcome #2 dealing specifically with strengthening the University's more broad based Advancement Program in light of future fund raising efforts that may arise out of the strategic planning process.

REVIEW, COMMENT AND RECOMMENDATIONS TO GUIDING QUESTION

- 1. How do we establish priorities and test feasibility/capacity?**

DISCUSSION

Philanthropic priorities will emerge out of the Strategic Planning discussions that will identify the University's direction and focus over the next 5-7 years. Philanthropic Priorities are identified as those projects or programs which require significant external financial resources in order to be successfully implemented or constructed. Once the philanthropic priorities are identified, a

Philanthropic Readiness/Feasibility Study (PRS) will be conducted. The PRS will consider in detail the University's potential to raise funds for a particular project or program through a capital campaign. The study will help the University to make the right decisions about conducting a future campaign before planning a new project or implementation of a new program. Specifically, a PRS

- assesses how much money can be raised for a project or program
- outlines the most effective fund raising strategy
- assesses the University's readiness for a campaign
- makes recommendations for a realistic and appropriate campaign goal
- presents a preliminary campaign timetable
- identifies potential campaign leaders and donors
- provides other insights about how the University, mission, vision, and administrative/volunteer leadership are viewed
- highlights aspects of the University that need to be strengthened and suggest concrete ways to address those issues.

RECOMMENDATION

Not all priorities within the proposed strategic plan are of equal value. Identify and rank all priorities prior to finalizing the PRS and make a decision as to what should be tested.

- 2. How do we maximize our efforts to build endowment through philanthropic efforts? What endowment priorities will be most important?**

DISCUSSION

Historically, endowment donations have come to the University primarily through estate and other deferred gift instruments. (See Question #7 below RE: Planned Giving.) Work Team 8 debated the impact and importance of current endowment vs. capital construction (Noting, for example, that a \$10 million endowment would only produce \$500,000 annually for CLU operations). The general consensus was that capital construction dollars were probably of greater value at this time and would provide a more immediate impact to the campus community. Endowed faculty positions and programs were discussed, but Work Team 8 felt that the University needed to better articulate what those positions and programs would mean to the enhancement of the educational experience and impact on students. Endowed scholarships were viewed as being "donor friendly" and perhaps having the greatest impact, however in the short term provide limited additional operational dollars.

RECOMMENDATION

Continue to seek support for endowment through the University's planned giving program. Review and evaluate the focus on current endowment as a key component in the next philanthropic effort.

3. How and when should we test our capacity to be successful during the next major philanthropic effort?

DISCUSSION

(See Guiding Question #1)

RECOMMENDATION

A philanthropic readiness study should be conducted in early spring 2012. It is recommended that 50-60 individuals and/or foundations be confidentially interviewed for the study. A preliminary case statement is being drafted and will be reviewed by some or all of the following, prior to finalization:

- Work Team 8
- Strategic Planning Team
- Strategic Planning Committee
- President and VP's
- President's Cabinet

A report on the results and findings of the PRS should be completed in time for presentation to the Board of Regents at their May 2012 meeting for discussion and prior to a vote and finalization on the approval of the strategic plan.

4. Which capital projects will be the focus of our efforts in the new strategic plan? What are the costs of these projects and the implications on philanthropic support needed?

DISCUSSION

Over the course of 12-15 months, the following capital construction projects have been discussed in detail or raised as potential philanthropic opportunities:

- Science Center - As one building or several structures
- Theater Arts - Performance space and classrooms
- Music Arts – Performance space and classrooms
- Fine Arts – Space and classrooms
- Multimedia Space
- Graduate School of Management Building
- Track
- Student Dining Facility
- Experiential Learning Space
- Study Abroad Space

Work Team 8 did not focus on narrowing down the capital projects that could be the focus of the next strategic plan. The anticipated cost for each of the projects is a work in progress as design, scale and faculty/student needs are debated and refined. Work Team 8 assumed that cost estimates would be discussed, evaluated and proposed by Work Team 7.

All of the capital construction projects can be classified as a need at CLU, and each would improve and enhance the campus and student experience, however the degree to which any of the projects will resonate with donors is, as yet, undetermined pending the outcome of the PRS.

RECOMMENDATION

Prioritize and rank the capital construction projects. Clearly articulate how each would enhance the CLU educational experience. Test for philanthropic interest.

5. What are the philanthropic implications of any new or expanded programs that the institution will create in the strategic plan? (e.g. Experiential Learning, Study Abroad)

DISCUSSION

New and expanded programs may be good vehicles to motivate philanthropic support particularly at the undergraduate level. Experiential Learning and Study Abroad initiatives have broad appeal across all majors and class year. Student impact is immediate, concrete and easy to articulate as being a transformational part of the student experience. Creation or expansion of these initiatives can be tied to the outcomes of new capital construction projects. Questions arose as to the cost of such programs including additional staffing, space, and goods and services to operate. An additional question asked whether or not new or expanded programs could be funded out of current operations.

With respect to the graduate schools, questions arose as to whether the University needed to grow the graduate school environment, including new or expanded programs, to a “destination” status. Discussion revolved around the time and expense of an internal review of accreditations and grad-specific/specialized faculty. Work Team 8 concluded that there is still much work to be done with alumni and fund raising in general at the graduate level requiring more fund raising staff and resources.

RECOMMENDATION

Pursue new or expanded programs that have immediate broad based student impact. Weigh the cost and expense of such programs and determine whether they can be funded out of current or future operations, or are truly in need of philanthropic support in order to be successful.

6. What can be done to expand the base of donors and annual undesignated and designated gift support?

DISCUSSION

Educating and engaging alumni, parents, grandparents, students, faculty, community, etc., continues to be an opportunity for growth in all areas of philanthropy. The issue of CLU’s visibility was raised and while acknowledging that visibility has increased, some discussion was had regarding the true penetration of marketing and branding efforts beyond a very localized geography. It was noted that Ventura County has been and continues to be a changing community with a significant transient population. In addition, with turnover in CLU staff and faculty, questions arose as to how many CLU employees really know the CLU story.

There was an abundance of suggestions as to how to expand the base of potential donors across a wide spectrum of constituencies, including:

- Reach out more into the community
 - Greater participation and engagement with service clubs (Rotary, Kiwanis, etc.)
 - Greater collaboration and co-branding of events with other non-profits, corporations and businesses
 - Expand lifelong learning opportunities to University Village and other local and regional retirement communities
 - Provide greater access for community classes/life skills
 - Provide and reward community volunteers
- Grow Corporate Partnerships
 - Engage Amgen, Baxter, SAGE, JD Power, etc., in more meaningful relationships.
 - Provide more guest speakers/lecturers to the corporate community.
 - Find ways to make partnership with CLU valuable from the corporate side.
- Parent Pipeline
 - Do move to engage parents and cultivate loyalty
 - Provide more parent focused events
- Alumni
 - Host more events where alumni are not on campus
 - Make giving back “cool”
 - Create more mini-campaigns that appeal to specific alumni groups
 - Get involved much earlier with students and have a presence from freshman to senior year
 - Utilize more technology

It was suggested that CLU focus on a long term strategy to expand interest. It was also suggested that University events be promoted as a resource rather than a profit center. Another consideration was for CLU to perform an audit of existing events and determine how to make better use of existing opportunities.

RECOMMENDATION

Continue to explore and expand the University engagement across all constituencies in fund raising, marketing and community outreach. Review and evaluate the return on investment both in terms of real dollars and longer term impact in current programs, and initiatives. Growth in the donor base for undesignated and designated support will require additional investment in staff and services.

7. What role will planned giving play in the Advancement Program in the next campaign?

DISCUSSION

The recent downturn in the economy and newly enacted and proposed federal legislation regarding estate tax and charitable contributions has had a chilling effect on planned gifts. That said, Work

Team 8 is of the opinion that longer term planned gifts will have a significant impact in restricted/ endowment and unrestricted giving to the University. An aging population including alumni, parents, etc., may be much more able to provide support out of accumulated wealth than disposable income.

The University should continue to promote the opportunity for planned gifts and articulate the many stories and examples of how such gifts have made a significant impact at CLU.

RECOMMENDATION

Include planned giving in the next campaign for long term investment.

8. What volunteer resources will be required to strengthen the Advancement Program in the next campaign?

DISCUSSION

The next campaign will require that CLU engage and manage a much broader volunteer constituency. That said, historically CLU has not managed and utilized volunteers well. Volunteer organization will require additional staff and resources to plan and implement the best use of volunteer time, strengths and expertise. The definition of a volunteer included representatives from the following categories:

- Students
- Parents
- Senior Retirees
- Faculty and Staff
- Alumni
- Regional Community Leaders

Discussion involved engaging and managing volunteers who are not living or working in close proximity to the main CLU campus. Also discussed was the importance of providing the volunteers with meaningful tasks and outcomes and recognizing the results. Volunteers could be focused on a variety of tasks, including but not limited to:

- Hosting events
- Writing letters/stories in support
- Interviews
- Corporate solicitations
- Mentoring students and alumni
- Community and regional group leaders

RECOMMENDATION

Add staff to support and manage volunteer strategy. Develop specific goals and objectives and task volunteer leadership to provide deliverables. Identify ways to recognize and celebrate volunteer efforts. Volunteer tasks and efforts must be important to CLU and meaningful to the volunteer.

9. What role can members of the campus play in advancing fund raising efforts?

DISCUSSION

Work Team 8 concluded that successful fund raising including a major campaign is a University wide effort that involves the entire campus. The campus community, students, faculty and staff who are the beneficiaries of successful fund raising/campaign efforts should take some ownership in aiding and assisting those efforts by:

- Volunteering
- Be advocates - share excitement
- Write thank you letters and notes to donors
- Refer names of alumni, parents and other potential donors
- Create a culture of philanthropy on campus
- Be a donor
- Provide personal statement as to how gifts or support has enhanced or improved department, division or program
- Share success stories
- Treat everyone on campus and everyone you interact with as a potential donor.

RECOMMENDATION

Make fund raising a part of the campus culture. Educate and engage more of the campus community in ways they can be helpful and supportive of fund raising efforts.

A review of both national averages and CLU historical metrics revealed that major campaign costs can range between 5-8% of the campaign dollar goal. These costs can be absorbed by the University or they can be added to the campaign goal and raised as part of the campaign to reimburse the University budget.

Additional campaign staffing may be hired only for the duration of the campaign or, in some instances, retained as permanent staff members. Depending upon the length and success of the campaign, there may be good reason to retain productive staff, particularly if they have developed and cultivated a significant pool of donors and prospective donors.

10. What roles will the Board of Regents play in advancing the University in the next campaign?

DISCUSSION

Work Team 8 concluded that in advancing the University and in the next campaign the role of the Board of Regents will be key to success. Questions arose as to how clearly Board of Regent expectations are articulated and whether there is any real accountability for meeting those expectations.

It was agreed that each Regent brings a different focus and or expertise to the University, adding diversity and strength to the Board. Consistently however, the three areas identified as being most significant for the Board of Regents are:

1. Board of Regent Giving
2. Board of Regent Contacts to Wealth
3. Board of Regent Advocacy

A majority of the guiding materials and consultant recommendations suggest the Board giving should be 25-30% of any campaign goal. Questions were asked as to whether our current Board makeup would be consistent with the 25-30% goal. Consensus was that the Board of Regents must have a very visible leadership role in the next campaign.

RECOMMENDATION

Work with the Board of Regents early in the next campaign planning process to specifically identify the Board duties and expectations.

11. If a major capital campaign is launched, what are the human resource needs? Do we handle the costs within the campaign budget or is there another way to handle this? How do the HR resources reduce once a campaign is concluded?

DISCUSSION

Work Team 8 discussed and agreed that staffing of a major campaign is dependent upon several factors:

1. The dollar goal of the campaign
2. The length of time of the campaign (including quiet and public phase)
3. Whether the campaign has a single focus or is comprehensive.

In addition, because a major campaign is a University wide initiative, staffing needs beyond University Advancement must be considered. The human resource needs could include the addition of the following:

- Major Gift and Planned Gift Officers
- Volunteer Coordinator
- Campaign Manager
- Marketing and Design Coordinator
- Data Entry Staff
- Event Coordinator
- Other University office positions

In addition, there will be additional costs for goods and services, printing, events, food, travel, postage, gifts and recognition, etc.

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RECOMMENDATION

Evaluate staffing needs after the PRS is completed and a decision is made as to the scope, size and length of any future campaign.

Draft