

**Via Zoom**

Time: 11 am – 12:30 pm

**Members Present:** Paul Beavers (chair), Faisal Almufarrej, Leela Arava, Linda Beale, Stephen Calkins, Wei Chen, Susan Davis, Brian Edwards, Mahendra Kavdia, Santanu Mitra, Jennifer Stockdill, Ricardo Villarosa,

**Members absent with notice:** Sudip Datta, David Edelman, Carol Miller, Charles Parrish, William Volz

**Liaisons:** Karin Tarpinning, Union of Part-time Faculty; Sharon Lean, Graduate Council; Duke Debrah, GEOC

**Guest:** Lou Romano

**The minutes for this meeting**

The chair announced that he would be making a video recording of the meeting and deriving the minutes from them.

The promised minutes for October 19 and October 26, 2020 are not yet available.

**Presentation by Susan Burns, Vice President for Development and Alumni Affairs and President of the Wayne State University Foundation, with other members of her team**

Susan Burns introduced herself and asked the other members of her team to introduce themselves. These team members were Tracy Utech, Associate Vice President of Principal Gifts and campaign director; Peter Caborn, Associate Vice President of Alumni Affairs and Advancement Services and Executive Director of the Alumni Association; Steve Henrie, Vice President of Development and Alumni Affairs in the School of Medicine; Sharon Progar, the Director of Business Affairs for the Division of Development and Alumni Affairs; and Neco Walker, Susan Burn's assistant and Secretary to the WSU Foundation. Susan emphasized that her team wanted to participate in this meeting because they recognize the annual meeting with the Senate Budget Committee as important.

**Development and Alumni Affairs FY 2021 Budget**

The budget can be best summarized with the following slide. The FY 2021 represents nearly a 5.8% cut from FY 2020. It is \$2 million less than the budget approved for the major Pivotal Moments campaign and the second year of substantial cuts to the budget. It would have been impossible to successfully carry out the Pivotal Moments campaign with the FY 2021 budget. Looking ahead to the next major campaign, which will have a goal of \$1 billion, this budget is clearly inadequate.

# Development and Alumni Affairs FY21 Budget

## Wayne State University Development and Alumni Affairs FY 21 Budget

	Compensation	General Expenses	Total	
<b>FY20 Budget</b>				
Original Budget	\$ 9,289,049.00	\$ 1,433,192.00	\$ 10,722,241.00	
Adjustments*	76,063.50		76,063.50	
<b>Adjusted Budget</b>	<b>9,365,112.50</b>	<b>1,433,192.00</b>	<b>10,798,304.50</b>	
<b>FY21 Budget Cuts</b>				
	(179,928.00)	(446,942.00)	(626,870.00)	5.8%
<b>FY21 Budget</b>				
	<b>\$ 9,185,184.50</b>	<b>\$ 986,250.00</b>	<b>\$ 10,171,434.50</b>	



\* Adjustments = mass salary budget

### Division Headcount

The staffing of the Division of Development and Alumni Affairs is down 4.5 positions from FY 2020 and the FY 2021 budget eliminates another 2 positions. The 2 positions that were eliminated in the FY 2021 budget were vacant positions. One position is in Special Events and the other is in Communications and Alumni Relations. They also have a positions that they have not yet been allowed to fill.

## Development and Alumni Affairs Headcount

(as of 9/30/20)

Alumni Affairs	18
Fundraisers	43
Campaign Support	5
Advancement Services	24
Communications	5
Financial Support	7
Administrative Support	10.5
	<i>Sub-Total</i> 112.5
Special Events and Services	9
	<i>Total</i> 121.5



\* FY21 budget reduction will eliminate 2 additional positions

### Fundraising Performance

Susan showed a slide detailing Total Fund Raising Production (No FMRE) for FY 2009 through FY 2020. The slide was marked "Confidential/For Internal Use Only" so is not reproduced here. We are down from FY 2019. The pattern of decrease after the Pivotal Moments campaign, which ended in FY 2018, is consistent with the decrease after the previous major campaign, Wayne First. The down years are, however, starting at a higher level than the previous downturn. The FY 2020 performance was less than the performance anticipated for that fiscal year. In June, the adjusted their expectations in light of the COVID pandemic. The initial goal was \$70 million, the new goal was \$47.6 million, and they ultimate brought in \$48.9 million. EAB stated in June 2020 that 40% of the higher education institutions were

projecting declines of 10% to 20%. Some comparisons with our peers are difficult because most higher education institutions have fiscal years that end in June 30 while WSU's fiscal year ends on September 30: they were impacted for three months and WSU was impacted for six.

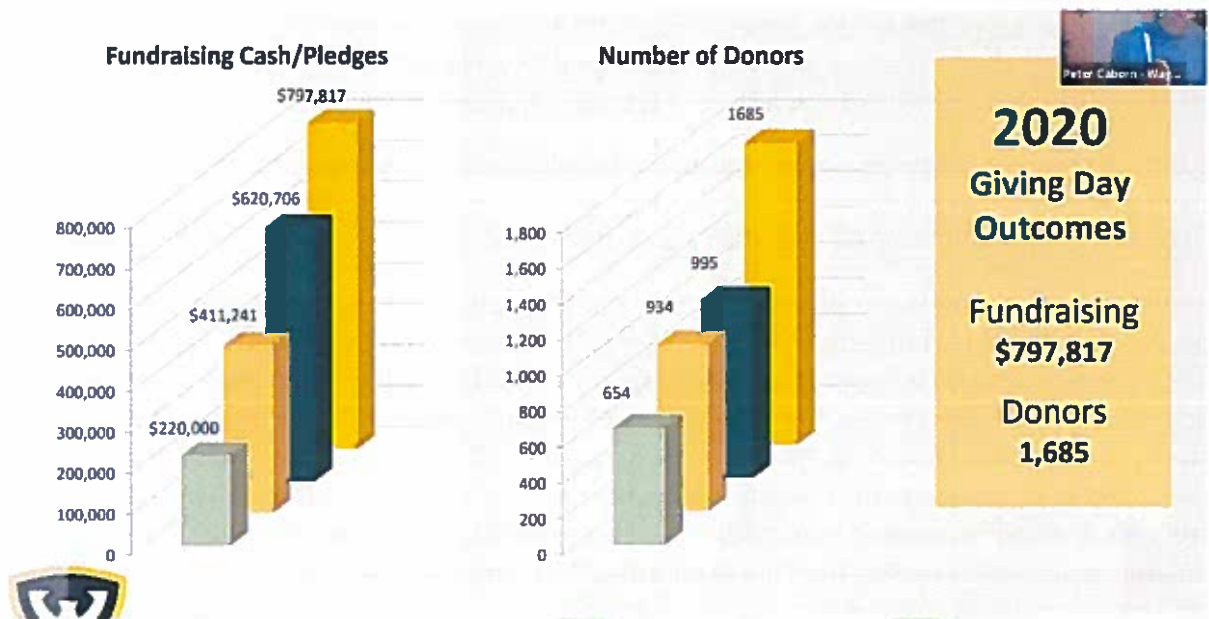
Susan also explained that some of the cuts to the Development and Alumni Affairs budget impacted travel and events that have been curtailed during the COVID crisis. These cuts, however, are permanent so considerably less funding will be available when travel and in-person events return to the norm.

Peter Caborn presented on FY 2020 Alumni Relations Highlights. These highlights represent only a portion of the work performed by Alumni Relations. They demonstrate how Alumni Relations positions its programs to support university goals and projects. In FY 2020, they had 201 student-alumni mentors across the schools and colleges. They also hosted 23 programs at which alumni leaders could speak with students and mentor them on building their careers. For the first time in 5 years, Alumni Relations had the opportunity to participate in recruit, proving alumni who assisted in recruitment by working with students who had been admitted but had not yet committed to attending WSU. The student-alumni mentors program was missing from the Alumni Relations portfolio when Peter was hired and he is largely responsible for building it to its present level. He intends for it to expand greatly in the coming years. These mentorship programs are always carried out with the collaboration of the schools and colleges.

Alumni Relations produces two issues each year of Wayne State Magazine. The two issues in FY 2020 resulted in a record \$70 thousand in gifts. The magazine was also recognized for the second year in a row by the Council for Advancement and Support of Education, tying with the University of Michigan and the Ohio State University for the bronze Case Excellence Award. Each issue of the magazine costs about \$48 thousand to produce and the costs are covered by the alumni association and not by the university. Despite the COVID crisis, Alumni Relations had a record number of event attendees, 4,600 persons. These were both in-person and virtual events. Alumni Relations social media campaigns are carried out primarily on Instagram and Facebook and to a lesser extent on Twitter.

Alumni Relations has two programs to recruit students into the alumni experience. The first, the senior year experience, focuses on students in their final year at WSU. It also involves diploma cover inserts and congratulatory letters upon graduation. The other is the first-year out, which provides those new alumni with WSU-oriented gifts and special networking events.

Alumni association across the country are moving away from dues-based models of membership. The dues seem to keep alumni from joining the associations. At least 30% of the WSU alumni participate in at least some alumni events in the first year out. Efforts are, of course, made to move them along once they have entered the pipeline. The strategy is to engage alumni with events and regular communication so they will participate in annual giving and ultimately will participate in major giving. As the following slide demonstrates, this has borne fruit:



The years progress from FY 2017 in the front of each slide to FY 2020 at the back. The increase is a real accomplishment: public universities in the US have across the board been projecting a decline in donors. The national decline was in fact 16.7%. The number of donors increased overall and not just on Giving Day.

Susan Burns praised Peter and his Alumni Relations team for their success and their focus on return on investment. The following slide captures that ROI:



In FY 2018 and FY 2019, which are the last years for which we have data, Wayne's ROI is considerably higher the median for our EAB benchmarking cohort and noticeably higher than the median for the top 50% net fundraising production.

The Alumni Relations' analysis suggests that we could generate higher fundraising returns by increasing our institutional investment in development. This might lower ROI slightly, but should raise the amount

raised. Currently, a lack of institutional investment in development is responsible for missed opportunities and “money left on the table. Brian Edwards suggested that Development was clearly a revenue generating unit, raising about \$500 thousand per employee. That should argue for maintaining or increasing staff.

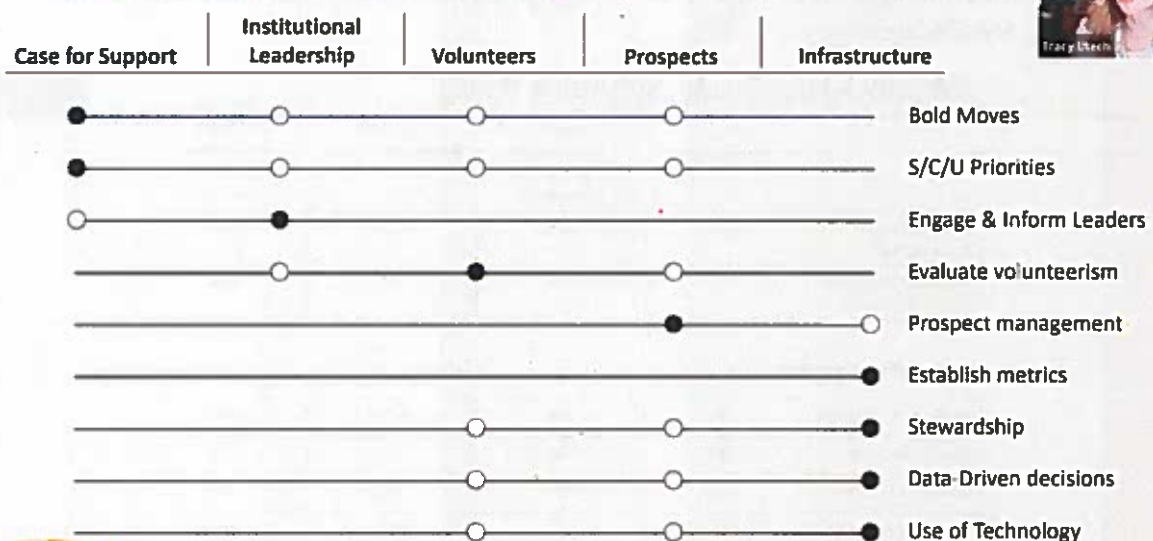
### FY 2021 and Campaign Planning

Tracy Utech presented on campaign planning. The foundational work for the next major campaign needs to be carried out now. The campaign priorities for FY 2021 are captured on this slide:

## FY21 Campaign Priorities

- Bold Moves – A call for transformational initiatives.
- Pre-campaign S/C/U fundraising priorities: preliminary test cases.
- Engage, inform and educate university leadership on development and campaign.
- Evaluate current volunteer leadership roles and recommend action.
- Strategically implement and leverage prospect management system.
- Establish baselines for ongoing measurables/metrics for all division functions.
- Expand comprehensive stewardship.
- Enhance use of data to inform decisions.
- Use technology to reshape our work.

The first couple of points concern building the case for support, the following points concern prospective donors. These are followed by points on leadership and then points on needed infrastructure:





The case for support is essential. At the moment, the Bold Moves project is the most visible part of making the case. The case for support will, however, also incorporate our institutional priorities as well as the priorities of the schools/colleges/units. A steering committee chaired by Susan Burns and comprised of Provost Clabo, Linda Beale, Stephen Lanier, Michael Wright, Wei-Zen Wei (the immediate past-president of the Academy of Scholars), and David Strauss. Bold Moves is not the campaign; it is part of the campaign.

The Bold Moves campaign have received in excess of 61 ideas as of November 15 and more are expected before the December 1 closing. A second round will involve the submission of full proposals in February through March of 2021 with the announcement of selection in July.

The silent phase of the campaign begins in fall 2021. We will be seeking to achieve 50% of our campaign goal by October 2025. At that point, we will publically launch the campaign. The COVID pandemic may affect the length of the silent phase. It is too early to tell. Of course, the Wayne First campaign launched its silent phase the month after the 9/11 attacks and Pivotal Moments began during the Great Recession. It is impossible to tell what will and will not have an impact. It may be beneficial to start at the bottom and to ride the wave upward as hope and optimism build.

A minimal value for a Bold Move has not been set. They do, however, believe these will be the means to engage principle prospects, who are potential donors of \$1 million or greater.

### Faculty Support

Susan began by acknowledging that this discussion of faculty support will entail a continuation of the discussion of named faculty positions. She knows that there is a perception in the Budget Committee and in the Senate as a whole that Development is not doing enough to raise money for faculty positions and that WSU is out of step with peer institutions. Development has continued to analyze these policies over the past year. It has not gone to the Board of Governors to put policies in place.

The National Association of College and University Business Offices (NACUBO) together with TIAA conducted a study of university endowments. The following table shows how distributions from endowments are allocated:

### NACUBO-TIAA Study: Spending Policy

	WSU Foundation	NACUBO Endowments \$250M-\$500M Category (1)	NACUBO Public Institutions (1)	NACUBO All Public Colleges, Universities, Systems (1)
Annual Effective Spending Rate	4.2%	4.2%	4.2%	4.5%
% moving average of MV (WSU method)		72%	76%	74%

### FY19 Spending Distribution

Student Financial Aid	39%	43%	51%	49%
Faculty Positions	26%	14%	15%	11%
Campus Facilities	1%	6%	4%	7%
Academic Programs	11%	18%	17%	16%
Other	23%	19%	13%	17%

Distributions; this exceeds the amounts for other institutions of our size, the NACUBO public institutions, and all NACUBO public colleges, universities, and systems.

Linda objected that, if you look at faculty lists at other institutions, you simply see far more faculty in titled positions. In most law schools, for example, well over 50% of the faculty will be in named positions. Susan suggested that this may not be the case. Development gathered information from 18 institutions:

## Benchmarking Named Positions

Secured naming policy information from 18 institutions (to date)

California State - Northridge	San Jose State University
Central Michigan University	University of Akron
Cleveland State	University of Alabama - Birmingham
Florida State	University of Cincinnati
Georgia State	University of Minnesota
IUPUI	University of Texas – Arlington
Michigan State	University of Toledo
Oakland University	Virginia Commonwealth University
Oregon State	Western Michigan University

They believe the recommendations from WSU Development are very similar to the others. In the cases where there are differences, the WSU minimum levels are lower than those of the other institutions. They also did not find institutions with titles that Wayne does not have.

Half of the institutions they studied had a named position for "Faculty Fellowship." Only one institution set the minimum gift for naming a faculty fellowship lower than the proposed amount for WSU.

Jen Stockdill pointed out that 18 institutions was actually a small sample size and that a number of the institutions in the sample were not indisputably peers of WSU. Particularly in issues like naming positions, peers change by department. Jen knows that Development's sample does not contain the institutions that the Chemistry Department considers peers. Such a list would contain the University of Michigan; only Michigan State and the University of Minnesota are appropriate comparisons for Chemistry. Jenn asserted that the faculty in the University of Michigan Department of Chemistry almost all have named positions while there are two named positions in the WSU Department of Chemistry.

Susan suggested that there may be some namings that fall outside the purview of philanthropic namings. Jen suggested that Development was looking at the question from a financial basis while departments like Chemistry are looking at the question from a recruitments basis.

Linda Beale suggested that the contributions required for naming positions must be dropped until the University is establishing the numbers of named positions needed for recruitment of top level faculty by the departments. This affects the national reputation of WSU and WSU departments. Susan suggested

that she has no evidence that lowering the price of naming positions will increase the funds gathered by the university.

Lou Romano added that he was looking at the Ohio State Chemistry Department. OSU has 9 named positions out of a Chemistry faculty of about 40. Chemistry has 2 named positions and those were secured by the efforts of the Chemistry Department. Susan disputes this; her office was part of the solicitation/negotiation for these positions.

The discussion around this issue showed that there is a serious divergence between how Development defines peer institutions and how the faculty and departments define peer institutions. From Development's perspective, the essential factors are the size of the institutions' endowments and their investment in development. From the point of view of the faculty, the prestige of specific departments is essential.

Stephen Calkins suggested that, if you listen to this discussion, it is really ships passing in the night. The concern that Stephen has as well as Linda and Lou is not really about money; it is not about how much money has been raised or the share of the pot that goes to faculty. It is simply the perception that peer institutions have way more titles for their faculty than we have. That may not be a Development question. It may be a question for the Provost when thinking about recruiting or a question for deans thinking about retaining faculty. Susan's job is to raise money. We should do a check of other schools and then talk to the Provost. Paul Beavers supported Stephen's suggestion and offered that the Senate could have an ad hoc committee look at this question and bring it before the Provost. Susan is judged by how many dollars she brings in. If there are secondary factors they should be addressed by an office like the Provost's.

Susan is inclined to take her proposal before the Board of Governors now. The proposal would be this:

## Named positions – minimum gift levels

Named Faculty Support		
Name	Minimum Endowment	Term Naming Minimum
Named Deanship (only one per S/C)	\$7.5 million	
Presidential Chair (in S/C)	\$5 million	
Distinguished Endowed Chair	\$2.5 million	
Endowed Chair	\$1.5 million	
Distinguished Professorship or Distinguished Artist-in-Residence	\$750,000	\$75,000 annually for min of 3 years
Professorship or Artist-in-Residence	\$500,000	\$50,000 annually for min of 3 years
Visiting Professorship	\$500,000	\$50,000 annually for min of 3 years
Distinguished Faculty Fellowship	\$250,000	\$25,000 annually for min of 3 years
Faculty Fellowship	\$100,000	\$10,000 annually for min of 3 years

Having reached the scheduled conclusion of the meeting, the meeting was adjourned.



- I. Approval of minutes for the October 19, 2020 and October 26, 2020 meetings of the Budget Committee (11:00 -11:05)
- II. Presentation by Susan Burns, Vice President for Development and Alumni Affairs and President of the Wayne State University Foundation, and other members of her team (11:05 – 12:05)
- III. Discussion of the approval of the FY 2021 General Fund and Auxiliary Fund Budgets and Use of the Rainy Day Fund for the FY 2021 Net Operating Budget Shortfall at the October 30 meeting of the Board of Governors (12:05 – 12:25)
- IV. Other business (12:25-12:30)

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