

University Relation Committee Minutes
June 19, 2012 – 10:00am
Room H Patterson Office Tower

Committee Members Present: Jo Curris, chair, Pam May, Terry Mobley, Micah Fielden, Sheila Brothers

Other guests: Mike Richey, Mike Mayfield, Tom Harris, and Jay Blanton

Jo Curris, chair, called the meeting to order at 9:58 a.m.

Member roll call and approval of the March 27 minutes followed.

Mike Richey, Vice President of Development, presented on the critical role of Philanthropy at the University of Kentucky.

Mike is 38-year veteran of the University with a B.S. and M.S. in Agriculture from UK. Mike joined the Office of Development in 1998 coming from the College of Agriculture where he created and adapted many programs including the Phone-a-thon, Ag Alumni Magazine and the scholarship Banquet.

Mike began by stating that “Our Iceberg is Melting,” a concept explained by author Jon Kotter that in the past, universities could rely on state support but steadily over the years state support is declining. For example, in 1970 UK’s state appropriation was approximately 55% of our budget. In 2011, state support is only 11% of our budget. The reliable iceberg of state support is melting.

Private philanthropy used to be the margin of excellence for a university. Now it is the core. Great universities will be those who are successful in private fundraising.

Mike reported that at the end of a large campaign (UK’s “Dream Challenge Succeed” campaign) it is not unusual to see a drop in gifts. This has not been the case for UK. In 2011 the university exceeded \$77 million dollars and had its second largest year of giving. Among other universities, no one has made the progress in giving that UK has made. The University has seen a 45% increase in the number of gift dollars. The number of donors has increased by 33%. The impact of the growth in endowments is \$40 million annually.

Residual impact of endowment chairs is the ability to attract grants, contracts, and create scholarships.

The Office of Development is decentralized and has areas such as: Annual Giving, Gift and Estate Planning, Major Gifts, Gift Receiving, Information Services, and Prospect Development.

Mike spoke of several challenges for Development.

1. Maintaining Great Staff – highly competitive area, difficult to keep talented staff with current budget challenges. The Office has cut 2 vacant positions during the upcoming fiscal year due to budget constraints
2. Communications and support – UK must create a culture of philanthropy on campus. The process starts with students in the first moment they arrive on campus.
3. Maximize use of technology – Currently the office uses the Reeher Platform – a predicative modeling software that helps “focus” on specific donors and inform about unknown donor base. Mike noted that UK is only the 2nd Land Grant University to use this method—currently the technology has saved the university over \$300,000 through focused donor contact.
4. Maximize budget – making the best use of their budget

Upon the completion of the Capital Campaign the Office conducted an audit to review what they did well, what they could do better.

The Audit highlighted 118 recommendations – the Office has enacted 85 of those at this time.

Including:

- Created a deans and program director’s development advisory committee
- Established college and program goals – fiscal goals and priorities for gifts
- Human Resource compensation and performance metrics – challenges for going forward being able to adequately compensate positions.
- Established new endowment levels and an endowment advisory committee
- Updated UK Fellows Society levels – from 5 levels to 8 now. New levels have been very well received.
- Reorganized fundraising staff

- Established a Development Communications Department – working with UK PR
- Expanded Stewardship events –example – Grand Night for Singing, Fellow event in Louisville
- Initiated the Reeher Platform – predictive modeling for donor contacts
- Donor advised funds – under exploration – examples, transfer wealth study: gifts from one generation to the next in each KY county, ways to market to those who are not UK grads but have an interest.

The Office of Development in alignment with the Institution’s priorities:

- Gatton College
- Law Building
- Honors
- Scholarships
- College Goals

Mike also noted that the Office of Development has goals for Athletics and the Hospital as well as the listed institutional priorities. Often donors have varied interests and unsure of how best to direct their gifts. Mike said that is where the institutional priorities help direct and narrow donations.

Mike concluded his presentation by saying fundraising is difficult, challenging and fun and there is nothing else he would rather do.

Time allowed for only one question-- QUESTION: One question on the President’s evaluation is, “how effective is he at fundraising?” The Board typically has no idea, as there is no report or information on what Development is doing. How is the President at fundraising?

Mike responded that Dr. Capilouto is “amazing” (at fundraising) and critical to the fundraising process. Mike stated at the beginning of his presentation that Dr. Capilouto attended 50 major events over the past year.

Chair Curris thanked Mike Richey for an excellent and informative presentation.

Motion was made and seconded that meeting adjourn.

Meeting adjourned at 10:42 a.m.