The Regents of the University of California

COMMITTEE ON EDUCATIONAL POLICY
November 15, 2007

The Committee on Educational Policy met on the above date at Covel Commons, Los Angeles campus.

Members present: Regents Allen, Blum, Dynes, Garamendi, Island, Johnson, Lansing, Marcus, Parsky, Ruiz, and Varner; Advisory members Cole and Brown, Staff Advisors Brewer and Johansen

In attendance: Regents Brewer, Bugay, De La Peña, Gould, Hopkinson, Kozberg, Preuss, Schilling, and Wachter; Regents-designate Scorza and Shewmake, Faculty Representative Croughan, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Provost Hume, Executive Vice Presidents Lapp and Darling, Senior Vice President Vacca, Vice President Foley, Acting Vice President Standiford, Chancellors Bishop, Block, Drake, Fox, Kang, Vanderhoef, and Yang, Acting Chancellor Grey, and Recording Secretary Johns

The meeting convened at 9:30 a.m. with Committee Chair Marcus presiding.

1. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of September 19, 2007 were approved.

2. **2006-07 ANNUAL REPORT ON UNIVERSITY PRIVATE SUPPORT**

Executive Vice President Darling reported on the results of annual support from private sources for the University for the fiscal year that ended June 30, 2007, touching on highlights, the historical fundraising context, and some activities under way at the campuses. He introduced UCLA Interim Vice Chancellor for External Relations Rhea Turteltaub and Mr. Geoff O'Neill, Assistant Vice President for Institutional Advancement at UCOP.

Mr. Darling reported a total of $1.3 billion in cash gifts to the University (outright gifts and pledge payments from prior years), slightly ahead of the previous year. He noted a 14 percent increase in new gifts and pledges from 2005-06, and informed the Committee that his office is benchmarking UC's performance against other universities and will present this information to the Regents when it has been gathered and analyzed. He compared percentage increases in State funding and private support over the past twenty-five years, outlined the sources of private support (private foundations, corporations, non-alumni, and alumni)

and the uses to which private gifts are put (campus departments, research, capital buildings and projects, and student support). Mr. Darling called attention to this year's all-time record for alumni giving, $193 million. He emphasized the importance of student support and pointed out a November 12, 2007 *New York Times* section on philanthropic giving, featuring an article about Regent Schilling and her family's commitment to student scholarships and fellowships.

Mr. Darling identified comprehensive capital campaigns as the single largest driver of growth in private giving. He commented on international giving (the University received $115 million from 94 countries last year) and additions to the UC endowment, which has grown from $4 billion to $9.6 billion over the last ten years, with $280 million in new gifts received in the last year. He noted a 15 percent increase in planned gifts over the prior year. Mr. Darling reported that 94 endowed chairs were established during the last year and emphasized the critical role of endowed chairs in the recruitment and retention of faculty.

Mr. Darling discussed the history of UC fundraising and pointed out that previous UC practices, in place until the 1980s, had actively discouraged fundraising. The "Gentlemen's Agreement" of 1961 between UC and private universities stipulated that UC would solicit funds only from its immediate family. The University thus relied almost entirely on State support and began serious fundraising efforts only in the mid-1980s. Mr. Darling called attention to the University's late start in this area and its efforts in the last decade to accelerate fundraising and increase its competitiveness. He described funding for the Office of the President and the campuses (an investment of $100 million over the last ten years in efforts to hire staff, create information systems, and build a base for private giving), improvements in maintenance of alumni data, and current efforts to develop parent and alumni giving (a $10 million investment).

Regent Brewer reported that the strategic plan developed by the Alumni Associations of UC, the Office of the President, and the campuses is now in its implementation phase. She stressed the importance of alumni engagement and outlined key tactics for the coming year: greater collaboration between alumni and advancement professionals, formation of a systemwide committee to develop a plan for greater student awareness about alumni giving, enhancement of senior and young alumni giving programs, showcasing of alumni donors, consideration of best practices from other institutions, and new funding models between Alumni Associations and annual giving operations. Regent Brewer stated that she would present information at the March 2008 meeting about resources needed to support this strategic plan.

Interim Vice Chancellor Turteltaub discussed UCLA's fundraising challenges and successes, with an overview of the last 26 years, including the 1995-2005 Campaign UCLA, which raised $3.05 billion in gifts and pledges. She presented UCLA's centennial goal of an average sustainable level of private support in the range of $500 million. Two particular areas of challenge for UCLA

are alumni and parent giving. There has been a steady decrease in alumni contributions to universities nationwide. Ms. Turteltaub stressed the need for UC to communicate to young alumni and potential donors at the lower end of the giving spectrum that their early or modest contributions to the University are important, regardless of amount. While the base of alumni grows every year, UCLA is concerned about increasing its donor base as well, with a strategic goal to grow 21 percent over the next four years. Ms. Turteltaub briefly discussed programs UCLA is pursuing to accomplish this: young alumni reunions, the senior class giving program, the Student Chancellor's Circle, new student welcome events, and programs for parents. The UCLA Parents' Weekend event, begun in 2002, helps parents establish a relationship with the institution and has yielded consistently positive results. An investment of almost $500,000 in this one weekend event generates a return of $1.75 million. Vice Chancellor Turteltaub emphasized that the principal goal of this event is not immediate monetary return, but longer term culture building and role modeling.

Mr. Darling saw reasons to be optimistic about the future, considering in particular the University's needs and the plans in place to meet those needs. He briefly presented personal stories about two donations. An endowed chair has been established at the Scripps Institution of Oceanography by the family of Roger Revelle, one of the first scientists to study global warming, former Director of the Scripps Institution, and founder of UCSD. Another notable gift to the University was made by Louise Bergman, a Holocaust survivor who escaped to San Francisco and worked as a bookkeeper. Although Ms. Bergman had not interacted with UCSF, she left half her estate to UCSF to fight illness. Mr. Darling expressed the University's gratitude for these gifts. He finished by noting the momentum going into the new fiscal year and outstanding recent gifts, some of the largest in the history of the University: the $100 million Moore Foundation gift to UCD for a school of nursing, the Broad Foundation gift of $20 million to UCLA for stem cell research, and the Hewlett Foundation gift (with a matching requirement) to endow 100 professorships at UCB.

Regent Ruiz asked about collaboration among the campuses to share best practices. Mr. Darling noted that a conference was held at UCLA a month previously on alumni and parent giving, with representatives from the University of Pennsylvania, Ohio State University, and the UC campuses, which focused on collaboration and sharing best practices. Ms. Turteltaub informed the Committee that this conference will be held annually and that the Vice Chancellors for External Affairs meet regularly. Regent Hopkinson commended the "astronomical" growth in private giving over the last five years and praised the Chancellors for their contributions. She expressed concern that alumni support for students appears to be eroding. Chairman Blum noted the success of the senior giving program at UCB, where he has been willing to match any senior gift at graduation (up to a certain limit); he suggested that this should be tried at every campus. Mr. Darling responded that UCLA has found a matching donor for such

a program, that other campuses are seeking to establish such matching programs, and that every campus now has a senior class giving program.

Regent Brewer expressed concern that UC development officers, like UC faculty, are being actively recruited by other institutions and emphasized the importance of retaining these professionals with appropriate salaries. She also called attention to the need for larger staff in development areas. Committee Chair Marcus observed that donations by individuals and endowments are equivalent to about one-third of the State's contribution to UC, but that the Regents have not been actively engaged with this aspect of University funding. Committee Chair Marcus suggested that the Regents should be a more positive force on this issue, to assist with best practice activities and to advocate for staff and proper compensation. Chairman Blum expressed agreement with Regent Brewer. He opined that the University's salary scale for development officers is very low and needs to be adjusted. He suggested that campuses consider hiring outside development contractors, given the difficulty of retaining effective development officers at current University salary levels.

The meeting adjourned at 10:05 a.m.

Attest:

Secretary and Chief of Staff