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University of South Carolina
BOARD OF TRUSTEES

Ad Hoc Committee on Development

April 7, 2009

The University of South Carolina Board of Trustees Ad Hoc Committee on Development met on Tuesday, April 7, 2009, at 10:30 a. m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Samuel R. Foster II, Board Vice Chairman, presiding; Mr. Herbert C. Adams; Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mrs. Amy E. Stone; Mr. Mack I. Whittle, Jr.; and Mr. Miles Loadholt, Board Chairman. Dr. C. Edward Floyd was absent.

Other Trustees present were: Mr. James Bradley; Mr. Mark W. Buyck, Jr.; Mr. Toney J. Lister; Mr. Eugene P. Warr, Jr.; and Mr. Othniel H. Wienges, Jr.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Interim and Vice President for Planning William T. Moore; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Student Affairs and Vice Provost for Academic Support Dennis Pruitt; Interim Vice President for Advancement Michelle Dodenhoff; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice Provost and Executive Dean for System Affairs and Extended University Chris P. Plyler; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Special Assistant to the President J. Cantey Heath, Jr.; Associate Vice President for Business and Facilities Helen Zeigler; Vice Provost for Faculty Development Christine W. Curtis; Executive Director of Development, Health Sciences, Susan E. Lee; Director of Athletics Eric C. Hyman; Director of Facilities, Division of Business and Finance, Tom Quasney; Director of Facilities Planning and Construction, Division of Business and Finance, Jeff Lamberson; Director of the Office of Internal Audit Alton McCoy; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Director of Public Information, USC Lancaster, Shana Funderburk; Student Government Association President Meredith Ross; Director of the Office of Media Relations, Division of University Advancement, Margaret Lamb; Director of Periodicals, University Publications, Chris Horn; University Technology Services Production Manager, Justin Johnson; Board staff members Terri Saxon, Vera Stone, and Karen Tweedy; and members of the media.

Chairman Foster called the meeting to order and invited those present to

introduce themselves. Ms. Lamb stated that no members of the press were present.

Chairman Foster stated notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated; and a quorum was present to conduct business. He called on Ms. Dodenhoff to report.

I. Review of Economic Climate: Ms. Dodenhoff discussed the economic climate in the context of fundraising, and shared how the University was dealing with challenging economic situation. Fundraising programs at the University during FY 2008 had been fairly steady; however, fundraising campaigns began to decline in the middle of the year and early in 2009.

Ms. Dodenhoff shared data from 12 institutions with multi-million dollar campaigns. Of the 12, nine funds had decreased by as much as 54.80 percent and as little as 0.75 percent. The remaining three institutions had increased their fundraising by 7.03 percent, 20.64 percent and 86.59 percent, respectively.

In addition, Ms. Dodenhoff displayed a graph showing declines in billion-dollar campaigns from other institutions over a 6-month period which was as follows: February-July 2007 (\$2.1 billion); August 2007-January 2008 (\$1.8 billion); February-July 2008 (\$1.5 billion); and August 2008-January 2009 (\$1.1 billion).

In comparison, the University fundraising for that same period was as follows: February-July 2007 (\$35.2 million), August 2007-January 2008 (\$48 million), February-July 2008 (\$58.1 million), and August 2008-January 2009 (\$26.8 million).

Ms. Dodenhoff stated that fundraising programs across the country were in decline and struggling. This circumstance of uncertainty was the biggest challenge the University and other institutions were currently facing.

II. Report on CASE Fundraising Index: Ms. Dodenhoff reported that a major index for fundraising was CASE (Council for Advancement and Support of Education). This was the professional organization by which the University set guidelines for counting gifts and tracking philanthropy. For calendar year 2008, in most universities, the national average remained fairly flat at .3 percent; and the University was at .1 percent or "right on par." In 2009, she stated that the forecast would also be "flat and the University was gaining".

III. Current Year Gift Highlights: Ms. Dodenhoff gave a brief report highlighting current gifts the University had received for FY 2009. The Duke Endowment gave a gift of \$2.8 million for various initiatives in Health. Dr. Opal Brown and Dr. Harry K. McMillan gave \$1 million to support scholarships in Engineering and Nursing. Mr. Kenneth W. Baldwin's gift totaled \$526,000 to support Mass Communications and Information Studies for the Business of Media program. Mr. and Mrs. Glen Sharp gave \$366,000 to the School of Medicine to support stroke research and outreach.

IV. President's Development Activity: Ms. Dodenhoff reported that President and Mrs. Pastides had hosted 117 events at the President's House with over 3,700 participants. She stated that President Pastides was a phenomenal fundraiser and was committed to raising money for the University.

During the first eight months of his presidency, President Pastides traveled around the state to region meetings with University top donors. He entertained donors and prospects at athletics events, Homecoming, Step Up Tours, Parents Weekend, Donor Stewardship events, and arts events. On behalf of Development, Ms. Dodenhoff thanked President and Mrs. Pastides for their effort and assistance they gave to this important endeavor.

Mr. Hubbard asked how the Development Office coordinated the Parents Council for undergraduate students. He stated that various schools had sophisticated parents' councils that helped to identify parents of new students who had assets. Ms. Dodenhoff responded that parents were becoming an important prospect pool for the University; and the University's Parent's Council was managed by the Student Affairs Office. She called on Dr. Pruitt who noted that the Parent's Advisory Council had met the prior week; and they had served the University during the recent Scholarship Day at which over 2,300 students attended. Four sessions were held on what USC meant from a parent's perspective. Also, discussions were held at the Advisory Council meeting on how they may be utilized further.

Dr. Pruitt said his department informed the Council that the University was about to embark upon a fundraising campaign and as that campaign developed, parents would be asked for contributions and assistance in identifying corporations, foundations, or individuals who they felt could assist with soliciting gifts for the future. The department had already received some positive responses, and one person had given \$25,000 for the International Study Abroad Program.

Dr. Pruitt stated the Parents Advisory Council had raised approximately \$200,000 in pledges, which funded Parents Association activities. Also, the Council donated money to purchase a van for community service programs, a portable sound system, and contributed funds for improvements to the Russell House Theater. Dr. Pruitt encouraged board members to recommend parents and the Student Affairs Department would cultivate them.

Mr. Hubbard asked how many cities had hosted "Freshman Send-Offs" events for perspective students. Dr. Pruitt responded approximately 20. Well-trained staff and students attended these events which were hosted across South Carolina, and in major cities such as Washington, Atlanta, Charlotte, and Houston. The Freshman Send-Offs were a collaboration effort between Admissions, Parents Association, Alumni Association and Development.

Dr. Pruitt stated that each summer Carolina alumni clubs from various geographical areas sponsored social events for South Carolina-bound students. Many

alumni remember how exciting their first semester was at Carolina. They love to share stories and give advice.

Student Government Association President Meredith Ross asked to what extent students were involved in the fundraising process and what more could they do to help. Ms. Dodenhoff responded that students were involved as "Carolina Callers", attended donor events to speak about their University experience, and wrote "thank you" notes for scholarships and other gifts.

V. Update on Vice President Search: President Pastides reported on the Vice President for Advancement Search. The Administration was being well served by the search committee which was co-chaired by Dean Teegen and Dean Pratt. Other members of the committee included Trustee Amy Stone as the board representative, and Dr. Jerry Odom and Mr. Charlie Way as representatives for the community.

President Pastides stated that three candidates had been interviewed several weeks ago. However, he and the committee conferred and a decision was made to continue searching to expand and extend the pool. This week, the committee would conduct video conferences with four additional candidates, with the expectation that one or more of them would be invited to campus over the next several weeks. Dr. Pastides stated that "there was no recruitment that this University would undertake in the near and maybe in the medium term future that would be as closely connected to our success."

In addition, President Pastides said the University was being well served by the search firm consultant, Mr. Dennis M. Barden, of Witt/Keiffer. Also, he stated that this was "a very nervous time because people who had jobs of leadership were interested in keeping them." Dr. Pastides stated that "in spite of the economy, our University was seen as being on the move. The media attention relative to the stimulus funding and other things were making people look at the state of South Carolina as well as the University of South Carolina with a bit of nervousness."

Dr. Pastides reiterated there was an additional pool of vice president candidates being interviewed by videoconference this week; and he hoped the Board would be active in helping him assess their credentials as well as any other candidates he would meet with over the next couple of weeks.

Chairman Foster stated that the report was received for information.

VI. Report on CASE Awards: Ms. Dodenhoff reported that the Office of Annual Giving's "Y'ALL Campaign" received the Grand Award for Educational Fundraising Projects and the Grand Award for Direct Mail. These were two of the highest awards given by CASE. Also, the Annual Giving's "Y'ALL Campaign" received the Special Merit Award for Institutional Relations Projects.

USC Aiken received the Special Merit Award for Institutional Relations Projects for their website.

Ms. Dodenhoff commended the Office of Annual Giving for their outstanding work.

Mr. Hubbard made an inquiry regarding the size of the University's endowment. Ms. Dodenhoff said she did not have that information readily available, but would provide it to the committee in the future.

Mr. Whittle requested that she provide information regarding the University's performance in comparison to other CASE schools' performance and their endowments.

In closing, Mr. Loadholt stated that Dr. Jerry Odom had informed him that the University's endowment had increased by seven percent in March 2009.

Chairman Foster stated that the report was received for information.

Since there were no other matters to come before the Committee, Chairman Foster declared the meeting adjourned at 11:00 a.m.

Respectfully submitted,

Thomas L. Stepp
Secretary