

## AGENDA

### COMMITTEE ON INSTITUTIONAL ADVANCEMENT

**Meeting:** 12:30 p.m., Tuesday, March 14, 2006  
Glenn S. Dumke Auditorium

Carol R. Chandler, Chair  
Melinda Guzman Moore, Vice Chair  
Roberta Achtenberg  
Jeffrey L. Bleich  
Debra S. Farar  
Raymond W. Holdsworth  
A. Robert Linscheid  
Craig R. Smith  
Kyriakos Tsakopoulos

#### **Consent Item**

Approval of Meeting Minutes of January 31, 2006

#### **Discussion Items**

1. Naming of an Academic Entity – San José State University, *Action*
2. Naming of a Facility – California State University, Fullerton, *Action*
3. Measuring Advancement, *Information*

**MINUTES OF THE MEETING OF  
COMMITTEE ON INSTITUTIONAL ADVANCEMENT  
Office of the Chancellor  
Glenn S. Dumke Conference Center  
401 Golden Shore  
Long Beach, California**

**January 31, 2005**

**Members Present**

Melinda Guzman Moore  
Roberta Achtenberg  
Jeffrey L. Bleich  
Debra S. Farar  
Raymond W. Holdsworth  
A. Robert Linscheid  
Craig R. Smith  
Kyriakos Tsakopoulos

**Approval of Minutes**

The minutes of November 8, 2005 were approved.

**Naming of an Academic Entity – California State University, Channel Islands**

Trustee Guzman-Moore asked Richard P. West, Executive Vice Chancellor and Chief Financial Officer to present the request to name the School of Business and Economics at California State University, Channel Islands, as the Martin V. Smith School of Business and Economics.

Mr. West stated the naming is in memory of Mr. Smith who was a leading real estate investor and developer in Ventura County. The Smith family, and the Martin V. and Martha K. Smith Family Foundation have committed \$8 million in support of the business school's students, faculty, and programs. Mr. West asked Dr. Richard R. Rush, President of California State University Channel Islands, for comments on the naming request.

Dr. Rush began by welcoming members of the Smith family and thanking them on behalf of the current and future students of CSU, Channel Islands who will benefit from their generosity and vision.

Trustee Guzman-Moore introduced Mr. Jack O'Connell, Superintendent of Public Instruction who was present to acknowledge his support of the resolution and to express his thanks to the Smith family.

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The trustees then presented the family members with a token of the university's gratitude in recognition of the visionary spirit of Martin V. Smith.

The committee recommended approval of the proposed resolution (RIA 01-06-01).

### **Approval of the 2004-2005 Annual Report on External Support**

Trustee Guzman-Moore explained the next action item was the 2004-2005 Annual Report on External Support. As required by the Education Code, the report is submitted to the California Postsecondary Education Commission, the Joint Legislative Budget Committee, and the California Department of Finance. She called attention to the report distributed earlier and asked Mr. West to continue with presentation of the item.

Mr. West deferred the presentation to Ms. Lori Redfearn, Senior Director of Systemwide Advancement. Utilizing a PowerPoint presentation, Ms. Redfearn provided a comprehensive overview of the challenges, successes, and overall status of the university's external support activities during the past year.

Mr. Redfearn noted a primary objective during this time has been to enhance endowment management efforts and cited formation of a task force to identify and examine best practices for endowment management and to assist campuses in making the most of their revenue sources. She reported the task force has completed a guide for developing effective investment policies and has shared it with campus auxiliary organizations as well posting it on the web. Ms. Redfearn indicated each campus has agreed to participate in NACUBO's (National Association of College and University Business Officers) endowment survey to establish peer benchmarks.

The committee recommended approval of the proposed resolution (RIA 01-06-02).

### **Council for Advancement and Support of Education Awards**

Mr. West introduced the item and explained that each year the Council for Advancement and Support of Education (CASE) honors superior achievement in the field of university advancement. He noted that as in prior years, CSU made an impressive showing with a number of awardees from several CSU campuses.

Mr. West gave special recognition to Dr. Milton A. Gordon, President of California State University, Fullerton who was honored with the CASE District Seven Chief Executive Leadership Award.

Trustee Guzman-Moore and Chair Galinson added their congratulations to Dr. Gordon and to all the award recipients.

Trustee Guzman-Moore adjourned the meeting.

## COMMITTEE ON INSTITUTIONAL ADVANCEMENT

### **Naming of an Academic Entity – San José State University**

#### **Presentation By:**

Richard P. West  
Executive Vice Chancellor and  
Chief Financial Officer

#### **Summary**

This item will consider naming the Graduate School of Business at San José State University as the Donald and Sally Lucas Graduate School of Business.

This proposal, submitted by San José State University, meets the criteria and other conditions specified in the Board of Trustees Policies on Naming California State University Academic Entities, including approval by the system review panel and the campus academic senate.

#### **Background**

The proposed naming of the Graduate School of Business recognizes the \$10 million gift commitment by Mr. and Mrs. Lucas to San José State University's College of Business. The gift will be used to support a number of initiatives to attract professors that are global business thought leaders and to recruit top-level graduates. The initiatives include endowed professorships, fellowships and visiting scholar programs.

Both Mr. and Mrs. Lucas are graduates of San José State University and have supported the University over the years. Mr. Lucas is a 1959 graduate of the College of Business with a major in Marketing. He has been a Spartan Foundation member, and a member of the San José State University Alumni board (1974). In 1975, he served on the Dean's Council, has been a member of the President's Council, and was recognized as the Outstanding Alumnus for the College of Business. In 1999, he was the Tower Award Recipient, the highest honor given to supporters of San José State University. Currently, he is a founding member of the Tower Foundation Board of Directors and serves as Vice Chair.

Mrs. Lucas received her bachelor's degree and credentials from SJSU in 1957 in Childhood Development. She is an experienced fundraiser and "tireless volunteer."

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Both are well-known philanthropists with a strong interest in the arts and programs for disadvantaged youth. Their contributions within the Silicon Valley are numerous, as is their personal involvement with local organizations.

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that the San José State University Graduate School of Business be named the Donald and Sally Lucas Graduate School of Business.

## **COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

### **Naming of a Facility – California State University, Fullerton**

#### **Presentation By:**

Richard P. West  
Executive Vice Chancellor and  
Chief Financial Officer

#### **Summary**

This item will consider naming the Science Laboratory Center at California State University, Fullerton as Dan Black Hall.

This proposal meets the criteria and other conditions specified in the Board of Trustees Policy on Naming California State University Facilities and Properties including approval by the system review panel and the campus academic senate.

#### **Background**

The proposed naming of the facility recognizes the \$4.2 million contribution by Dan Black, Class of 1967, to the College of Natural Sciences and Mathematics. The gift will be used to renovate laboratory space, purchase equipment, and provide continued support for undergraduate scholarships in Physics. The Science Laboratory Center was built in 1990. It is the primary technical area for faculty and student research at the undergraduate and graduate levels. The 97,000 square foot Center houses 35 faculty research laboratories including the laboratories of outstanding faculty in physics, biology, chemistry, and geology. The facility also contains 14 teaching laboratories for Chemistry & Biochemistry, Biology and Geology. Adjacent to McCarthy Hall, home of the College of Natural Sciences and Mathematics, the Science Laboratory Center complements the theoretical teaching of Natural Sciences and Mathematics faculty through its applied learning emphasis.

Mr. Black graduated from the Department of Physics in 1967 after serving in the United States Navy. As a married student, he was not able to spend a large amount of time in the University laboratories, as family commitments required that he work full-time. He feels that his undergraduate experience was limited and has sought through generous gifts to allow current undergraduate physics majors the flexibility to work less and to spend more time in the laboratory.

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In 1999, he worked with President Gordon and the College of Natural Sciences and Mathematics faculty to create the Dan Black Physics and Business program. The interdisciplinary program has a cohort of 6-10 students who will graduate with a bachelor's of science and a minor in business. During the senior year capstone course, students create a business plan and present their ideas to a panel including venture capitalists. The program also requires two summer internships. Mr. Black has funded the program annually with a gift of \$75,000 to \$100,000.

Mr. Black is the president of Prothera, a nutritional supplement company in Reno, Nevada. Mr. Black and his wife, Kathy Chao divide their time between homes in San Francisco and Reno. He received the University's Distinguished Alumnus Award in 2000.

The following resolution is recommended for approval:

**RESOLVED**, By the Board of Trustees of the California State University, that the Science Laboratory Center at California State University, Fullerton, be named Dan Black Hall.

## **COMMITTEE ON INSTITUTIONAL ADVANCEMENT**

### **Measuring Advancement**

#### **Presentation By**

Richard P. West  
Executive Vice Chancellor and  
Chief Financial Officer

Lori A. Redfearn  
Senior Director  
Systemwide Advancement

#### **Summary**

The information item will present campus university advancement goals for performance.

#### **Background**

In March 2005, the Board of Trustees adopted a set of four guiding principles that measures the productivity of, and investment in, advancement operations.

1. Campuses should ensure that the advancement enterprise has resources sufficient to achieve goals. Goals and results should be consistent with the investment.
2. Campuses should establish and evaluate performance goals annually. Goals should reflect percentage increases in private support and growth in endowments, with recognition that fluctuations will occur because of the somewhat unpredictable flow of very large gifts.
3. Campuses should operate a well-rounded development program. Over time, a full range of advancement functions should be created to increase opportunities for success. These functions should include major gifts, planned giving, corporate and foundation relations, and an active annual fund.
4. A culture of philanthropy should be nurtured on each campus. Advancement goals should find their way into strategic plans, faculty at all levels should be engaged in advancement, the role of private support should be highlighted in campus communications, and volunteers should find ways for meaningful involvement in the quest by campuses to increase private support.

With the guidance of these principles, the chancellor and campus presidents develop annual goals and performance review recommendations. The quantitative goals for each campus are attached in this report.

### **CSU Advancement Classification Model**

Campuses are divided into three peer groups that take into consideration the maturity of a campus advancement program based on the number of full time professional fundraisers, endowment market value, and the number of individual donors.

Group I campuses are in the early start-up phase of their advancement operation. These programs typically have fewer than ten full-time fundraising professionals, less than five thousand donors, and endowments of less than \$10 million. The primary focus for these programs is to build infrastructure and develop a donor base. The development operation may also be engaged in some limited capital or themed campaigns. These institutions are striving to achieve a fundraising benchmark that is comparable to 10% of the state general fund allocation.

Group II campuses are emerging from the start-up phase. These programs typically have ten to twenty-five full-time professional fundraisers, five to ten thousand donors, and endowments valued between \$10 million to \$50 million. Development programs at these institutions are striving to be more comprehensive and may include specialists in annual giving, planned giving and corporate/foundation relations. These campuses are commonly engaged in capital or themed campaigns. The expectation is that these campuses will raise private funds comparable to 10% to 15% of the state general fund allocation.

Group III campuses are the more mature advancement programs. These programs have typically over twenty-five full-time professional fundraisers, more than ten thousand donors, and more than \$50 million in endowment funds. Group III campuses have greater opportunity to increase investment in fundraising from non-state sources such as unrestricted gifts and endowment management fees. These programs have engaged in or are positioning for comprehensive campaigns. The fundraising benchmark for Group III campuses is 15% of the state general fund allocation.

The following chart compares gift commitments to the state general fund allocation for the last three years. Evaluation of progress in reaching benchmarks is focused on the three-year average, which helps to level fluctuations that may occur due to the receipt of significant major gifts.

**Gift Commitments Compared to State General Fund Allocation**

<b>Campus</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>Three Year Average</b>
<b><i>Group I</i></b>				
Bakersfield	4%	2%	11%	6%
Channel Islands	15%	6%	7%	9%
Dominguez Hills	7%	4%	4%	5%
East Bay	2%	4%	14%	7%
Humboldt	15%	9%	7%	10%
Maritime Academy	8%	14%	4%	9%
Monterey Bay	5%	18%	7%	10%
San Bernardino	6%	5%	6%	6%
Stanislaus	7%	4%	5%	5%
<b><i>Group I Average</i></b>	<b>8%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>

<b><i>Group II</i></b>				
Chico	7%	6%	4%	6%
Fullerton	4%	6%	7%	6%
Los Angeles	4%	6%	4%	5%
Northridge	16%	16%	10%	14%
Pomona	10%	4%	8%	7%
Sacramento	10%	5%	5%	7%
San Francisco	9%	13%	15%	12%
San Jose	8%	8%	18%	11%
San Marcos	9%	4%	13%	9%
Sonoma	26%	26%	21%	24%
<b><i>Group II Average</i></b>	<b>10%</b>	<b>9%</b>	<b>11%</b>	<b>10%</b>

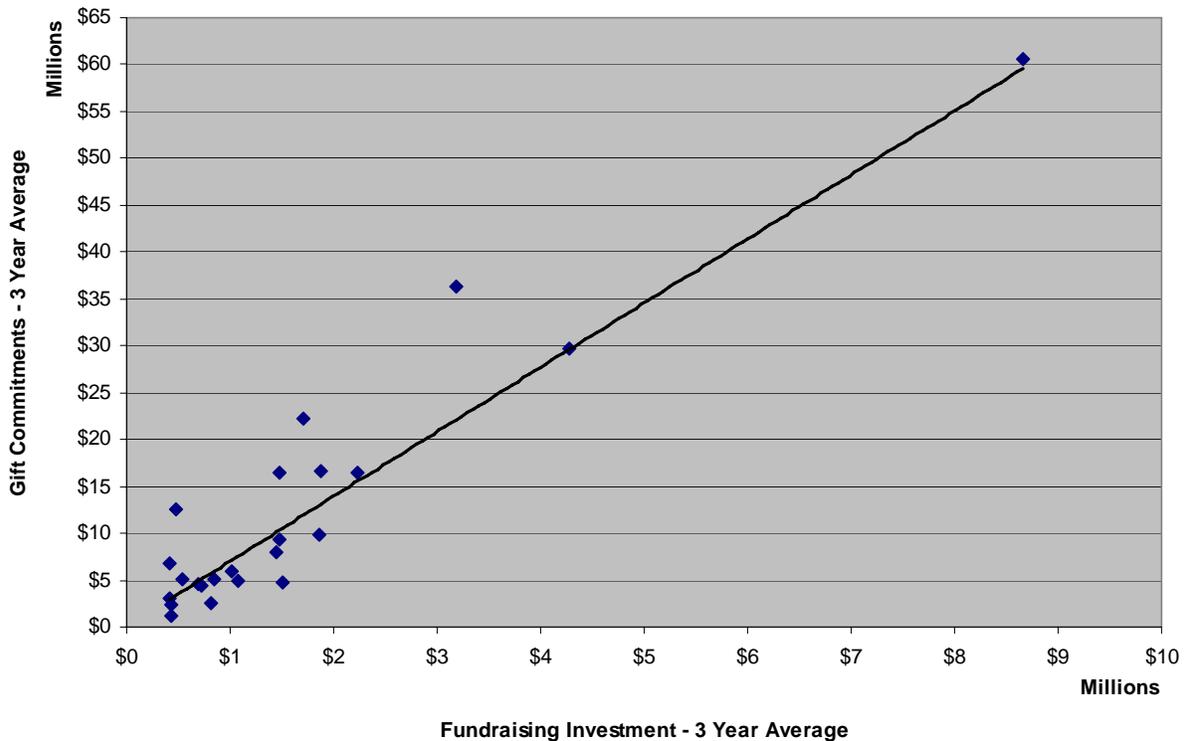
<b><i>Group III</i></b>				
Fresno	14%	14%	10%	13%
Long Beach	18%	19%	15%	17%
San Diego	31%	34%	32%	32%
San Luis Obispo	29%	27%	32%	29%
<b><i>Group III Average</i></b>	<b>23%</b>	<b>24%</b>	<b>22%</b>	<b>23%</b>
<b><i>System Average</i></b>	<b>12%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>

### Investments in Advancement

State general fund and other investments in advancement administration, fundraising, alumni relations, public affairs and communications reached \$79 million in 2004/05 compared to \$77 million in 2003/04.

State general fund and other investments in fundraising remained steady at just under \$40 million for both years 2003/04 and 2004/05. For 2004/05, the net return on fundraising investment in relation to gift commitments of \$285 million was 617%. In 2004/05, the California State University system spent 14 cents to raise a dollar. The target range for the cost to raise a dollar is 10 to 20 cents.

The chart below compares the three-year average of gift commitments compared to the three-year average of fundraising investments. The trendline is an indicator for establishing gift commitment goals based on fundraising investment.



## **Goal Matrix**

Each campus has submitted a goal matrix indicating past performance, as well as, goals for both gift commitments and investment in advancement programs for the years 2005/06 and 2006/07. These goals may be viewed at [www.calstate.edu/UA/goals](http://www.calstate.edu/UA/goals).

An overview of the campus advancement plans will be presented at the Board of Trustees meeting.