

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

in Joint Session with

B. Finance, Audit and Facilities Committee

Revised Endowment and Program Naming PolicyINFORMATION

Proposed changes to the Endowment and Program Naming Policy will be discussed at the October 2011 joint meeting of the Finance, Audit and Facilities Committee and the Academic and Student Affairs Committee. We plan to bring the new minimums to the Board of Regents for approval at the November 2011 meeting. With the Board's approval, we will recommend the changes take effect July 1, 2012.

BACKGROUND

After discussion with President Young, deans and vice presidents, chief advancement officers and key volunteers, a review of peer benchmarks, and internal conversations about school/college needs, we propose increases in the minimum gift size required to establish some types of endowments as outlined below.

Addressing the Gap between Purpose and Need

University endowment minimums have not been raised since July of 2003, when the Board of Regents approved the current Endowment and Program Naming Policy. During that time, tuition, salaries and the cost of doing business have increased while the consolidated endowment fund's distribution rate has been reduced. As a result, some endowments established with a minimum gift are too small to sufficiently support the purpose for which the endowment was created.

With continued annual increases in tuition expected over the next several years and no salary increases on the near horizon, the gap between many endowments' distributions and student and faculty needs will continue to grow.

Providing a More Congruous Experience for Multi-Unit Donors

Over the past several years, several schools and colleges have increased their endowment minimums. This has resulted in a number of different price points across campus, particularly for endowed professorships and chairs. In the course of increasing minimums to help ensure that endowment distributions better sustain the needs they were established to support, it is desirable to bring minimums into closer alignment while respecting the varying needs of different schools, colleges and campuses.

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Seizing the Intra-Campaign Opportunity

The intra-campaign period is an ideal time to make necessary increases to endowment minimums. Based on a review of business needs, gift potential and peer benchmarks, we suggest a two-tier endowment minimum structure. This provides the option for each school/college/campus to select the tier which best fits its business needs and donor base – allowing for flexibility while narrowing the range of price-points across campus.

We saw during Campaign UW that in most instances, donors established endowments with gifts at or near the minimum amount. Raising our – and our donors’ – sights will help us secure gifts that meet academic units’ business needs going forward.

Staying the Course

We will carry on with our current philosophy that minimums are truly minimums. Units remain welcome to solicit/accept endowment gifts over and above the minimums listed in attachment 2.

Policy Changes

To further the appropriate stewardship of endowment donors, we advocate for the addition to the policy language noting that endowment minimums represent the minimum gift a donor (or group of donors) must give to establish a new endowment, and that matching monies not provided by private funds will be added to the endowment, but not applied to meeting the minimum.

Implementing the Adjusted Minimums

Consensus across the campus community is that the ideal date for the new minimums to take effect would be July 1, 2012. Fundraisers may choose to use the window between the approval and effective dates to encourage gifts at the current minimum where appropriate. In addition, exceptions to the new minimums will be approved on a case-by-case basis for gifts currently under discussion (as documented through contact reports, pre-approved pledges, and prospect tracking records in Advance) received after that date.

Attachment

Draft Endowment Minimums

Draft Endowment Minimums

Program Support

Endowed School/College/Program

Transforms and permanently enhances a School, College or Program.

	Current Minimum	Proposed Minimum	
		Tier 1	Tier 2
Endowed School/College/Program	Market Price	Market Price	Market Price

Endowed Deanship

Full or substantial portion of salary and related support for holder's School, College, or Campus.

	Current Minimum	Proposed Minimum	
		Tier 1	Tier 2
Endowed Deanship	ENGR, BUS, UWM	\$5 million	Market Price
	Other Areas	\$3 million	Market Price

Endowed Funds

Unrestricted support for a Department, Program, Office, School, College, Campus, or the University at large.

	Current Minimum	Proposed Minimum	
		Tier 1	Tier 2
Endowed Fund for Research Acceleration	<i>N/A (new fund type)</i>	\$100,000	\$100,000
Endowed Fund for Program Support	\$25,000	\$25,000	\$25,000

Endowed Lectureship

Stipends to visiting and resident lecturers, travel, accommodations, receptions and related expenses, publication expenses, secretarial and research assistance.

	Current Minimum	Proposed Minimum	
		Tier 1	Tier 2
Endowed Lectureship	\$150,000	\$250,000	\$250,000

Student Support

Endowed Undergraduate Student Support

Tuition, books, fees and other educational expenses.

	Current Minimum	Proposed Minimum	
		Tier 1	Tier 2
Endowed Distinguished Undergraduate Scholarship	<i>Replaces regental scholarship</i>	\$250,000	\$250,000
Endowed Undergraduate Scholarship	\$50,000	\$100,000	\$100,000
Endowed Fund for Undergraduate Student Support	\$25,000	\$25,000	\$25,000

Endowed Graduate and Professional Student Support.

Tuition, books, research and living expenses for graduate and professional students.

	Current Minimum	Proposed Minimum	
		Tier 1	Tier 2
Distinguished Endowed Graduate Fellowship	<i>Replaces regental fellowship</i>	\$250,000	\$500,000
Distinguished Endowed Professional Student Scholarship	<i>Replaces regental scholarship</i>	\$250,000	\$500,000
Endowed Professional Student Scholarship	\$50,000	\$100,000	\$250,000
Endowed Graduate Fellowship	\$100,000	\$100,000	\$250,000
Endowed Fund for Graduate or Professional Student Support	\$25,000	\$50,000	\$50,000

Faculty Support

Endowed Chair

Full or substantial portion of salary and related support for faculty members.

	Current Minimum		Proposed Minimum	
			Tier 1	Tier 2
Endowed Chair	ENGR & BUS	\$2 million	\$2 million	\$3 million
	Medicine	\$1.5 million		
	All other areas	\$1million		

Endowed Professorship

Faculty salary, research support, supplies, equipment, publication costs (includes Visiting Professorships).

	Current Minimum		Proposed Minimum	
			Tier 1	Tier 2
Endowed Professorship	Foster School	\$1 million	\$500,000	\$1 million
	Engineering	\$750,000		
	Medicine	\$500,000		
	All other areas	\$250,000		

Endowed Faculty Fellowship

Research and other support for a faculty member.

	Current Minimum		Proposed Minimum	
			Tier 1	Tier 2
Endowed Faculty Fellowship	Foster School	\$250,000	\$100,000	\$250,000
	All other areas	\$100,000		

Endowed Fund for Faculty Support

Research and other support for a faculty member.

	Current Minimum		Proposed Minimum	
			Tier 1	Tier 2
Endowed Fund for Faculty Support		\$25,000	\$50,000	\$100,000