

March 4, 2020

MEMO FROM: Megan Olson, Vice Chancellor, University Advancement

RE: Response to Advancement Administrative Function Reports

I have completed my review of the administrative function review reports for University Relations, Development and Alumni Relations within the University Advancement unit at UAA. I have considered the need to reduce our unit's budget by at least 10% to help meet UAA's reduction in FY21 and FY22, while preserving the core functions that have helped drive progress in fund raising overall (more than \$10M in FY19), communications and alumni engagement and participation. The need to preserve this core is real as UAA continues to weather reputational damage, loss of confidence among key constituencies and a constriction of academic programs that has donors and alumni wondering about the future of UAA.

Our centrally-based, integrated Advancement unit is designed intentionally and has grown thanks to partnerships with academic and administrative units across campus. Our team of six major gift officers is a product of those partnerships, and has each one "shared" between Advancement and either the College of Unit. These gift officers are ensconced in the subject matter of the area on which they are focused, but they remain donor-centric and collaborative with colleagues across UAA's campuses and across the UA System to ensure that donors' intents are met and that the greatest potential is met with donor generosity.

Over the last five years, University Advancement's UGF distribution has been reduced by 26% or \$773,224. 70% of Advancement's budget is personnel because this Advancement work is human-resource-driven, so we have little operating funding, aside from strategic initiative funding provided by UA SW, which makes enrollment marketing possible, for example (\$496k).

Please note that even before cuts are made that University Advancement will begin FY21 with a \$296k deficit that is consistent with our operation's functioning in recent history. The deficit is covered annually with the use of one-time funds, which we understand 20% of which will be swept centrally again this year.

After reviewing the three admin function reports, I recommend the following cuts to University Advancement functions in FY21:

University Relations: \$130,000 REDUCTION, plus reallocation of recruitment marketing funds (\$750k)

This can be achieved through a reduction of personnel and an enhancement of external contracts for certain functions, some of which are highlighted in the report (e.g. media relations, graphic design, social media, etc.).

Additionally, we could move the recruitment marketing function and budget to Student Affairs (\$500k) and potentially web marketing as well (\$250k) as we move toward necessary enhancement of UAA's recruitment marketing and web presence to drive enrollments.

Alumni Relations: \$97,000 REDUCTION

Reductions in the print production expenses of the Alumni Spirit Magazine and the elimination of a position in alumni relations helps us achieve this savings.

Development: \$88,000 REDUCTION

A reorganization of the development function is required in order to lower the budget while preserving productivity. Strategic reductions in development personnel (note that major gift officer expenses are shared with academic and administrative units across campus) are not desired, but are possible.

University Advancement REDUCTION TOTAL: \$315,000

We welcome further conversations about moving to a shared services model for fiscal management and any other potential reallocations/streamlining of functionality (e.g. events) that could result in modest additional savings and potentially greater efficiency.

If deeper cuts are required, it will necessitate a strategic reorganization of the whole University Advancement unit to preserve the foundational elements of the core Advancement functions – University Relations, Development, Alumni Relations – such that what is left provides a solid foundation upon which to grow and expand in the future. The shared and hoped-for future of University Advancement, especially as we prepare to launch a major comprehensive campaign, is to reach greater heights of productivity to benefit and potentially offset these potentially devastating cuts to academic programs and administrative functions.

In recent years, the dollars raised are:

FY20 (to date) \$4,025,064
FY19 \$10,050,708
FY18 \$5,713,243
FY17 \$8,993,686
FY16 \$4,526,987
FY15 \$6,772,754

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