

UAA Administrative Review Questionnaire – Spring 2020

1) What are the core functions of your unit that are funded in Fund 1 (i.e. Fund 104110)? (Bullet point list is preferred. No more than one page, please.)

Development contributes to the sustainability of UAA in that the team raises private funds to maintain a margin of excellence at UAA that supports its mission, brand, reputation and promise. In FY19, UAA Development raised \$10,050,708 from 2,320 donors.

UAA's development team is responsible for cultivating relationships with prospective donors and determining where there might be an intersection between a donor's passion and philanthropic opportunities on campus.

While the majority of our funds are raised by UAA's Major Gift team, complementing their efforts, and helping us build a pipeline for major gifts, are other essential staff members who support our annual fund effort, scholarship execution, and provide general support to the entire development team.

UAA's development team consists of the following functions:

- Development leadership – one position (recruiting to fill vacancy currently)
- Major gifts (partially funded by associated academic/administrative units) – six positions (two vacant)
- Scholarship assistance – one position
- Annual giving (partially and temporarily funded by the UA Foundation) – one campus-based position (vacant) and we also participate in a statewide coordinated annual fund effort led by the UA Foundation
- Development and Donor Relations support (partially and temporarily funded by the UA Foundation) – two positions (one vacant)

Development is the sole designee of the UA President for soliciting and accepting gifts on behalf of the UAA. UA Board of Regents Policy P05.14.030 under the title of "Authority to Solicit and Accept Gifts" states that "only those individuals specifically authorized by regents' policy or university regulation may solicit or accept gifts on behalf of the university, regardless of whether such gifts are to be held by the university or the University of Alaska Foundation."

2) If one or more of these functions was reduced or discontinued, what would be the impact on: (Not all elements may be relevant for your unit. Only address relevant items.)

- A. More students persisting and completing educational goals?

Donor contributions that support needs-based and merit scholarships, as well as undergraduate research, practical/internship experiences and that also provide equipment and physical spaces for faculty students are invaluable for student experiences.

UAA has a high percentage of first-generation college students. And, many of our students struggle to finance their college expenses, having to contend with competing responsibilities involving work, family, and school. Scholarships contribute to student success by allowing for more financial flexibility.

In FY19, 2320 donors donated \$10,050,708 to a multitude of scholarships, professorships, and excellence funds. Over six million dollars was dedicated to ANSEP students and support. And, scholarships were given at each college. As an example, at the College of Business and Public Policy, \$254,896 were awarded in scholarships.

If we had fewer staff members securing scholarships, we would not be raising as much money and securing the financial relief that our students need.

B. Supporting overall student, faculty and staff success in meeting UAA's mission?

Development expands educational opportunities and increases student success and aids in faculty recruitment and retention. Scholarships were mentioned above, but we also received many gifts to support faculty research and retention. For instance, US Seafoods gave \$300,000 to the Institute of Social and Economic Research (ISER) to support economic policy related to fisheries. And, the Council of Alaska Producers gave over \$100,000 to the Visiting Professor of Public Policy, supporting that professors research in mining policy.

C. Impacts to UAA's reputation, and ability to attract and retain students and/or external support?

Development acquires external financial support through philanthropy to strengthen UAA's instructional program, raising money for scholarships, graduate fellowships, faculty awards, capital upgrades, travel support, guest lectures, program enrichment and much more.

3) Identify measures and targets used to monitor the impact of functions on each of the above (not all elements may be relevant for your unit, only address relevant items).

All development staff track metrics, including

- Dollars raised
- Number of proposals submitted to donors
- Number of successful proposals
- Number of meaningful contacts with donors
- Number of planned gifts

However, the most indicative measure of success are dollars raised to support our faculty and students. In FY18, we raised \$5,713,243, and in FY19, that number swelled to \$10,050,708, and during that same timeframe, we also experienced an 8% increase in the number of donors.

Of course, Development cannot operate on its own; it requires collaboration with University Advancement's other units: Administration, Alumni Relations, Events, and University Relations. Together University Advancement creates a synergy that strengthens the visibility, pride, and relationships for UAA.

4) What improvements have been achieved over the last five years?

Annual Giving

In the Summer of 2017, UAA changed the way we manage our annual giving effort. We partnered with the other universities in the UA system, as well as the UA Foundation, and entered into an agreement with Ruffalo Noel Levitz (RNL) to coordinate our annual giving effort, including the running of our phon-a-thon, direct mail, and digital communication effort. This contract was paid for by the universities, as well as the UA Foundation, resulting in cost savings to UAA.

Streamlining Major Gifts with Support

To date, we have strived to ensure that Major Gift Officers are focused on major gift fundraising. In order to do this, we have created a Scholarship Development Officer position, retooled the Annual Giving Officer position to include an active portfolio of lower-level donors, and added two Development Coordinator positions to alleviate the Major Gift team and allow them to add more high-level donors to their portfolios.

Dollars Raised

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

5) What efforts has your unit made to improve efficiencies and reduce costs? What was the result?

We have continued some of the cost-saving strategies implemented over the last five to seven years, such as:

- Reduced printing costs by utilizing electronic media to communicate with our donors and alumni whenever possible
- Limited donor appreciation gifts and promotions
- Revisited stewardship events and whenever possible, collaborate with existing events
- Development officers have worked to reduce representational expense by working to meet donors in their homes or offices instead of over breakfast and lunch
- Donor acquisition campaigns have focused more on donor retention and renewal of lapsed donors, saving appeal costs and helping us keep the donors that we have

However, we have also worked with our colleagues at the UA Foundation to look for other ways to make our Major Gift officers more efficient by creating the following positions, limiting the need for additional Major Gift Officers:

State-wide Coordinated Annual Giving and a dedicated Annual Giving position

- Statewide Coordinated Annual Giving --- In the Summer of 2017, UAA changed the way we manage our annual giving effort. We partnered with the other universities in the UA system, as well as the UA Foundation, and entered into an agreement with Ruffalo Noel Levitz (RNL) to coordinate our annual giving effort, including the running of our phon-a-thon, direct mail, and

digital communication effort. This contract was paid for by the universities, as well as the UA Foundation, resulting in cost savings to UAA.

- Annual Giving Officer -- The UA Foundation also supports a portion of the Annual Giving Officer. This position serves the centralized annual-giving program at the UA Foundation and advances the work of the campus-based Major Gift officers by (1) taking donors who are giving under \$25,000 a year out of the Major Gift Officer's portfolio, and (2) identifying and moving donors who are ready for a significant gift conversation into the portfolio of a Major Gift Officer.

Addition of a Scholarship Development Officer

Like the Annual Gift Officer, this position also increases the efficiency of existing Major Gift Officers. It does this by (1) creating room in the Major Gift Officer's portfolio by taking donors who are solely interested in supporting scholarships, and (2) by assisting Major Gift Officer's with the creation and stewardship of scholarships.

Addition of a Development Coordinators

Finally, the Development Coordinators, who are also temporarily supported by the UA Foundation, free-up additional time for our Major Gift team by assisting them with various administrative duties, such as event planning, invite creation, follow-up call, and donor relations activities, etc.

Without these positions, supporting the work of the Major Gift team, we would need to hire additional development officers. Now, we can increase the efficiency of our existing Major Gift team with positions that demand lower-salaries, allowing us to limit our need to expand costs.

6) List and briefly describe any current or proposed Board of Regents Policy, State or Federal mandates, or laws that require the continuation of your core function(s).

While this is not a Board of Regents Policy, Federal mandate, or a law, it is worth mentioning that in a memo dated February 11, 2020, from President Johnson to all of the UA Chancellors, the President states, "At no time in our history has it been more important to continue our investment in fundraising efforts, so please do not cut any development staff positions for the rest of FY20 and FY21. Any positions that become vacant should be filled expeditiously."

7) Potential cuts: Please describe any function reductions or eliminations that are feasible without significantly affecting UAA's mission fulfillment or its compliance mandates? Are any functions within your unit are duplicated elsewhere at UAA? Is there an opportunity for efficiency to be created by partnering or combining functions? Please describe the opportunities you identify within your unit and include the approximate dollar values and savings that would result. Here is my sample sentence to preserve formatting

UAA Development is already understaffed and we are in the midst of hiring several people positions, such as the Senior Development Officer for the College of Health, the AVC for Development, the Annual Giving Officer, and an additional Development Coordinator.

Recently, the Senior Development Officer for the Community and Technical College (CTC) accepted another position at UAA. While there are some fundraising opportunities at CTC, the majority of them are at the annual giving level. And, over the last year, we have discovered that CTC needs to build their donor pipeline up significantly before they are positioned to make the best use of a full-time Senior Development Officer position. Therefore, reworking the CTC Senior Development Officer position into an annual giving position is recommended. This move would save money while providing the development expertise that this unit needs.

Another idea would be to scale down from six to four major gift positions. One would serve Athletics and the other three would be generalists, serving all of the UAA. Presumably, we could use the salary saved from these higher-level positions to hire a campaign manager and two additional development coordinators, resulting in four development coordinators.

This way, each of the remaining four Senior Development Officers would have a dedicated Development Coordinator. I think that having this dedicated support would make up for the loss in senior-level staff and propel the reduced major gift staff into more successful fundraising. If we needed to save even more money in this scenario, we could consider eliminating the Campaign Director idea and hire another Development Coordinator and dedicate that person to the AVC of Development and ask the AVC to take a bigger portion of the UAA-based campaign planning.

In general, reducing investments in fundraising functions will directly impact our ability to garner external support.

However, Development does more than raise money. Development also creates and deepens UAA's relationships with alumni, community members, small and large businesses, and foundations. Many of these relationships will result in significant donations through estate gifts and philanthropic partnerships. It generally takes 18 to 36 months to discover, cultivate, solicit, and close a major gift. Any disruption in funding will result in years of rebuilding relationships in the future.

If the Development function is reduced, there will be an immediate decrease in donations to UAA, leading to fewer scholarships, less program support, confusion to donors, and a message that private donations are not needed. Meanwhile, the need for philanthropic support will increase in this era of reduced government funding.

Here is an overview of the functions and with an explanation of how reductions would impact them:

- Development leadership
 - Reducing this function would result in less coordination and more pressure on the VC of Advancement to provide coordination and oversight of the development team. This would also take away the Lead Development Officer's time from fundraising, resulting in fewer gifts.

- Major gifts
 - We currently have six Major Gift positions. One is also the Lead Development Officer, as well as five other Senior Development Officer positions. Five positions are connected to an academic unit and the sixth position is associated with Seawolf Athletics.

When we experience gaps and are unable to refill a particular position, we often lose money. In a study from the Center for American Progress, the authors found that the average cost to replace a Major Gift Officer is up to 213% of that person's salary and benefits that you're replacing.

UAA's history appears to support this assertion. In FY16, UAA's College of Health (COH) did not have a major gift officer for most of the year and raised 344k. In FY17, we hired an effective Major Gift Officer, and that number soured to 776k and kept climbing to 2 million in FY18, 806K in FY19 and 1.9 million in FY20.

- Scholarship assistance
 - Eliminating this position would take time away from development officers and reduce their ability to raise funds. The Scholarship Development Officer increases the efficiency of existing Major Gift Officers. It does this by (1) creating room in the Major Gift Officer's portfolio by taking donors who are solely interested in supporting scholarships, (2) by assisting Major Gift Officer's with the creation of scholarship funds and the on-going stewardship of those donors, and (3) they also coordinate with Financial Aid and make sure that all of the new scholarships are properly loaded into our scholarship database (*Academic Works*).
- Annual giving
 - Similar to the Scholarship Development Officer, this position saves money by alleviating the Major Gifts team, allowing them to move annual giving prospects to the annual giving portfolio. The Annual Giving officer also works to grow the pipeline of major donors by identifying annual-level donors who may be ready for a planned giving or major gift conversation.
- Development support
 - Reducing or eliminating the Development Coordinators, would put lower-level work back on the Major Gift team and reduce their ability to raise money. Development Coordinators, who are paid for by the UA Foundation, free-up additional time for our Major Gift team by assisting them with various administrative duties, such as event planning, invite creation, follow-up call, and donor relations activities, etc.

Potential reductions described above could result in \$88,000 in savings to the development function (please note that many development personnel expenses are shared across colleges