GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.

Spring Board Meeting
Saturday, May 15, 2010 - 10:30 am
Georgia Southern University
Nessmith Lane Building – Room #2911

AGENDA

WELCOME and OPENING REMARKS............................................ Max Manack, Chair

APPROVAL OF BOARD MINUTES.............................................. Max Manack, Chair

MEMBERSHIP COMMITTEE REPORT........................................ Jimmy Franklin, Chair

INVESTMENT COMMITTEE REPORT........................................ Barbara Christmas, Chair
PRIME, BUCHHOLZ & ASSOCIATES PRESENTATION...................... George Hauptfuhrer

DEVELOPMENT COMMITTEE REPORT ............................... Caroline Harless, Chair
CORPORATIONS/FOUNDATIONS

DEVELOPMENT COMMITTEE REPORT................................. Marshal Mize, Chair
MAJOR GIFTS/PLANNED GIVING

EXTERNAL/GOVERNMENTAL RELATIONS COMMITTEE REPORT.........Bill Hatcher
Chair

FINANCIAL REPORT 3/31/10
PRESIDENT’S REPORT......................................................... Billy Griffis, President

UNIVERSITY UPDATE............................................................ Brooks Keel, President
Georgia Southern University

CLOSING COMMENTS AND ANNOUNCEMENTS......................... Max Manack, Chair

ADJOURN
GEORGIA SOUTHERN UNIVERSITY FOUNDATION, INC.  
Minutes of the Meeting of the Board of Trustees  
May 15, 2010

The Board of Trustees of Georgia Southern University Foundation, Inc. met at 10:30 AM at the Nessmith Lane Building in Statesboro, GA. Trustees present were: Wayne Akins, Gene Bishop, Tommy Bond, Derrick Brown, Charles Chandler, Jimmy Childre, Barbara Christmas, Michael Curry, Tommy David, Margot Dawkins, Tim Evans, Jimmy Franklin, Jenny Gentry, Billy Griffis, Caroline Harless, Bill Hatcher, Billy Hickman, Jimmy Hodges, Brooks Keel, Mike Kennedy, Max Manack, Kara Martin, Rod Meadows, Marshal Mize, Martin NeSmith, Ricky Nessmith, Pat O’Connor, Wanda Parrish, and Mike Skinner. Trustees not present were: Troy Athon, Pat Blanchard, Terry Coleman, Greg Colson, Ron Core, Pat Douglas, Julius Edel, Lee Fulcher, Tracy Ham, Lamar Hennon, Don Howard, Billy Jones, Harry Mathews, Joe McGlamery, Connell Stafford and Ric Tomlinson. Others present were: George Hauptfuhrer, Jodi Collins, Russell Keen, Carole Smith, Michelle Pittman, Melanie Mosley and Samantha Nesmith.

Welcome and Opening Remarks: Mr. Manack welcomed everyone to the Spring Board Meeting of the Georgia Southern University Foundation. Mr. Manack thanked everyone for coming to the Friday night BBQ dinner and for attending the early morning committee meetings prior to the board meeting.

Approval of the Board Minutes: Mr. Manack referred Trustees to the minutes of the winter meeting and asked for any revisions or corrections. With none given, a motion was made that the minutes be accepted as presented. The motion was seconded and it passed unanimously.

Membership Committee Report: Mr. Franklin began the Membership Committee Report by announcing the members that were renominated for another term. These members included Jimmy Childre, Barbara Christmas, Michael Curry, Jimmy Franklin, Bill Hatcher, Joe McGlamery, and Harry Mathews. All of these members accepted the renomination except for Harry Mathews, who declined renomination. Next, Mr. Franklin announced Julius Edel will be retiring from the board. Mr. Mike Kennedy made a motion to accept the renominations and retirement of these members. Mr. Jimmy Childre seconded the motion and it passed unanimously.

Next, Mr. Franklin announced the four new nominees for the Class of 2015: Mrs. Martha Black, Dr. Harry Carter, Dr. Carl Gooding, and Mr. Tommy Jones. All have been contacted and all have agreed to serve if elected by the Board. Dr. Barbara Christmas made a motion to accept the new nominees. The motion was seconded by Dr. Gene Bishop and it passed unanimously.

Investment Committee Report: Dr. Barbara Christmas, chair of the Investment Committee began by thanking the committee members for their participation in the previous conference calls as well as for attending the spring committee meeting. She then introduced Mr. George Hauptfuhrer, the investment consultant from Prime Buchholz
and Associates, to give an update on the Foundation’s investments. He reviewed several areas including the S&P 500, Russell Midcap, Russell 2000, MSCI EAFE and MSCI Emerging Markets, all of which have increased for the year, helping out the overall performance of the Foundation’s investments. After answering questions on his investment report, Mr. Hauptfuhrer concluded his presentation.

**Development Committee Report- Corporations and Foundations:** Caroline Harless, chair of the Development Committee for Corporations and Foundations, began by thanking everyone who was able to join the group for their committee meeting. She expressed the difficulties this past year of getting corporations to contribute to Georgia Southern University, due to the economy. After brainstorming in the committee meeting, a list of companies was compiled based on a number of factors including the number of Georgia Southern alumni employees and the corporate earnings for the past fiscal year. These companies are to be contacted to get information on their foundations, who should be contacted in the corporate levels and the employee matching programs. Mrs. Harless presented these companies to the board in hopes of existing connections that can be made on behalf of the University. After some discussion and exchange of ideas among the board, Mrs. Harless concluded her report.

**Development Committee Report- Major Gifts & Planned Giving:** Marshal Mize, chair of the Development Committee for Major Gifts and Planned Giving, reiterated the challenges that have been faced this year due to the tough economic times. The committee discussed and organized a list of potential donors to Georgia Southern University. He talked about the upcoming Capital Campaign and the strategies that are being designed to make the campaign successful. A lot of research has been going into finding potential prospects that not only have the capacity to give, but also have the propensity to give. He talked about the need for the board to become passionate about fundraising for the University during these tough times. After some brief exchange of ideas, Mr. Mize concluded his report.

**External and Governmental Relations Committee Report-** Bill Hatcher, chair of the External and Governmental Relations Committee, gave an update on what took place during the legislative session. Georgia Southern has plans for a $32 million Biology Building. The budget, waiting to be signed by the Governor, allocates $15 million to Georgia Southern University to be used towards this Biology Building. Although this is only half of the needed budget, this was the largest allocation of funds within the University System of Georgia. This was made possible by the dedicated work of Russell Keen, Bob Lane, Jon Burns, Butch Parrish, and Jack Hill.

Mr. Hatcher expressed the importance of the student internships in Washington and in Atlanta. Since 2008, there have been 18 interns in Washington and 3 interns in Atlanta, which is great for Georgia Southern. The opportunities these students are given speaks volumes about Georgia Southern University and the quality of students that are graduating from the University.
Lastly, Mr. Hatcher spoke about the Advocacy Website, which is designed to record connections or relationships between alumni/supporters and the state legislators/leadership in the Georgia Assembly. The board was highly encouraged to join the website and enter their relationships as well as receive updates from Russell Keen and the Capitol.

**Foundation President’s Update:** Foundation President Billy Griffis expressed his appreciation to the Board for their continued service to the Foundation and the University. As Mr. Griffis began his report, he asked everyone to follow along in their notebooks.

Mr. Griffis began by reviewing the Statement of Financial Position. The Cash in Checking appears to be larger because as of March 31, scholarships had not been paid to the University for the spring semester. Total Investments totaled $38 million and showed improvements of approximately $6 million. Under the Property Held for Sale, there were three properties that were given to the University as gifts. All of these properties are currently on the market.

Under Statement of Revenues and Disbursements, contributions and donations are down from previous years. Smaller gifts such as *A Day for Southern* contributions are still coming in, but major gifts have been lagging for the year. The Office of Development is optimistic and expects to see giving increase as we progress into the Capital Campaign.

Under Unrestricted Budget Income, Mr. Griffis noted that Phonathon will exceed their budget for the year. Pledges are at an all time high and are expected to exceed the annual budget by the end of the fiscal year.

Under Unrestricted Budget Expenses, there were no significant changes. All areas are within their annual budgets for the fiscal year. The goal each year is to have money left over so it can be placed in the Unrestricted Fund Reserve. The earnings on the reserve fund are a major part of the unrestricted dollars that can be spent. Mr. Griffis asked for any questions on the financials. With none, a motion was made by Martin NeSmith to accept the March 31, 2010 financials. The motion was seconded by Rod Meadows and passed unanimously.

Mr. Griffis continued his update by informing the board of the upcoming Capital Campaign. Three consulting firms have been interviewed, and one will be selected by mid-June. This firm will come in and work with the University over the next year. Kickoff of the Capital Campaign will be July 1, 2011. The Board will be very involved with planning meetings and steering committees for the campaign, and have all been asked to help make connections with prospects around the country. The University plans to focus on setting a challenging goal and discovering a number of potential prospects that will be beneficial to Georgia Southern University.
University Update from the President: Dr. Keel began with updates on the budget. He thanked Russell Keen for the dedication and determination he portrayed while at the Capitol, as well as the work done by Bob Lane, Butch Parrish, Jack Hill and Jon Burns. The University did a great job communicating the possible budget cuts to alumni, students and parents and the impacts these cuts could have. The legislators received a number of letters, calls and e-mails expressing the concern these cuts could have on Georgia Southern and the community. The budget ended up being $82.7 million, which was significantly greater than anticipated. The Board of Regents also passed a tuition increase, resulting in a 15% increase for Georgia Southern University. This will be roughly a $300 per semester increase. However, this is still below the national average. A portion of the money that will be received from the tuition increase will be used to hire the appropriate advisors and staff needed to assist students. A major focus will be on maintaining the HOPE scholarship. This scholarship significantly helps with the cost of tuition, and currently 80% of incoming freshman have HOPE but only 40% of sophomores are able to keep HOPE. It is the desires of the University to put into place several mechanisms that will help those students maintain this scholarship. There are also plans for an aggressive campaign to hire additional faculty and staff. With the hope that the new budget will be signed by the governor, there is a possibility of hiring 60 new faculty and 27 new staff mostly aimed at advising students.

One of the “worst-case” scenarios researched (when the large budget cut was a possibility) was removing state-funding for some of the non-academic facilities on campus, such as the Wildlife Center, Museum, Botanical Gardens, and the Performing Arts Center. The new budget gives Georgia Southern University the opportunity to keep state-funding for these facilities. However, these facilities are challenged to become more self-sustained through fund-raising and philanthropy, so they can eventually be removed from the state budget.

Some major issues of the University are retention, progression and graduation rates. Currently, the 6-year graduation rate is at 48% and the first year retention rate is at 81%. There are aggressive plans in motion to increase these rates, including additional advisory staff. The University is also taking more interest in the number of transfer students, especially from 2-year colleges such as Atlanta Perimeter College. Plans are being implemented to place a recruiter on the campus of Atlanta Perimeter College to assist students in their transfer to Georgia Southern University.

The upcoming Capital Campaign will be a very intense campaign, as it will be looked at very closely by the Board of Regents. A major goal is for the Georgia Southern University Foundation and the Athletic Foundation to work closely together. The Athletic Foundation was able to secure a $1 million pledge from a donor for the football locker room, as well as receive assistance from that donor to gain an additional $500,000 from corporate contacts. This is only half of the money needed for the locker room, but it is certain that the rest of the funds will be collected. This new facility will be a great attribute when it comes to recruiting players to the football program.
The University also plans on increasing the research opportunities around campus. Research institutions within the state received a tuition increase of $500 per semester, compared to Georgia Southern’s $300 per semester. These extra funds could carry the University a long way. There are plans to implement a cluster-hiring process that will target a specific area of research and will allow the hiring of 6 to 8 new research intensive faculty to that area. The intent is to bring additional money to the University from higher student enrollment. Dr. Keel also plans on placing three research intensive mentor faculty into three of the major colleges for the younger faculty to seek advice from on grants and other proposals. Plans for a complete online Bachelor degree for General Studies will be in place by next spring semester. This is also part of the plan to generate more revenue from tuition opportunities, and is only the beginning of the possible online programs that could come to the University.

As for the administration, Interim Provost Gary Means will retire as of July 1, 2010. Dr. Keel has asked Dr. Jean Bartels, Interim Dean for the College of Health and Human Sciences, to serve as the Interim Provost starting July 1, 2010. Dean Mike Smith, College of Liberal Arts and Social Sciences, will lead the search committee for this position.

Dr. Keel returned to the topic of fund-raising. There are three main areas that will be impacted by the Capital Campaign, the first being the non-academic facilities previously mentioned. Along with those facilities, the Department of Athletics (currently receiving $2.5 million of state funds) receives the lowest budget in the Southern Conference. The University hopes that, through the work of the Athletic Foundation and student fees, the Athletic Department may also become more self-supportive. Secondly, scholarships are in desperate need of assistance at this time, not only for the high caliber students, but more importantly the students that are struggling financially. There are nearly 1,600 students attending Georgia Southern full-time, whose families make less than $35,000 a year. It is extremely important that the University not lose any of these students due to financial hardship, so raising money for the need-based scholarships will be a high priority. A third area that needs to be addressed is the buildings and facilities around campus. The University was able to secure $15 million for Phase I of the Biology Building. However, this is only half of what is needed to complete the building. It is hopeful that next year Georgia Southern will receive the remainder of the money needed to complete the project. It is very important that fund-raising continues on this project. Also, the student union is a facility that needs to be upgraded. The current student union was built to hold only 8,000 students, which is only a portion of the 20,000 students that are on campus today.

Dr. Keel continued by discussing some future opportunities for the University. There is a great need for an engineering college on campus. There is more momentum for the University to move in that direction and hopes to be a great opportunity not only for Georgia Southern University, but also for southern Georgia. Also, there is a greater need for recruitment in Jacksonville, Florida. A large market exists in that area for the University, and the cost of out-of-state tuition would be highly beneficial. Therefore, Dr.
Keel would like for the University to invest in a full-time recruiter to help move this process along.

Dr. Keel completed his report by giving a few highlights from the women’s softball team and the men’s baseball team, as well as a few predictions for the upcoming basketball season and football season. He is very enthusiastic for the return of the triple option and is looking forward to seeing Coach Monken out on the field. He thanked the board again for their continued support and dedication to the Foundation and to Georgia Southern University.

**Committee List:** Mr. Manack encouraged everyone to review the Committee assignments. With no further business, the meeting was adjourned.

*All meetings of the Foundation Board are recorded. The proceeding represents a synopsis of the proceedings. Any Trustee who wishes may come to the Advancement office and listen to the complete recording of any meeting.*