Georgia Southern University Foundation

Winter Board Meeting
Tuesday, February 1, 2011 – 2:30 PM
Georgia Freight Depot – The Blue Room

AGENDA

WELCOME and CALL TO ORDER ..........................................................Max Manack, Chair

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

INVESTMENT COMMITTEE REPORT .............................................. Barbara Christmas, Chair
George Hauptfuhrer
Prime, Buchholz & Associates, Inc.

CAPITAL CAMPAIGN UPDATE....................................................... Penny Scarpucci
Marts & Lundy

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

LEGISLATIVE UPDATE ............................................................... Russell Keen
Associate Vice President for Governmental Relations
Georgia Southern University

COMMENTS FROM SPECIAL GUEST AT 4:15 PM .......................David Ralston
Speaker of the House

ANNOUNCEMENTS and CLOSING REMARKS..............................Max Manack, Chair

Adjourn
The Board of Trustees of Georgia Southern University Foundation, Inc. met at 2:30 PM at the Railroad Depot located in Atlanta, Georgia. Trustees present were: Wayne Akins, Troy Athan, Patrick Blanchard, Tommy Bond, Mike Carpenter, Jimmy Childre, Barbara Christmas, Terry Coleman, Ron Core, Margot Dawkins, Tim Evans, Jimmy Franklin, Carl Gooding, Billy Griffis, Tracy Ham, Caroline Harless, Billy Hickman, Don Howard, Brooks Keel, Mike Kennedy, Max Manack, Kara Martin, Joe McGlamery, Rod Meadows, Mike Skinner, and Connell Stafford. Trustees not present were: Gene Bishop, Martha Black, Derrick Brown, Harry Carter, Charles Chandler, Greg Colson, Michael Curry, Tommy David, Pat Douglas, Jenny Gentry, Bill Hatcher, Lamar Hennon, Jimmy Hodges, Billy Jones, Tommy Jones, Marshal Mize, Martin NeSmith, Ricky Nessmith, Pat O’Connor, Wanda Parrish, and Ric Tomlinson. Others present were: Russell Keen, Jodi Collins, Penny Scarpucci, George Hauptfuhrer, Melanie Mosley and Samantha Nesmith.

**Welcome and Opening Remarks:** Max Manack welcomed everyone to the Winter Board Meeting of the Georgia Southern University Foundation.

**Approval of the Board Minutes:** Max Manack referred the Trustees to the minutes of the fall meeting and asked for any revisions or corrections. With none given, a motion was made by Rod Meadows that the minutes be accepted as presented. This motion was seconded by Pat Blanchard, and it passed unanimously.

**Investment Committee Report:** Barbara Christmas thanked the members of the Investment Committee for their participation in the conference calls. She then asked George Hauptfuhrer from Prime Buchholz and Associates to give an update on the Foundation’s investments. He reported that the S&P 500, International Index EAFE and the Emerging Markets index, and the Fixed Income- Barkley’s Aggregate were all up for 2010. Reviewing the Executive Summary, Mr. Hauptfuhrer reviewed the market value of the Foundation’s assets and the returns for the calendar year. He also reviewed the domestic equity, international equity, private capital, flexible capital, fixed income, inflation hedging and liquid capital for the fiscal year-to-date. After answering some questions from the board, Mr. Hauptfuhrer completed his report. Dr. Christmas returned to the podium to review the minutes and decisions discussed at the last conference call on January 19, 2011.

**Capital Campaign Update:** Mrs. Penny Scarpucci from Marts & Lundy gave an update on the Capital Campaign by reviewing the Capacity Analysis conducted by her firm. This analysis is highly predictive of what the University can expect to raise during the Capital Campaign. Mrs. Scarpucci reviewed the Baseline Gift Forecast, which is derived from a 10-year monthly historic giving report consisting of annual giving, corporate gifts, foundations, gift-in-kind and realized planned gifts. This data generated a baseline gift forecast for a seven year campaign period.
Next, she reviewed the Yield Analysis, which takes the information derived from computerized wealth screening to generate a list of potential prospects. Mrs. Scarpucci reviewed the figures of the Yield Analysis, explaining how Georgia Southern has the potential to reach its Capital Campaign goal.

Mrs. Scarpucci then reviewed the Realistic Gift Tables. These tables only focused on major and principal gifts; and do not include gifts from foundations, corporations, annual funds, in-kind gifts, or realized bequests. This process tells how many gifts Georgia Southern will need to close to reach the fundraising goals.

Next, Mrs. Scarpucci covered the Staffing Optimization, which analyzes prospect management and staffing levels necessary to achieve the fundraising goals. The productivity metrics used in this analysis was a combination of Georgia Southern’s current staffing levels and productivity plus Marts & Lundy’s experience in the sector. Mrs. Scarpucci then gave the recommendations that Marts & Lundy came to based on the current FTE.

Lastly, Mrs. Scarpucci reviewed some of the key findings of the analysis of Georgia Southern University. Georgia Southern needs to analyze the wealth screening results, determine the best prospects, and determine personal strategies around those prospects. Georgia Southern not only needs to focus on the outcome of this campaign, but also long-term as the University continues to grow. Mrs. Scarpucci answered several questions from the board before ending her Capital Campaign report.

**University Updates from the President:** Dr. Keel began his update by telling the Board how extremely important their assistance will be during the Capital Campaign. As members of the Foundation Board, they are expected to do everything possible to open doors of opportunity for our fundraisers. In turn, Dr. Keel would like suggestions on how he can help the Board further the success of Georgia Southern. He is excited by the results of the Marts & Lundy analysis, and is very optimistic that the goal of the campaign will be reached, but it will be hard work to get there.

Dr. Keel wanted to share some of the recent news involving Georgia Southern. U.S. News and World Report recently ranked Georgia Southern as #4 in a list of the Most Popular Universities in the country. GSU followed only behind Harvard, Stanford and Brigham Young, so this was a major accomplishment for the University. Forbes Magazine ranked the University as #10 in the nation as far as minorities that graduate with a degree in the STEM areas (Science, Technology, Engineering, Mathematics).

Next, Dr. Keel gave an update on the accomplishments in Athletics. The football team made it to the playoffs. Attendance at the Wofford game was phenomenal. Out of 10,000 fans, 8,000 were True Blue fans. Also, the Ladies Volleyball team won the SoCon Championship this season. Currently, the Athletic Department is in the process of putting together a Strategic Plan to help the University better understand what they need to be successful in the future. On a different note, the Museum received accreditation, one of
only 700 accredited museums across the nation. Dr. Keel expressed his excitement to see what the rest of the year holds for Georgia Southern University.

Dr. Keel reminded the Board that Billy Griffis will be retiring July 31. The search committee has been assembled and will be led by the Dean of the College of Business, Ron Shiffler. They will work together with an Atlanta area search firm to do a national search for a new Vice President for University Advancement.

Dr. Keel described to the Board his Strategic Vision for Georgia Southern University. This vision will have four major themes.

1) **Promote Academic Excellence**
   There are several ways to achieve this vision. One way to promote excellence is by bringing in an efficient number of well trained faculty on campus. As a whole, Georgia Southern must increase the quality of enrolled students. This can be achieved by raising the minimum standard SAT scores. It was previously at 1000 and now the minimum standard SAT score is 1010, with an average SAT score for incoming freshman of 1104. Georgia Southern must continue to evaluate and modify the curriculum. The new engineering program will help elevate the reputation of the University. Also the new online undergraduate degree, Bachelor of General Studies, will help begin the step forward into the online programs. It was hoped that this new online degree would have 50 full-time enrolled students. There are currently 103 enrolled, so it is off to a good start. In the future, it is hopeful that this will expand into other areas of education.
   A new office opened on the campus of Perimeter College in Atlanta. Many transfer students with Associate’s Degrees come from Perimeter College, and this office will help make that transition from a 2-year college to a 4-year college as seamless as possible. Currently, Perimeter College has over 10,000 students taking online courses, and Georgia Southern hopes to tap into that number by about 10%. Also, Georgia Southern is working on increasing the infrastructure on campus. The University is in the process of buying an apartment complex near campus that will add about 1,000 beds. And lastly, Georgia Southern wants to increase its reputation from a regional university to a national university. Recognition in national rankings, such as those previously mentioned, will help get Georgia Southern University’s name across the nation.

2) **Enhance Student Success**
   Georgia Southern needs to provide more diverse, global opportunities for the students. In order to do this, the University needs to raise more scholarships to bring in the very best students. The best students can go to the university of their choice, so if Georgia Southern cannot provide them with the scholarships needed, then Georgia Southern cannot compete in that market. This is an area that can be changed. These
scholarships will also affect recruiting for Athletics as well. Providing athletes with scholarships will help ensure that the best athletes come to play for Georgia Southern. Raising money for these scholarships will be a major goal of the Capital Campaign. The University also wants to start promoting “Out the Door in Four.” By providing students with more research experience, internships and service learning opportunities within the community, it is hopeful that students will begin graduating in four years rather than the national average of six years. It is highly important that students be prepared for the global workplace of the 21st Century.

3) Increase Research and Creativity
Georgia Southern University needs to increase its federally funded research opportunities. In order to be successful in this area, Georgia Southern needs more research facilities, endowed professorships, startup packages and equipment and supplies needed for the faculty. The University just implemented the creation of a rural health research institute and will implement a cluster-hire to support this research institute. With an investment of $1 million, the recruitment of 6 to 8 qualified faculty members will take place over the next 2 to 3 years in all of the areas of rural health; such as rural health policies, diabetes and poverty in rural areas. This will be a combination of three departments across three colleges within the University and will all be aimed at addressing issues faced in the rural south.

4) Investing in the Future of Georgia Southern
Unfortunately for the State of Georgia, the HOPE Scholarship is struggling and can no longer provide the funds to students that it once could, tuition for colleges and universities will increase, and schools can no longer rely on state funds to secure the future. Georgia Southern must find ways to increase the capability to provide all the previous opportunities through fundraising. It is essential that the Board discuss ways to help fund the staffing positions needed to help with the Capital Campaign. Dr. Keel stressed the importance of the Board’s engagement with setting goals and reaching those goals throughout the next seven years and even beyond.

Dr. Keel concluded his update report as guests prepared to enter the room. After a few questions from the Board, Dr. Keel introduced the guest speaker, David Ralston, Speaker of the House.

Special Guest Speaker: Speaker of the House David Ralston expressed his appreciation to Georgia Southern University for the invitation to speak to the Foundation Board. He made a few remarks regarding the higher education issues that have been addressed while the session has convened. Speaker Ralston answered some questions from the Board and the guests before finishing his speech.
Legislative Update: Mr. Russell Keen, Associate Vice President for Governmental Relations, discussed several important topics that took place while the legislative session convened at the Capital; such as budget cuts, the Biology Building, personnel changes, and the HOPE Scholarship. He discussed Governor Deal’s proposed budget cuts of $112 million for FY11 and $185 million for FY12 for the University System of Georgia. If enacted, these reductions would reflect a net state appropriations reduction of $550 million in the past three years. During that same period of time, enrollment at USG institutions increased by 37,000 students. The University System’s formula funds, used for day to day operations, take the majority of the cuts. Therefore, the USG requested $177 million in new formula funds to offset the addition of almost 19,000 students in FY10. Next, Mr. Keen updated the Board on the Biology Building. The USG bond package, used to fund capital improvements, was reduced in the FY12 proposed budget. Governor Deal recommended only $81 million to the USG bond funds, as opposed to the $177 million authorized in FY11. Funding for the second phase of the biology building was not included in this proposed budget. There were several personnel changes to take place that affect higher education. The State Senate appointed Senator Jim Butterworth as chairman of the Higher Education Committee and Senator Cecil Staton as the chairman of the Higher Education Subcommittee of the Appropriations Committee. The State House of Representatives appointed Representative Earl Ehrhart as chairman of the Higher Education Committee and Representative Len Walker as chairman of the Higher Education Subcommittee of the Appropriations Committee. A major topic throughout the session has been the debate surrounding HOPE and what changes can be made to continue to program. Any changes to the HOPE program should continue to reflect the three priorities Governor Miller set when he established it: (1) rewarding serious academic work in high school, (2) rewarding serious academic work in college, and (3) encouraging college completion. In ending his report, Mr. Keen emphasized the importance of meeting with key legislators in hopes that they will continue to support Georgia Southern University during these tough economic times.

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.