MINUTES

Attendees: Gregory M. Bauer, chair; Helen M. Cappuccino (by telephone/in person); Gordon Gross; Ashok G. Kaveeshwar, vice chair; Kathie A. Keller; Francis M. Letro (by phone); Murray S. Rosenthal; Eileen S. Silvers; Marjorie E. Winkler (by phone); Margaret W. Wong (by phone)

Staff: Laura J. Barnum; Christopher P. Decker; Kathleen S. Heckman; Laura E. Hubbard; James L. Jarvis; Edward P. Schneider; Satish K. Tripathi; Nancy L. Wells

Excused: Wayne S. Blank; Paul J. Harder; James W. McLernon

1. Welcome
The meeting was called to order at 3:01 p.m. by committee chair, Gregory M. Bauer. Chair Bauer began by welcoming participants including those that participated by telephone.

After a review of the meeting agenda (a copy of the agenda is available on the board secure website), Chair Bauer moved to approve minutes from the previous meeting.

2. Approval of Minutes
Minutes from the March 12, 2015 meeting were reviewed and approved as submitted (the minutes are available on the board secure website).

3. University Update
Chair Bauer invited President Satish K. Tripathi to give updates on key university happenings.

President Tripathi provided updates from across the university on behalf of both himself and Charles F. Zukoski, Provost and Executive Vice President for Academic Affairs, who was unable to participate in the meeting. Among points he noted was relative to the successful alumni reception attended by approximately 225 in Washington, D.C., where the university has about 7,000 alumni.

During his remarks, the President mentioned the university’s goal of keeping the South Campus vibrant while also continuing with plans to move the medical school downtown. President Tripathi noted plans to move the Graduate School of Education and the School of Social Work to South Campus by 2018.

President Tripathi too offered remarks on the newly established Communities of Excellence, for which three communities have been identified: Global Health Equity; Sustainable Manufacturing and Advanced Robotic Technologies (SMART); and The Genome, the
Environment and the Microbiome (GEM). He directed committee members to the Communities of Excellence web site (http://www.buffalo.edu/provost/signature-initiatives/communities-of-excellence/background.html), where additional information is available about each of the initiatives which serve to look at how to “solve problems.”

He went on to share various other university accomplishments including recently bestowed Fulbright awards, Goldwater awards and David Golden scholarship, as well as recognitions from the National Science Foundation, the American Association of University Women, and the White House. Luis Colón, UB professor of Chemistry, received the Presidential Award for Excellence in Science, Mathematics, and Engineering Mentoring from President Obama in March 2015.

Notable staffing changes and appointments mentioned by President Tripathi included:

- Jean Wactawski-Wende was named dean of Public Health and Health Professions;
- Departure of Arjang Assad, dean of the School of Management, and appointment of Paul Tesluk as interim dean;
- Appointment of James Gardner as interim dean for the Law School;
- Dr. Michael Glick stepped down from the deanship in the School of Dental Medicine; plans to appoint an interim dean;
- Appointment of Graham Hammill, professor and chair of English, as vice provost for graduate education and dean of the Graduate School;
- John M. Canty Jr., UB physician-scientist, was appointed SUNY Distinguished Professor – the highest faculty rank in the SUNY system.

President Tripathi also mentioned the appointment of a new head coach of the men’s basketball team, Nate Oats. As well, he commented on the recent successes of both the men’s and women’s basketball teams.

Other notable athletic achievements included, UB senior and member of the men’s track and field team, Jonathan Jones, securing gold in shot put at the 2015 NCAA Outdoor Championships in June. Jones became the first national champion in UB’s Division I history. The President also noted successes by the men’s tennis team, which made its first NCAA Tournament appearance in program history in April.

4. Philanthropy Update
Chair Bauer invited Vice President Nancy L. Wells to provide an update on philanthropy.

Wells started her remarks by providing an update on fund-raising results, noting that the team continues to push hard to reach goals right through the end of the fiscal year, which concludes on June 30, 2015. As of June 19, 2015, gifts received totaled $28.9M, representing 70% of the $41.2M goal; gifts and new pledges stood at $61.6M, representing 82% of the $75M goal. New pledges totaled $32.7M, she reported.
She is pleased with these results and noted that even if stated goals are not met, the university will surpass fund-raising activity from the previous year. She also shared that some major gifts are in still in negotiation and unfortunately the timing is off—thus not counting toward the fiscal year goal. On the flipside, this pipeline offers a solid foundation for next fiscal year. The forecasting process for FY’16 will begin as soon as this fiscal year closes.

Vice President Wells also offered updates on school-based campaigns in the School of Medicine and Biomedical Sciences and the Law School. Thus far for the Law School campaign, $25.7M has been committed, representing 85.6% of the $30M goal. The Medical School campaign is at $129.1M, or 64.5% of the $200M goal. This includes $18.7M – or 37.4% – towards the $50M goal for the new medical school building. Vice President Wells said that both campaigns are moving along well and she expects both will conclude successfully, although she is not sure when.

During her remarks, Vice President Wells mentioned the campaign feasibility study that is underway and will include about 30 interviews conducted by campaign consultants, Marts & Lundy. The study will inform next steps relative to an overall campaign for UB.

She also noted the success of the inaugural Volunteer Leadership Summit, which took place from April 30-May 1 and brought together nearly 100 UB volunteers to network and participate in various activities. She thanked everyone who participated in the event and announced plans for repeating the event next year.

Following her remarks, Vice President Wells answered questions from committee members regarding the fund-raising pipeline and efforts to achieve goals and to build momentum. Questions also were posed about UBF board giving which led Chair Bauer to jump ahead on the agenda and provide an update.

5. Board Giving
Chair Bauer directed attention to materials related to board giving (a copy of the handout is available on the board secure website). He shared recent participation rates, which reflect that 63% of board members have met the minimum annual giving expectation of $5,000 thus far (through June 17, 2015). Of the 32 board members (excluding emeritus trustees), 20 have satisfied this expectation while 12 have not yet done so as we near the end of the fiscal year (June 30). This, he said, illustrates that more board members (excluding emeritus) – compared to this same time last year (58%) – are meeting the minimum annual giving expectation. Though 100% have not made a gift, we are making progress towards that achievement.

Highlights from the conversation that followed include:

- Trustees and directors should not be reelected if they are not meeting the giving expectations.
- Need to look forward rather than assume past will get us there – the board membership is evolving. Full compliance will take time and may ultimately be resolved through board attrition.
• It is good that the majority are giving. But we need to be sensitive to the fact that not all are. What message does it send to the members that are giving when we do not have 100% compliance?
• Annual solicitation efforts should be more direct—and perhaps conducted face to face to allow for more dialog about the importance of giving.

Chair Bauer concluded the giving discussion by stating the goal moving forward will continue to be 100% compliance with the minimum giving expectations. He noted the process for solicitation and follow-up with board members will be reviewed and refined as necessary to support our desire to achieve that goal. He noted his appreciation for the committee’s support of this goal and the efforts that have been made to meet it. He will continue to discuss the issue of giving with the Executive Committee and ensure they understand this remains a passion point for the Gift Stewardship Committee.

6. Review of Committee Charge
Chair Bauer directed conversation to the committee’s official charge and a packet of materials on the matter including a copy of the committee charge (a copy of the handout is available on the board secure website). He reminded the committee that it must annually consider the charge, and in doing so should review the roles and responsibilities that have been set forth for the committee and confirm that these remain appropriate duties for the group.

The committee reviewed the charge and approved the document as written.

7. Donor-Intent Issues
Chair Bauer re-introduced and welcomed James Jarvis, SUNY Associate Counsel, and directed the committee’s attention to the packet of materials relative to the acceptance and administration of scholarships with restricted criteria (a copy of the handout is available on the board secure website). During his remarks, Counselor Jarvis offered a reminder about what the university is doing with scholarship administration. He too reviewed the schedule of scholarship funds with potentially concerning criteria.

UB (state action) currently is prohibited from awarding scholarship funds to protected classes. A review of existing scholarship funds has identified 49 with potentially concerning key criteria, with a June 30, 2014 market value of $7,641,436—12 of which have been targeted for Gift Stewardship Committee action. Given UB’s desire to award existing scholarships and to avoid losing gifts in the future with potentially limiting criteria, the following actions are currently being followed:

1) At outset with donors, negotiate flexible “with preference for” or “put to best use” language;
2) Utilize match pooling, whereby scholarship recipients are identified using neutral criteria (i.e. merit) and then recipients (in the pool) are reviewed to determine if any meet criteria of gift;
3) Selection of scholarship recipients is administered by a non-state entity (i.e. UBF Board, Gift Stewardship Committee).

Jarvis shared that the university had been considering an alternative approach to scholarship administration in general and he had thought our efforts as a committee could be tied directly to those broader efforts. Now it is not clear how the university is going to move forward so we will get going on our own and link our process to the university’s if and when that becomes appropriate.

Our efforts thus far allow us to meet federal regulations on this matter and demonstrate intent to resolve this issue. Our next step as a committee will be to test the process discussed previously by the committee. Jarvis shared he would select a few that are easier (time wise and complexity wise) for the group to consider first. It is expected that the committee will take its first action (as it pertains to item three above) in fall 2015.

Executive Director Schneider provided an update on conversion efforts relative to student loans to scholarships, and directed attention to handouts (a copy of the document is available on the board secure website). Due to increased administrative burdens imposed by the Truth in Lending Act and UB’s reluctance to offer financial assistance that merely increases the amount of debt already burdening its students, UBF has been working to convert these funds. Specifically, the members considered the status of the one remaining fund to be converted and the recent conversion of the Elizabeth Rosner Fund. Surrogate’s Court of the State of New York approved UBF’s request on March 23, 2015 to convert the Rosner Fund to a scholarship. As part of the conversion, the spendable balance was reverted to the endowment to help build a larger annual source of scholarship revenue for the School of Medicine and Biomedical Sciences.

8. Endowment

Chair Bauer introduced Laura E. Hubbard, Vice President for Finance and Administration, who was present to provide an update on the matter of “un-funds” and details on plans for continued resolution moving forward. The group’s attention was directed to a packet of materials dealing with unutilized and underutilized endowment funds (a copy of the handout is available on the board secure website).

Committee members were briefed on progress made on this issue since June 2014, specifically outcomes of the FY’15 process and discussed at length with UB leadership both short- and long-term strategies for resolving this issue which will include a focus on the top 10 unfunds (with largest projected spendable balances) and the top two units (with the largest projected spendable balances).

**Progress since June 2014 (as of May 27, 2015):**
- Approximately $4.4 million, or 24%, of the $18.6 million available in 256 unfund accounts has been spent;
- FY’15 expenditures are four times higher than FY’14 expenditures;
- FY’15 expenditures are 18% higher than unit spending projections;
• 60% of unfunds are anticipated to have lower spendable balances by FY’18 compared to FY’14.

Members reviewed funds that were designated to function as endowments, for the period of July 1, 2014 through May 31, 2015, where this designation was not specifically imposed by a donor (a copy of the handout is available on the board secure website). The Gift Stewardship Committee considered and approved the following fiscal year transactions: all deposits to board-designated endowments; all transfers between board-designated endowments, and all liquidations of board-designated endowment funds under $50,000 that were approved by UBF’s Executive Director. Additions in the amount of $717,203 were made to board designated endowments. Additionally, liquidations valuing $442,099 in total were made to board-designated endowment funds. Members also reviewed and approved liquidation of $250,000 from the Frank L. Ciminelli Family Fund to support the School of Management Dean’s Innovation Fund.

The policy document guiding committee activity relative to board-designated endowment funds also was reviewed and approved.

The committee also considered the issue of informally established funds (funds with no signed agreement directing use of gift). A copy of the handout is available on the board secure website. At the beginning of the fiscal year, 30 such funds existed. Currently, 20 informally established funds remain—with efforts underway to formalize all. The committee also considered 13 other endowment funds that are scheduled to be funded by will/bequest in the future. While efforts will be made to obtain agreements directing the use of these funds, it is likely that in these cases the donors’ will or estate-planning documents will provide the necessary direction for administration of these gifts.

9. Wrap-Up
Chair Bauer provided a summary of the meeting and thanked the group for their passion and candor. He noted that efforts to identify a date for a summer meeting would continue.

10. Adjournment
Chair Bauer concluded the meeting at 5:08 p.m.

Respectfully submitted,

Kathleen S. Heckman
Assistant Vice President, Operations
Development and Alumni Relations