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University of South Carolina

BOARD OF TRUSTEES

Ad Hoc Committee on Advancement

April 20, 2007

The Ad Hoc Committee on Advancement of the University of South Carolina Board of Trustees met on Friday, April 20, 2007, at 12:45 p. m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Miles Loadholt, Chairman; Mr. John W. Fields; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; and Mr. Herbert C. Adams, Board Chairman. Members absent were: Mr. M. Wayne Staton; Mr. Eugene P. Warr, Jr.; and Mr. Mack I. Whittle, Jr. Other Trustees present were: Mr. Arthur S. Bahnmuller; Mr. William L. Bethea, Jr.; Mr. James Bradley; Mr. Mark W. Buyck, Jr.; Dr. C. Edward Floyd; and Mr. Othniel H. Wienges.

Others present were: President Andrew A. Sorensen; Secretary Thomas L. Stepp; Executive Vice President for Academic Affairs and Provost Mark P. Becker; Vice President for Research and Health Sciences Harris Pastides; Vice President for University Advancement Brad Choate; Vice President and Chief Financial Officer Richard W. Kelly; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Human Resources Jane M. Jameson; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for University Development, Division of University Advancement, Michelle Dodenhoff; Associate Vice President of Marketing and Communications Gary Snyder; General Counsel Walter (Terry) H. Parham; Assistant to the Vice President, Division of Business and Finance, Ken Corbett; Chancellor of USC Aiken Thomas L. Hallman; Chancellor of USC Upstate John Stockwell; Dean of USC Sumter C. Leslie Carpenter; Senior Director of Advancement Administration, Division of University Advancement, J. Cantey Heath, Jr.; Executive Director of the Alumni Association Marsha A. Cole; Budget Director Leslie Brunelli; Director of Governmental and Community Relations Shirley D. Mills; Director of University Publications Laurence W. Pearce; Assistant Treasurer Susan D. Hanna; Associate Director of Governmental Affairs and Legislative Liaison Casey Martin; Associate Director for Production and Technology, University Publications, Bob Lowder; University Legislative Liaison, John D. Gregory; Broadcast Journalist, Office of Media Relations, Frenche Brewer; Public Information Officer, USC Lancaster, Shana Funderburk; Student Assistant, Governmental and Community Relations Tommy D.

Preston, Jr.; Chair of the Faculty Senate C. Gene Reeder; Student Government Association President Nicholas J. Payne; Board Staff members Terri Saxon, Vera Stone, Karen Tweedy; Director of University Communications, Division of University Advancement, Russ McKinney, Jr.; and members of the media.

Chairman Loadholt called the meeting to order and invited those present to introduce themselves. Mr. McKinney introduced members of the press in attendance.

Chairman Loadholt stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been circulated; and a quorum was present to conduct business. Chairman Loadholt directed the attention of the Committee to the first agenda item and called on Mr. Choate.

Open Session

I. Development Update: Mr. Choate stated he would give an overview of activities in the Department of University Advancement which consisted of Government and Community Relations, Carolina Alumni Association, Marketing and Communications and University Development.

Mr. Choate stated that the three overarching goals for the University were to increase funding and support; to improve the University reputation and national profile; to strengthen student and faculty recruiting and prepare for a major philanthropic campaign.

Government and Community Relations: Mr. Choate stated that this staff had done an outstanding job and had worked very hard in getting some of the University's priorities through the legislature. The staff consisted of Johnny Gregory, Shirley Mills and Casey Martin, and Student Assistant Tommy Preston. He gave the following report.

II. Legislative Update: Mr. Choate stated that the University had a positive legislative session for the budget and a majority of key priorities had received funding. Requests for funding had been approved for the Faculty Excellence Initiative (\$4.8 million); One Carolina (\$3,032,920); SC Lightrail (\$1.5 million); South Carolina Centers of Economic Excellence (\$30 million); Small Business Development Center (\$250,000); and Technology Incubator (\$200,000).

Several other priority funding projects included the Higher Education Tuition Cap, Law School Educational Fee Waiver, Elimination of the Tuition Prepayment Program, Increase of the Athletics Bond Cap and the South Carolina Hydrogen Infrastructure Development Fund.

Carolina Alumni Association: Mr. Choate reported that the Bow Tie tours had significantly increased the University's outreach. USC Homecoming and reunion activities were scheduled for this fall. However, beginning fall 2008, the

reunions would be moved to the spring of the year. Also, he stated that efforts were underway in building support for an Alumni Center.

Mr. Choate noted that the Alumni Association was taking the lead in the Carolina Action Network. Several hundred supporters had descended upon the State House to thank the members of the General Assembly for their support and to encourage future support to ensure that state funding was provided for higher education.

III. Marketing and Communications Update: Mr. Choate advised that Gary Snyder had joined the University's team. Mr. Snyder came to the University from Ohio State University where he served as the Associate Vice President for Marketing and Communications.

Mr. Choate made the following reports:

A. Assessment of Marketing and Reputation of University: Mr. Choate stated that the University had undertaken significant polling research, particularly through the National Public Radio. There were many individuals from key audiences nationally who did not know much about the University of South Carolina other than its sports programs. In addition, many people did not know that the University was a top-flight research institution. Mr. Choate stated that the University needed an ongoing presence with the media, including both state and national advertising, expanded communications with key audiences, a consistent message, and visual branding of the University. The University also needed adequate funding support to achieve fundraising goals and compete for top students, faculty, and businesses, and to raise the reputation and standing of the University nationally.

Mr. Choate stated that the University had relatively low national awareness and was overshadowed by benchmark public universities, especially UNC - Chapel Hill, in terms of prestige. The University of South Carolina was most known for its sports programs as well as the benefit it provided to the region's economy and its attractive campus. NPR listeners on the whole did not know very much about our academic and research programs and 75 percent associated "USC" solely with the University of Southern California.

B. Action Plan: Mr. Choate stated that his department had conducted the first ever research gauging national perceptions and awareness of the University from key audiences. The staff had developed a web, print and email advertising campaign in the *Chronicle of Higher Education* in order to raise visibility of the University and spur top faculty recruitment. The new web sites would link to and track the effectiveness of the *Chronicle of Higher Education* advertisements.

In addition, the staff had begun an underwriting campaign with ETV Radio in South Carolina and NPR nationally on the Morning Edition program. Morning Edition reached several million people weekly and the broadcast range covered 99.3 percent of the United States and the NPR audience included the key influencers the University needed to reach; for example, higher education and business leaders, future faculty, media and parents of prospective students.

To increase media relations efforts, the University would hold more Editorial Board meetings in Atlanta, Greenville, and Columbia and produce more Op-Ed articles. The Department had expanded the frequency and distribution of key publications which focused on research as well as communications from the President to all University presidents, provosts and research heads nationally. For example, President Sorensen recently wrote to these groups and included the Wall Street Journal article touting the University for its rising research ranking.

The University had been featured in USA Today, The Washington Post and on CNN and the BBC.

Mr. Choate reported that only 51 percent of NPR listeners considered the University to be either "very" or "somewhat" prestigious.

Mr. Choate further stated the University would continue to build its identity and brand. Based on the results of the survey, the administration would reinforce the consistent use of the "University of South Carolina", "South Carolina", and "Carolina Gamecocks" name usage. Also, consistent messages about our strengths will be communicated through news releases, "on-hold" messages, print/web communications, signs, advertising, media interviews, speeches and other outlets.

C. Printing Services: Mr. Choate stated that the Printing Services staff did an outstanding job and had a profitable in-house quality printing operation. Efforts were underway to provide the department with new printing equipment to increase efficiency.

D. University Development: Mr. Choate listed the following factors that he considered critical to successful fundraising:

1. Private gift objectives closely linked to the institution's long range strategic plan;
2. A significant investment in the cultivation of donors;
3. An experienced professional staff who were active in volunteer and donor contact;
4. An effective partnership with leadership volunteers;
5. Consistent and thoughtful participation from academic partners;
6. Extraordinary commitments from the President and senior

college officers;

7. A single-minded focus on raising sights.

Mr. Choate displayed a chart with a 16-year comparison of USC private Support from July 1, 1989 - January 31, 2006 as well as the University Development Organization Chart. He stated that the Development office had been reorganized and 85 percent of the staff were new and had arrived since January 2005.

Mr. Choate stated that the new cash contribution commitments for 2007 were \$46,500,000, a 34 percent increase year to date compared to last year. Currently, there were 22,600 donors with an average gift of \$2,057. The trend at the University, as well as around the country, was that people were making larger contributions.

E. Alumni and Major Benefactors Profile: Mr. Choate stated that 63 percent of our alumni lived in South Carolina. However, nearly 51 percent of our benefactors who had contributed gifts of \$1 million or more lived outside of South Carolina. He stressed the importance of getting potential benefactors back to South Carolina so they could see the great programs at the University.

F. Feasibility Study Update: Mr. Choate stated that a preliminary analysis suggested that the University did have a prospect pool under development and cultivation that would allow the University to embark on a significant campaign. In order for the University to undertake a campaign of significant magnitude appropriate budget and staffing needs must be met.

He explained that the survey revealed that President Sorensen was viewed as having an exciting and inspiring vision for the University. President Sorensen was also complimented on his commitment to the entire statewide system and a majority of interviewees held a positive view of the institution and possessed a strong belief in its character and academic mission.

In addition to the Development Department's reorganization, other staff activities included leadership briefings, face to face interviews and phone interviews. The next steps in the process were to continue pursuing leadership gifts, refine our case for support, develop a volunteer structure, develop campaign materials, finalize accounting guidelines and go public.

Chairman Loadholt stated that this report was received for information.

Mr. Hubbard inquired about the research conducted by the Lipmann-Hearn group several years ago. Mr. Choate responded some of their research was being incorporated into this current process and the decision was made to go a different direction which would be broader. The administration had learned that the University's emphasis needed to be national with a focus on our key academic areas of strength and a consistent message.

Since there were no other matters to come before the Committee, Chairman Loadholt declared the meeting adjourned at 1:30 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary