

**Report of the Review Panel on
The Campanile Foundation, San Diego State University (SDSU)**

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Introduction

According to Academic Senate policies regarding Review of Auxiliaries (1.0, 2.0-2.4, 3.0-3.4, and 4.0-4.4), the seven-member panel listed above conducted a review of The Campanile Foundation (TCF). The review process started with a charge from SDSU President Elliot Hirshman, in consultation with the Cabinet and the Senate Executive Committee, which required TCF to complete a self-study that addressed the following five issues:

- 1) Identify the mission of The Campanile Foundation and the functions designed to support the mission,
- 2) Outline any strategies that have emerged from previous planning,
- 3) Examine the structure of the organization to ensure that it is supporting the mission,
- 4) Review the stewardship of available resources, and
- 5) Identify the goals and plans for the next five years.

On the basis of material in the self-study, panel discussions, and subsequent interviews with TCF Board members, current and former staff members, and other university officials who have interacted with TCF, the review panel constructed this final report to respond to the following five additional topics specified in the policy file:

- 1) Evaluate how well the auxiliary (TCF) supports the mission and goals of the university,
- 2) Examine how well it manages its resources and its fiscal responsibilities,
- 3) Assess the direction and appropriateness of growth,
- 4) Elucidate and recommend change or need for further support, and
- 5) Examine the overall functional and day-to-day management of the organization.

This report begins with a statement on the historical, economic, and institutional context of TCF as of 2014 and then discusses TCF and its self-study according to the President's charge and the required components of the policy file.

TCF in 2014

In mid-2014, San Diego State University (SDSU) will finish its initial comprehensive fundraising campaign on schedule and reach the \$500 million goal that was set in 2007. The success of "The Campaign for San Diego State University" is impressive in its own right as a dollar amount, but especially so given that the Campaign was launched immediately prior to the Great Recession and subsequently carried out during a time of severely diminished state budget allocations.¹ During the 2007-2014 campaign, TCF expanded its money-management role to include development strategizing and advocacy. SDSU's institutional goals of preeminence as a public research university—including student success, research programs, entrepreneurship, and community engagement—are now inextricably linked to TCF's abilities to aid, support, and guide the university in building its endowment.

¹ While it is true that other universities with a much longer history of aggressive fundraising have campaigns that raise more money (e.g., the University of Michigan's current campaign is for over \$4 billion), SDSU's goals must be kept in the context of its modest development history and geographic location (Western schools trail their Eastern peers in nearly every development measure).

Since this current review coincided with the culmination of the first fundraising campaign, it provides SDSU with an opportunity to use the current development achievement for both celebration and reflection. Over the course of this review, multiple individuals involved with TCF expressed the knowledge gained during the process of this seven-year campaign. The information they shared with the Review Panel can help augment current, impending, and long-range fundraising strategies and practical implementation of these plans. It is hoped that these insights are taken in the constructive manner in which they are offered, and that this report and the recommendations within enable TCF, like the entire university, to champion strategies of building on excellence.

Self-study charges

- 1) Identify the mission of The Campanile Foundation and the functions designed to support the mission.*

The mission of The Campanile Foundation (TCF) is to provide SDSU with the community expertise, oversight, and advocacy to increase private giving and manage the philanthropic assets of the university. TCF was designed from its inception in August of 1999 to be the entity that accepted all gifts to SDSU; its responsibilities include managing and administrating all donations, investing all donated funds, accounting for gifts, and valuing and reporting donations to compliance agencies. Over the past 15 years, TCF's Board of Directors has also become actively involved with oversight of, and advocacy on behalf of, University Relations and Development (URAD). It was during "The Campaign for San Diego State University," started in July of 2007, that TCF's Board of Directors became a fundraising board, moving from more ceremonial duties to aggressive pursuit of donors. As a result, TCF now both manages assets

and plays a strong advisory role in university development. This duality is evinced in TCF's vision statement that emphasizes the organization's specific purposes of: 1) promoting and assisting SDSU in receiving gifts, and 2) facilitating SDSU's commitment to increase private fund raising.

A) Functions designed to support the mission

TCF has multiple committees dedicated to overseeing functions with direct ties to its mission.

- i) The Audit Committee ensures the quality and integrity of the audited financial statements, compliance with legal and regulatory requirements, and independence of external auditors.
- ii) The Campaign Cabinet Committee oversees the campaign-funding model, guides identification, cultivation, and solicitation strategies, and develops volunteer campaigns.
- iii) The Alumni Engagement Committee creates a tradition of giving and volunteering to SDSU by building lasting relationships with all generations of Aztec alumni.
- iv) The Finance and Investment Committee monitors financial reporting.
- v) The Government and Community Relations Committee serves as a liaison to various governmental, community, and external constituencies.
- vi) The Nominating and Organizing Committee oversees board recruitment and organizational needs of the board.

Sub-committees also exist that target specific areas of interest and need. For example, there is an Athletics Sub-Committee focused on increasing support for SDSU athletic programs.

2) Outline any strategies that have emerged from previous planning.

In general, the self-study identifies two different strategies that have governed TCF. The initial 1999 plan outlined TCF as an entity that would accept and manage gifts. Starting in 2004, however, the board began a transition toward becoming a major fundraising entity for the university. When the Campaign was formally launched in July of 2007, TCF fully embraced this latter strategy that placed significant emphasis on fundraising goals and advocacy by the board. TCF followed many of the recommendations made by Marts and Lundy, the fundraising consultants SDSU hired just before the outset of the Campaign. These ideas emphasized a culture shift toward aggressive outreach. With the impending end of the initial seven-year campaign, TCF will now need to modify or transform its strategy going forward to address future needs and priorities. Due in large part to the success of TCF, SDSU finds itself a stronger university in many ways than when the Campaign began in 2007. The new strategy would ideally layout a plan to grow baseline annual funding from \$40 million to \$100 million as per President Hirshman's directive, which calls for a development model that will sustain SDSU in current and continuing times of diminishing state allocations.

3) Examine the structure of the organization to ensure that it is supporting the mission.

TCF's self-study has many detailed organizational charts that show the relationships among individuals working in University Relations and Development (URAD) and their associated job

responsibilities. TCF's staff is part of URAD, but this review of TCF should not be read as a comprehensive review of URAD. Much of URAD falls outside the scope of this report.

However, this review indicated that the work of URAD directly and significantly impacts the scope and capacity of TCF. Any forthcoming changes in TCF's vision, mission, goals, and strategy should be made in tandem with consideration and review of URAD's vision, mission, goals, and strategy.

TCF's overall structure is sound and supportive of its current mission. Six URAD staff members work directly for TCF. TCF President and Chief Executive Officer (CEO) Mary Ruth Carleton is the general manager of TCF. Secretary Joanne Ferchland-Parella is the primary documenter of policies, procedures, and resolutions for TCF. Chief Financial Officer (CFO) Sarah Slaughter oversees TCF's financial resources, the integrity of the financial systems, and investment portfolio management. Director of Gift Administration Brian Andrews oversees administration, management, and reporting of all private philanthropy to the university. Assistant Gift Manager Virginia Parker executes the daily processing of all private philanthropy to SDSU. Finance Director Travis Clancy assists CFO Slaughter in ensuring the accuracy of the financial reporting.

According to the self-study, TCF's Board of Directors consists of 34 individuals. It includes SDSU alumni from the 1950s, '60s, '70s, '80s, and '90s, as well as various community members, TCF President and CEO Mary Ruth Carleton (also SDSU Vice President of URAD), SDSU President Elliot Hirshman, SDSU faculty representative Kenneth Walsh, and SDSU student representative Joshua Morse (the Associated Students president). TCF's board is primarily external to SDSU. Furthermore, its Chairperson has always been external to the

university. Christopher “Kit” Sickels is the outgoing Board Chairperson; John “Jack” McGrory is the incoming Board Chairperson.

4) Review the stewardship of available resources.

TCF’s self-study details market values and comparisons with other CSU campuses and endowment performances. SDSU’s investment return rate is consistently over 10% and outperforms many of its CSU peers.

5) Identify the goals and plans for the next five years.

The goals listed in the TCF self-study focus on three main categories. The first is directed at “The Campaign for San Diego State University” and includes:

-Complete successfully SDSU’s first comprehensive campaign to increase the flow of private support to the university’s strategic initiatives.

The second category concerns rankings and baselines with measurable outcomes. The two goals in this category are:

-Build national reputation and, in working with other campus entities, take SDSU into the top 100 as measured by *U. S. News & World Report*.

-Increase alumni engagement by tripling the baseline donation rate from 2.5% to 7.5% by 2015.

The third category qualitatively complements the more aggressive outreach and marketing culture change in URAD that was advocated in the Marts and Lundy consultation and consists of the following elements:

-Serve as a model for University Relations and Development (URAD) functions at comparable institutions.

-Commit ourselves to building relationships that enhance SDSU's development, marketing, communications, alumni relations, community relations and advocacy, and donor relations efforts.

-Communicate the impact and significance of private support to the university, increasing the engagement of all university leadership in activities that contribute to obtaining private support.

-Promote SDSU's vision and mission through clear and compelling communications, events, and programs—thus building bridges of mutual service and support with the entire university community.

-Become an employer of choice within the development community.

-Embrace technology as a tool to disseminate information about SDSU to a wider and more diverse audience.

Policy-file review guidelines

1) Evaluate how well the auxiliary [TCF] supports the mission and goals of the university.

In a time of diminishing state support, revenue generation is a key component to SDSU's continuing prosperity. The university's mission—"to provide well-balanced, high quality education for undergraduate and graduate students and to contribute to knowledge and the solution of problems through excellence and distinction in teaching, research, and service"—is contingent on an innovative resource and revenue plan. TCF's pivotal role in the \$500 million

campaign for SDSU enables the university to meet the institutional goals of 1) student success, 2) research and creative endeavors, and 3) community and communication that it recently established in the most recent “Building on Excellence” strategic plan (2013-2018). Each of the colleges (Arts and Letters, Business Administration, Education, Engineering, Health and Human Services, Library and Information Access, Professional Studies and Fine Arts, and Sciences) has identified specific initiatives for donor support in “The Campaign for SDSU,” as do Athletics, the impending Honors College, Veterans Education, and the Zahn Innovation Center.

Both TCF and The Campaign for SDSU followed fundraising priorities that are linked directly to university goals. For example, the Student Success goal—*SDSU will continue to focus on Student Success by emphasizing high-impact practices that produce transformational educational experiences and by fostering an institutional culture that recognizes and rewards student achievement*—was complemented by raising \$90 million in new scholarship funding since 2007. The Research and Creative Endeavors goal—*SDSU will continue to enhance its research and creative endeavors profile, with particular emphasis on building areas of excellence and addressing national and international challenges*—gained financial support from TCF through campaign funds that directly supported four new “Areas of Excellence” collaborative research programs, of the 29 proposed submissions that the initiative stimulated. In addition, support for the Community and Communication goal—*SDSU will become a center of community life and engagement for students, faculty, staff, alumni, and the public through events, activities, and communication designed to bring diverse participants together*—is evinced in TCF’s campaign-based support of entrepreneurship (The Lavin Entrepreneurship Center, The Zahn Center, etc.), community-based mentoring, and the Arts Alive initiative.

Since the mission and goals of the university are dynamic and often under revision, reinterpretation, and re-definition, TCF needs to stay informed of changing academic priorities by administrative leaders in SDSU's Division of Academic Affairs. It is important that TCF and a high-ranking administrator from Academic Affairs have a free exchange of ideas in order to keep revenue generation and academic goals united.

2) Examine how well it [TCF] manages its resources and its fiscal responsibilities.

TCF performed laudably in its stewardship of available resources. SDSU's investment return rate for the three-year period of 2010-2013 is 10.77%. It is higher than the Group III average (10.60%).² In addition, the most recent 2012/13 investment return rate (11.92%) was the highest for both CSU Group II and III.³ It is also worth noting that TCF's finance committee successfully managed the endowment through the economic crash of 2008.

3) Assess the direction and appropriateness of growth.

The success of the initial seven-year "Campaign for SDSU" transformed traditional understandings of the role that fundraising could play at San Diego State and greatly impacted the philanthropic landscape of the region. To date, SDSU has reached 99% of its \$500 million goal (\$494 million). Over \$370 million of that total has been raised in support of faculty. During the Campaign, TCF received 122,100 gifts from over 46,500 donors. This includes 90 gifts of \$1 million or more; approximately 25% of the \$500 million total was in these large gifts. As a result of these accomplishments, San Diego State University recently received a 2014 Educational Fundraising Award from the Council for Advancement and Support of Education

² Group III includes CSU Fresno, CSU Long Beach, San Jose State University, and Cal Poly San Luis Obispo.

³ Group II includes CSU Chico, CSU Fullerton, CSU Northridge, Cal Poly Pomona, CSU Sacramento, San Francisco State, and CSU Sonoma.

(CASE) for best overall performance in a Category 3 Public Research/Doctoral Institution.⁴ The criteria for this award were: “pattern of growth in total support, evaluation of what contributed to the total support figure, overall breadth in program areas, pattern of growth in each program area, pattern of donor growth among alumni and other donors, impact of the 12 largest gifts, total support in relation to alumni base, and type of institution.” Due to the successful campaign, SDSU has been reclassified by CASE as a Category 4 institution, joining peers such as University of California, Berkeley, University of Kansas, University of Virginia, and University of Wisconsin-Madison.

With the success of the recent campaign, SDSU has established itself as a legitimate and competitive big-gift target among local philanthropists. It is important to take the knowledge and lessons learned from this success and incorporate them into the ongoing operational practice of TCF and subsequently scale these practices upwards to achieve higher-reaching goals. TCF has proven that SDSU can achieve ambitious fundraising targets, and now the challenge is to expand that apparatus further to reach President Hirshman’s goal of \$100 million per year.

4) Elucidate and recommend change or need for further support.

In addition to the issues of encouraging open exchange of ideas with SDSU’s Division of Academic Affairs and more attention and staff time/positions to data management that were mentioned above, this report suggests a general modification that will help TCF build on the success of its initial campaign for SDSU. TCF’s goals need to be updated both in terms of currency and outcome measurability. Since TCF met its primary goal of completing SDSU’s first campaign and increasing the flow of private support to the university’s strategic initiatives,

⁴ The Category 3 Public Research/Doctoral Institution is for public universities with an endowment under \$250 million at the start of their most recent campaign.

it needs a new or modified set of organizational and development goals. These new goals should have direct and measurable outcomes. A few of the current goals have explicit output measures—see page 3 of the self-study and pages 7-8 of this report—and could be retained. Some of the others, however, such as the goal of seeking to “Commit ourselves to building relationships that enhance SDSU’s development,” offer no specific details as to how one measures progress toward that outcome. If TCF specified how the results of their process were to be evaluated with more detailed outcomes, then insight into the development process could be significantly enhanced. In particular, the Review Panel encourages TCF to employ more directly measurable goals, like President Hirshman’s call for \$100 million in fundraising per year and the last two goals in TCF self-study: “Build [a] national reputation, and working with other entities, take SDSU into the Top 100 as measured by *U.S. and World News Report*” and “Alumni Engagement—2012/13 baseline triple from 2.5 to 7.5% in 3 years.”

It is worth noting that many of TCF’s committees have measurable outcomes that were detailed in the Review Panel’s interview with TCF President Carleton. For example, the Alumni Engagement Committee measures numbers of people “touched” and multiple institutional rankings; the Finance and Investment Committee employs benchmarks that are measured against other comparable organizations; the Government and Community Relations Committee keeps track of numbers of contacts and their specific success on bills harmful to the CSU system in particular; the Nominating and Organizing Committee has a detailed Board Member Recruitment Matrix which is used to promote diversity and equal representation; and the Athletic Sub-Committee uses wins and losses as measurable outcomes.

5) *Examine the overall functional and day-to-day management of the organization.*

There were many different opinions expressed in regard to improving day-to-day operations. These are detailed in Appendix A, the Interview-Response Summary of Current and Former Development Officers. Development Officers are employed by URAD, but they interface, serve, and implement many of TCF's goals and objectives. Overall, most of the issues of concern can be categorized as involving areas of support, communication, and currency. URAD is extremely understaffed. There is a pressing need for more development/gift officers and individuals with expertise in data management. The lack of sufficient numbers of development/gift officers is troubling, especially when one considers that these positions are likely to bring in more than enough revenue to cover their costs. More generally, the lack of adequate staff levels at URAD negatively impacts job satisfaction, performance, and retention. At its present staffing levels, URAD appears to lack the capacity to achieve President Hirshman's \$100 million per year goal. As TCF moves forward with the development of its new or modified strategy, it should conduct a needs assessment survey for the personnel, data resources, and infrastructure URAD requires to scale up to the \$100 million annual target. Currently, the scale of President Hirshman's vision and URAD's staff size are incongruous; a plan is needed to close this gap.

There was found to be a marked difference of opinion as to the degree of academic participation in TCF events. Although TCF CEO Carleton provided an extensive list of annual development events to which Deans are invited, TCF Board members had mixed views about how sufficiently involved academic officials were in TCF matters. Furthermore, multiple Deans and Development Officers expressed a desire for more access and interaction with TCF's Board of Directors. In particular, they sought better communication, more transparency, and a more direct link between Academic Affairs and TCF's Board of Directors.

The Review Panel heard from multiple individuals who expressed concern with the currency of the university database. It is clear that one of the directions for growth that should be addressed and supported is data management (particularly as it relates to alumni and donor relations) and a review of the existing software as to whether it is sufficient for the demands of the university. Since university rankings are influenced by alumni giving rates, and since these rates are tied directly to up-to-date management of contact information, it is important to develop a core competency in the management of such data. Such competencies should reside either in the Alumni Engagement, Advanced Services or with TCF directly and would be achieved through a combination of staff additions and an expansion of technological infrastructure.

Conclusions

During the review process, praise for TCF was prevalent and often effusive. Interviewees with TCF board members were especially complementary about the efforts of TCF CEO Mary Ruth Carleton and TCF's staff. Multiple stakeholders also noted how far TCF's board had come in terms of professionalism, commitment, responsiveness, and overall activity; one called it "the best Board in the region." In stride with these laudatory comments, the review panel noted certain areas for improvement, alluded to in the previous sections of this report and specified in the following recommendations.

Recommendations

- I. It is imperative to keep the momentum from the successful initial campaign.
 - A. Celebrate the milestone met through completion of the initial capital campaign (\$500 million by 2014).

- B. Follow TCF Board recommendations on how to extend the campaign goal.
 - C. Specify direction for campaign (comprehensive, capital, or both).
- II. Formulate plan to increase the fundraising capacity of TCF.
- A. Identify URAD personnel and infrastructure needed to achieve and sustain President Hirshman's \$100 million/year benchmark. Consider what capacity would be needed to achieve much larger campaign targets and move toward establishing that level of infra-structure.
 - B. Such a plan would include identifying personnel (e.g., gift officers, human resources, and data analysts) as well as the technological infrastructure, as well as an associated timeline for reaching this new capacity.
 - C. This effort may be served by hiring outside consultants to help develop a new strategic plan.
- III. Update TCF goals and re-design them to use measurable outcomes that evaluate TCF's effectiveness in meeting these goals.
- A. Revise the current set of organizational goals to include goals with measurable outcomes.
 - B. Monitor and document progress toward these goals on an annual basis.
 - C. Use goals with explicitly measurable outcomes to make adjustments that might otherwise be overlooked in a single-criterion system that gauges success only in terms of total revenue generated.
- IV. Relationships between TCF and Academic Affairs should become more fluid, and certain aspects of the existing development culture should be more inclusive.

- A. Seek out specific recommendations from the academic deans and TCF board members for improving communication between the two groups.
- B. The SDSU Provost or designee should be an *ex officio* member of TCF Board of Directors.
- C. Continually work to keep individuals who develop the initial relationship with donors (be they faculty, development officers, deans, etc.) updated for the duration of the cultivation process with a better scheduling system, personal phone calls, and better managed contact reports.
- D. Increase communication between TCF and college-based Development Officers.
- V. Be more inclusive with the next review.
 - A. Evaluation reviews benefit from multiple perspectives, transparency, and detailed reflection. For the future, this Review Panel encourages the involvement of more TCF Board of Director members in the review process from the outset as well as more extensive interviews with a more rigorous sample of different people involved with TCF.