Office of Advancement
FY 2021 Budget Summary

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Overview

- Office of Advancement budget is $2.2M covering:
  - $1.95M in salaries, or 78% of total university expense for advancement personnel
  - $250K in operating expense covering a minority fraction of overall university advancement expense including homecoming, I love ISU and other outreach

- Total university spend on Advancement activity is significantly higher
  - Includes $550K in salaries embedded in units
  - Unknown dollar amount embedded in units in operating expense covering a majority fraction of overall university advancement expense including awards, events, travel, communications, and other outreach

- Total university spend on advancement activity in the $4M+ range with final figures tbd
Budget and Planning Strategy

Step 1: Follow budget guidelines and reduce $2.2M base in 4%-6% range plus one-time savings equal to 7% for a total reduction in 12% range

Step 2: Complete cost assessment process for overall university spend on Advancement activity (April 2020)

Step 3: Use aggregate, university-wide number to build new, stronger and centralized advancement function for launch in FY21
Value Proposition

• Create functionality that either does not exist or currently under-performs: Donor pipeline development, planned giving, corporation and foundation engagement and more

• Design and implement best in class standards for a range of advancement functions: Case-building and prioritization, prospect management, CRM, donor stewardship and more

• Redirect Development Officers toward more pure development and donor engagement and less event management and special projects

• Establish foundation to create substantial case for private support for ISU, i.e. $200M range over 10-year timeframe
FY 2021 Budget Reduction

• Eliminate AVP for Advancement and distribute any remaining salary from this line back into Advancement function
• On an $2.2M base:
  4% = $88K
  5% = $110K
  6% = $132K
• Any of these amounts can be funded by existing line for AVP
• An additional $150K will be realized by phasing in hiring for six open advancement positions
Impact

- Reduced investment in the Advancement function means increased reliance on state funding and reduced opportunity to advance key initiatives across the board.

- ISU running rate for money raised is in $8M - $10M range, or in the 3% - 4% of overall university operating budget.

- Benchmark for fundraising is the 6% - 10% range of overall university operating budget.

- In other words, ISU is leaving millions of dollars on the table.
Opportunity Costs

Student recruitment and retention
- Enhanced student acceptance, yield, and retention rates. Current endowment generates just $2.5M in spendable scholarship money

Identity and culture
- Shared understanding of institutional vision, strengthened university brand, and stronger community of support

Relationships
- Significant buy-in and support from individual and institutional partners and benefactors

Efficiencies and effectiveness
- High-performing advancement organization
- New investment in capital and technology for high demand academic programs
- Endowed chairs
In FY 2020:
- Advancement will contribute 23% of its budget to institutional savings
- Finalize university wide cost assessment and design new organization based on aggregate number

In FY 2021:
- Realize $260K in savings, or 12% of overall budget
- Reframe advancement budget to reflect overall ISU spend
- Deliver a stronger advancement organization for less overall university expenditure
Questions?