

# LeaderNotes

## President's Message

Dear Friends and Colleagues:

With the economy on everyone's mind these days, I think it is important to report where the USM Foundation stands and how we are reacting to new budget realities. The National Association of College and University Business Officers (NACUBO) recently released its fiscal year 2008 survey results reflecting investment performance. With 728 institutions reporting, the average return was -3.0%. By comparison, the Foundation's return for this period was -0.7%, placing us in the top quartile of institutions reporting. Similarly, the three-year NACUBO average was 8.0%; the Foundation's three-year return was 11.8%, which is in the top 10% of those surveyed. The NACUBO five-year average was 9.7%, as compared with the Foundation's return of 13% – again positioning us in the top 10% of all institutions reporting.

In light of the economic climate, the USM Foundation has taken measures to address budgetary challenges. We have cut operating expenses by implementing a tiered furlough plan mirroring that of the USM. The Foundation has also instituted a hiring freeze, leaving two positions unfilled. We have cut back travel and professional development spending and we are exploring other potential cost savings. Projected savings for the year are approximately \$200,000.

Finally, I am pleased to report that we have selected State Street Bank and Trust as our new bank custodian. This decision follows a lengthy due diligence review conducted by a board and staff selection committee. State Street has an outstanding reputation and we look forward to partnering with them with an anticipated transition date of April 1, 2009.

As always, please contact me with any questions or suggestions at [raley@usmd.edu](mailto:raley@usmd.edu). With warm regards,



Leonard R. Raley, President and CEO

## UM School of Nursing Receives \$1 Million Gift for Student Scholarships

The University of Maryland School of Nursing has received a pledge of \$1 million from Mary Catherine Bunting, a 1972 graduate of the School's Master of Science program. The gift will establish the Mary Catherine Bunting Scholarship and will be designated for Maryland residents enrolled in the School's Clinical Nurse Leader (CNL) program.

The CNL program allows people with a bachelor's degree in a non-nursing discipline to obtain a master's degree in nursing in 16 months. Graduates are eligible to take the Registered Nurse (RN) licensure examination, qualifying them for positions in hospitals and health care facilities across the state.

Ms. Bunting is a retired nurse practitioner and teacher, which has given her a keen appreciation for the value of highly-educated nurses. "I am concerned about the shortage of nurses facing our state," says Ms. Bunting. "We need to find creative ways, such as the CNL program, to attract talented individuals and make it possible for them to pursue this vital profession."

"Ms. Bunting's generosity opens the door to a nursing career for those who could not otherwise afford it," says Janet D. Allan, PhD, RN, FAAN, dean of the School of Nursing. "This gift presents a wonderful opportunity for our students while benefiting the entire state by bolstering the professional nurse workforce."

<i>Estimated Investment Performance through 12/31/08</i>		
	<b>Endowment</b>	<b>S&amp;P 500</b>
Calendar Yr. (Jan 1 - )	-25.1%	-37.0%
Fiscal Yr. (July 1 - )	-21.1%	-28.5%
Latest Month	0.1%	1.1%
Trailing 12-Month	-25.1%	-37.0%

Private investments marked as of 9/30/2008

### USM Foundation Participates in AGB Forum

USM Foundation Chairman Walter Fatzinger, President Leonard R. Raley and Vice President for Finance and Chief Financial Officer Joyce Marx participated in the Association of Governing Board of Universities and Colleges' (AGB) 13<sup>th</sup> Annual Foundation Leadership Forum this month. Chairman Fatzinger moderated an open discussion of current financial challenges and opportunities facing higher education foundations. President Raley led a session exploring horizon issues impacting foundations with endowment assets of \$400 million or more. The conference provided an opportunity for foundation leaders from across the country to share information about the budget challenges they face in the midst of the current economic downturn.

### Maryland Awarded Lumina Planning Grant to Enhance Degree Productivity

In December, the **Lumina Foundation for Education** (Indianapolis, Ind.) announced that Maryland has been selected as one of 11 states to receive a \$150,000 planning grant through the *Making Opportunity Affordable* initiative to increase productivity in higher education statewide. The initiative seeks to advance policy innovation and change in higher education finance, management, and instructional delivery to get many more students into and through postsecondary education. The grant was presented to the University System of Maryland Foundation, Inc. on behalf of the state's major higher education organizations.

Maryland has been working in recent years to bolster productivity in higher education and to expand access by: holding down costs and reducing student loan debt for students; improving and streamlining the transfer process for community college students; and increasing graduation and retention rates for low-income, first-in-family, and minority students. The project supplements efforts currently underway under the second phase of the USM Board of Regents' **Effectiveness and Efficiency Initiative**, which focuses on academic transformation.

The Lumina grant will enable the state to foster collaboration among public and private four-year institutions and the state's community colleges. The USM will work in partnership with the Maryland Higher Education Commission, Maryland Association of Community Colleges, and the Maryland Independent Colleges and Universities Association to develop seamless pathways from community colleges into four-

<u>Publicly Announced Campaigns</u>			
<u>Institution</u>	<u>Announced</u>	<u>Goal</u>	<u>12/31/08</u>
Bowie	11/08	\$15M	\$6.8M
Coppin	10/07	\$15M	\$3.5M
Frostburg	10/08	\$15M	\$8.8M
Salisbury	6/06	\$30M	\$30.5M
Towson	11/06	\$50M	\$34.2M
UMB	10/07	\$650M	\$286.2M
UMBC	9/06	\$100M	\$95.0M
UMCES	11/07	\$8M	\$3.7M
UMCP	10/06	\$1B	\$586.2M
UMES	9/06	\$14M	\$8.7M
UMUC	2/08	\$26M	\$13.6M
<i>USM Federated</i>	-	<i>\$1.7B</i>	<i>\$1.12B</i>

year institutions. The Lumina grant will support outcomes research on the current **Associate of Arts of Teaching** programs (AAT) that will inform the expansion of the seamless transfer model to other majors, especially those linked to workforce shortage areas such as engineering and nursing.

### \$300,000+ Gift Allows Frostburg State University to Fund Grad Students Focusing on Special Education

Thanks to a generous gift from the Naylor Family Trust (NFT), Frostburg State University (FSU) is making it possible for more graduate students in its education program to get the preparation they need to work with special needs children in the Appalachian region.

In December 2008, the FSU Foundation, Inc. received a gift of \$315,000 from Bart and Lon Naylor, two brothers who represent NFT. The Naylor contribution created the Howard and Audrey Naylor Scholarship (Naylor Scholars Program), a new scholarship that will be awarded to promising graduate students in FSU's College of Education, with a preference for FSU scholars who want to develop effective skills, strategies, and dispositions to educate students with Down syndrome or autistic characteristics. The scholarship also includes specifications for candidates who intend to teach in the Appalachian region, preferably close to Western Maryland, and who are able to conduct practical research related to facilitating students with special needs placed in traditional classrooms. "We believe the need to train special needs teachers is clear, given the challenges and our evolving understanding of how to best address these unique students," Bart said. "We hope this scholarship will generate many innovative teachers for years to come."

### University of Maryland Receives Gift of Real Estate on Eastern Shore

The University of Maryland and the Easton Club Golf Course, LLC are pleased to announce that on December 12, 2008, the Easton Club Golf Course, Clubhouse and Restaurant were donated to the University of Maryland College Park Foundation, Inc. The Easton Club, located on approximately 180 acres in the town limits of Easton, MD, includes an 18-hole Championship Golf course; a 10,000-square-foot Clubhouse; a 5,000-square-foot Waterfront Pavilion (with seating for up to 200); and a Golf Course Maintenance Facility with equipment storage and shop. The Club, worth an estimated \$5 million, will be managed by Jeff Maynor, PGA, Head Professional and Director, University of Maryland Golf Course.



The University of Maryland College Park Foundation will own the Club and it has engaged the expertise of the University's golf course to oversee Easton. The UM golf course is a self-supporting program that serves the university and larger community. Through this new relationship, the Easton Club will continue to improve and be an extraordinary recreational amenity for its members and the community, as well as create new opportunities for the University of Maryland to engage its alumni and friends in this region of the state.

### USM News Briefs

A group of graduates and friends have established the **Dean Karen H. Rothenberg Fund for Public Service** with more than \$100,000 in gifts. The fund will provide direct support for: scholarships for students committed to public service; loan repayment assistance for graduates pursuing public service careers; and grants for students engaged in projects that benefit individuals in need.

The **University of Baltimore's** newest building, the **Liberal Arts and Policy Building** officially opened for classes on January 26.

Salisbury University, Towson University, and University of Maryland, Baltimore County (UMBC) have placed among *The Princeton Review's* "Top 50 Best Values in Public Universities" for 2009. The rankings recognize outstanding institutions offering educational excellence with affordability.

Outgoing U.S. Trade Representative, **Susan C. Schwab**, has returned to the University of Maryland when her term officially ends on Jan. 20. Schwab will teach and lecture at the Maryland School of Public Policy, where she served Dean for many years. Schwab served as President of the USM Foundation and Vice Chancellor for Advancement of the USM before joining the Bush Administration in 2005.

**Gregory E. Simmons** has been named vice president for institutional advancement at UMBC. He had been serving as interim vice president since July 2008. Simmons previously held positions at UMBC with the Shriver Center, the Office of Corporate Relations and the Office of the President.

The **University of Maryland School of Dentistry** has been awarded \$200,000 by the **Robert Wood Johnson Foundation** under its initiative, *Pipeline, Profession & Practice: Community Based Dental Education*. The principal investigator for the project is **Dr. Carroll Ann E. Trotman** of the Department of Dental Surgery.

**Dr. Robert Barish**, vice dean for clinical affairs and professor of emergency medicine at the University of Maryland School of Medicine, has been named chancellor of the LSU Health Sciences Center in Shreveport.

*Fast Company Magazine* has included former Regent **Jeong H. Kim** on its list of "12 Most Creative Minds of 2008." The Jeong H. Kim Engineering Building at the University of Maryland is named after Kim, an alumnus who is the head of Bell Labs at Alcatel-Lucent.