



UNIVERSITY
of HAWAII®

Ke Kulanui o Hawai'i

David Lassner
President

DEPT. COMM. NO. 90

December 4, 2023

The Honorable Ronald D. Kouchi, The Honorable Scott Saiki, Speaker
President and Members of the Senate and Members of the House of Representatives
Thirty-Second State Legislature Thirty-Second State Legislature
Honolulu, Hawai'i 96813 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, the University of Hawai'i is transmitting one copy of the Annual Report on University of Hawai'i Tuition & Fees Special Fund Expenditures for the Purpose of Generating Private Donations (Section 304A-2153, Hawai'i Revised Statutes) as requested by the Legislature.

In accordance with Section 93-16, Hawai'i Revised Statutes, this report may be viewed electronically at: <https://www.hawaii.edu/offices/government-relations/2024-legislative-reports/>.

Should you have any questions about this report, please do not hesitate to contact Stephanie Kim at (808) 956-4250, or via e-mail at scskim@hawaii.edu.

Sincerely,

A handwritten signature in black ink that reads 'David Lassner'.

David Lassner
President

Enclosure

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UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2024 LEGISLATURE

Annual Report on
University of Hawai'i Tuition and Fees Special Fund Expenditures for the
Purpose of Generating Private Donations

HRS 304A-2153

November 2023

Report to the 2024 Legislature on University of Hawai'i Tuition and Fees Special Fund Expenditures for the Purpose of Generating Private Donations

Fiscal Year 2023

Hawaii Revised Statutes Section 304A-2153 provides that the University of Hawai'i Board of Regents, "...may authorize expenditures of up to \$3,000,000 annually, excluding in-kind services, from this fund [*University of Hawai'i tuition and fees special fund*] for the purposes of promoting alumni relations and generating private donations for deposit into the University of Hawai'i Foundation for the purposes of the University."

In 2018, the University of Hawai'i Foundation and the University of Hawai'i entered into a revised Agreement for Services to provide private fundraising and alumni relations services for the University. To provide this support, the University of Hawai'i pays the University of Hawai'i Foundation \$3,000,000 per year.

The statute requires a report "detailing the use of any funds authorized by the board under this subsection..." The following page summarizes the information provided in this report.

Summary of Attachments

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Fundraising Activity
(000)
Attachment 1

<u>By Source</u>	FY2022	FY2023
Individuals	\$65,956	\$56,088
Corporations	\$20,961	\$20,185
Foundations	\$15,209	\$20,991
Other (Groups/Consortia; Clubs/Associations; Affiliated Organizations)	\$62,858	\$6,312
Total	\$164,984	\$103,576

<u>By Type</u>	FY2022	FY2023
Gifts and Pledges	\$130,098	\$72,609
Deferred Gifts	\$19,554	\$20,314
Gifts in Kind	\$1,290	\$803
Grants to UH	\$14,042	\$9,850
Total	\$164,984	\$103,576

<u>By Category</u>	FY2022	FY2023
Endowment	\$26,471	\$8,639
Expendable	\$106,688	\$69,541
Bequest Intentions	\$16,494	\$14,743
Gifts in Kind	\$1,289	\$803
Grants to UH	\$14,042	\$9,850
Total	\$164,984	\$103,576

<u>By Purpose</u>	FY2022	FY2023
Faculty and Academic Support	\$25,231	\$38,556
Student Opportunity and Access	\$35,422	\$23,600
Research	\$68,160	\$17,778
Other - Bldg., Public Svc., Special Projects	\$36,171	\$23,642
Total	\$164,984	\$103,576

Financial Summary of the Operating Activities of the Foundation
Attachment 2
Fiscal Year 2023

REVENUES:	Results
Unrestricted gifts	\$327,378
Income from expendable accounts	\$4,051,281
Income from endowment accounts	\$5,746,196
Service fee on gifts and non-gifts	\$3,612,340
Alumni Relations revenue	\$0
UH contract for services	\$3,103,567
Other payments for services from UH	\$433,667
Total Revenues	\$17,274,429

EXPENSES:	Results
<u>Development</u>	
Personnel	\$6,981,175
Program	\$2,004,648
Campaign	\$92,941
<u>Alumni Relations</u>	
Personnel	\$498,770
Program	\$140,795
<u>Service & Support</u>	
Personnel	\$3,630,573
Program	\$586,112
Office Rent	\$512,812
UH Support Fund	\$150,000
Total Expenses	\$14,597,826

Net Revenue Over Expenses	\$2,676,603
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Departments Supported by the Moneys from the Fund

Attachment 3

- Development
 - Major Gifts - Unit Development Officers
 - Annual Giving – Student Call Center/Direct Mail
 - Scholarship Development
 - Corporate and Foundation Relations
 - Estate and Gift Planning
 - Development Research
- Communications
- Donor Relations
- Special Events
- Alumni Relations

Purpose and Activities of Each Department and how they Participate in Fundraising Activities

Attachment 4

Development

Development is the unit under which departments build relationships with donors, alumni and community members to fundraise for units within the UH System, and ensures compelling philanthropic opportunities exist.

The departments that directly support fundraising include the following: Annual Giving, Estate and Gift Planning, Prospect Research & Relationship Management, Communications, Donor Relations, Corporate and Foundation Relations, and Major Gift Unit Development Officers.

Development supports the Foundation's fundraising efforts through the following activities:

- Coordinate with UH leadership to develop relationships system-wide with alumni, donors, and other constituents to ensure consistent, meaningful, and strategic interactions.
- Establish and implement standards for the development process based on national best practices.
- Coordinate and provide continuous training for development staff and academic leadership on fundraising campaign development; and donor cultivation and solicitation roles and responsibilities.
- Ensure prospects are appropriately managed, especially those who have interests in multiple departments, schools, or campuses and in instances when there is no unit development staff assigned.
- Facilitate the identification of a lead 'prospect manager,' a solicitation or stewardship strategy, and the steps taken towards a solicitation.
- Work with the UH System President to implement key elements of prioritized university-wide initiatives and update the President's portfolio of prospective donors.
- Hold monthly Advancement Team meetings to discuss new projects, strategies, events, and deadlines; share successes and lessons learned.

- Hold monthly (or as needed) meetings with each Development Officer to review prospect strategies, next steps, resources needed, key relationships, etc.
- Ensure that each Development Officer is working to meet mutually agreed upon performance and fundraising goals.

Major Gifts – Development Officers

The Development Officers are housed at several campuses and in college units across the system. They are responsible for effectively managing relationships with individual donors and prospective donors across the UH system to achieve the philanthropic goals of both UH and the donor.

Unit Development Officers work in close coordination with Chancellors, Deans and Directors to:

- Identify, cultivate and solicit individuals (alumni, friends, parents, community leaders and others) who have the capacity to make gifts \$25,000 + annually.
- Engage and provide training to volunteers.
- Steward current donors to ensure that UH remains among their top charities.
- Educate and involve faculty, staff and academic leadership in the fundraising process.
- Coordinate with other colleges, campuses or programs when appropriate.
- Ensure that donors are appropriately recognized.

Annual Giving – Student Call Center/Direct Mail

The Annual Giving team works to raise funds in support of the university and its priorities through direct mail, on-line giving, crowdfunding, matching gifts, email and student call center appeals and campaigns.

The department works closely with UH chancellors, deans, directors, and UHF unit development officers to raise funds via the student call center, annual fall appeals, ad hoc appeals, and crowdfunding campaigns.

Funds raised through these annual giving appeals and campaigns provide essential support for research, scholarship, athletics, and educational and entrepreneurial programs.

The important work of the annual giving team goes beyond the current year funds raised from alumni, parents, friends, faculty and staff. Their outreach and engagement efforts create an important pipeline of donors for the university, ensuring long term support and creating consistent giving habits among future major gift donors.

Scholarship Development

The Scholarship Development department raises funds from individuals, corporations and private foundations to support student aid, which includes scholarships, fellowships, cash awards, and stipends that directly benefit students. We are guided by the student aid priorities identified by UH System leadership, as well as chancellors and deans across the 10 UH campuses. The work of this department is to:

- Raise private funding to support student aid.
- Identify, build relationships with, and steward donors.
- Share information about UH's student aid priorities and student need with donors and external stakeholders, including preparing funding proposals, planning site visits and other efforts to engage donors.
- Work collaboratively with UH leadership, faculty and staff; external partners; and unit-based development officers to engage donors with specific interests.

Corporate and Foundation Relations

The Office of Corporate & Foundation Relations raises funds from corporations and private foundations for faculty research, student access and success, academic excellence, and community outreach. We are guided by the academic priorities identified by academic leadership of the UH System and its ten campuses. Activities that support the University of Hawai'i:

- Work with faculty and academic leaders to develop funding opportunities and support the proposal development process.
- Assist in identifying potential local, national and international funders.
- Build relationships with funders and serve as a point of contact to facilitation strategic coordination and solicitation.
- Develop stewardship plans to encourage continued philanthropic partnership with funders.

Office of Estate and Gift Planning

The Estate and Gift Planning team assists prospective and current donors in making deferred and outright gifts and assists development officers with prospects and donors interested in expanding their philanthropy through charitable gift planning. Department activities include:

- Meet personally with individuals and professional advisors to explain philanthropic investment opportunities in which they have an interest; assisting individuals in assessing their giving options, including outright gifts, bequests, charitable gift annuities, charitable remainder trusts, charitable lead trusts, gifts of qualified retirement plan assets or life insurance, and gifts of personal residence or vacation home with retained life estate.
- Publish newsletters and providing presentations for donors, prospects, and advisors, assisting development officers with marketing gift planning opportunities in University of Hawai'i publications and offering unit-based seminars on gift planning.
- Manage the Heritage Society, a donor club that honors and recognizes donors who have informed the Foundation that they have named the University of Hawai'i Foundation in their estate plan.

Prospect Research and Relationship Management

Prospect Research and Relationship Management provides accurate, timely, and relevant information essential to the success of the Foundation's fundraising goals. The services of Prospect Research and Relationship Management are available to UH officials and Foundation staff.

Applying a unique set of skills and resources, the staff of Prospect Research and Relationship Management gathers, interprets, analyzes, disseminates, and manages prospect data critical to securing grants and contributions, offering support at each stage of the development process. Services include:

- Deliver meaningful service and products based on best available information by keeping up to date on current fund-raising trends and philosophy and by using the latest prospect research techniques, strategies and trends.
- Prepare brief bios on guests attending strategic cultivation, and stewardship, friend-building and/or fundraising special events.

- Identify new prospects through electronic database screening, list segmentation and other strategies.

Communications

The Communications team develops and implements comprehensive communication strategies that highlight the impact private giving has on the University of Hawai'i and its students, build affinity and pride in UH, and inspire philanthropic support.

- The team supports direct fundraising efforts by partnering with development officers in writing major gift proposals and creating fundraising materials and multi-channel fundraising campaign marketing assets.
- Donor recognition, strategic institutional and philanthropic messaging, and gift impact stories are delivered via the UHF website, the *UH Magazine* - a UH Alumni and donor magazine (print and electronic), a targeted donor and friends quarterly digital and print newsletter *Kupono*, the UHF Annual Report, annual endowment report, proactive media relations, and social networking.
- UH students, research and programs, and the impact of private support are also shared through video and social media. These videos highlight the critical work UH does in key research areas and the important long-term impact an accessible and affordable higher education has for our communities.
- Strategic marketing initiatives reinforce the importance of private investment in UH for donors, for the university and its students, and for Hawai'i's future. Limited and careful marketing efforts help fundraising numbers by raising community awareness around the importance of UH and the role the Foundation plays in raising and managing funds donated in support of UH.

Donor Relations

The Donor Relations Office is committed to providing high-level donor engagement and donor-centered recognition of charitable gifts made in support of the University of Hawai'i's students and programs. The team plays a critical role in the lifecycle of major gift donors, ensuring that through their giving, they are engaged and invested for a lifetime.

Stewardship serves as the foundation for building lasting relationships between donors and the University of Hawai'i and University of Hawai'i Foundation. Services include:

- Manage timely and appropriate written acknowledgment of charitable gifts for our most generous donors.
- In conjunction with development officers/units/communications, develop personalized stewardship for our most generous donors, providing them with a critical sense of impact and investment through their giving.
- Provide templates, guidelines and guidance for development officers and units for donor stewardship needs.
- Manage strategic activities and communications to deepen donors' philanthropic partnership with UH.

Special Events

The Special Events Office plans and implements events hosted by the University of Hawai'i Foundation. Functions include donor engagement and/or recognition ceremonies, receptions and dinners; Office of Estate and Gift Planning seminars and events; campaign rollouts, kick-offs and other events as directed by the CEO of the Foundation.

The team also supports the strategic planning, budgeting, negotiating, organizing, and coordinating of events which benefit the University of Hawai'i campuses and system. Special Events works to:

- Offer unique experiences to recognize the Foundation's largest donors, highlighting the University of Hawai'i's programs and accomplishments.
- Highlight the positive impacts of philanthropic gifts to the University.

Alumni Relations

In partnership with the University of Hawai'i and the UH Alumni Association, the Alumni Relations team works to cultivate meaningful relationships with alumni, provide opportunities for alumni to stay connected to the university and deliver value to alumni through alumni events, programs, and resources. Through these strategic alumni engagement activities, alumni build a stronger connection to their alma mater and feel invested in the future of the university.

The Alumni Relations team plans and executes alumni events throughout the year e.g., student outreach events, athletics events, regional events and continuing education events. In addition, the Alumni Relations team supports to UH units in their alumni event-planning. Alumni events include:

- Student outreach events provide alumni with the opportunity to assist in UH Mānoa recruitment efforts
- Athletics events provide a space for alumni to connect with fellow alumni and fans, and build their UH pride
- Regional events provide alumni with the opportunity to connect with fellow UH alumni and friends living in their area and to keep up to date on the latest UH news
- Continuing Education events take alumni behind-the scenes with local academic, business and university leaders for immersive, firsthand experiences.

By partnering closely with UH leadership and university departments, the team offers alumni programs that align with university priorities and allow alumni to participate in activities that help to fulfil the mission and advancement of the university. Alumni programs include:

- Alumni Recruitment Club: Goes hand in hand with Student Outreach Events, providing alumni with opportunities to participate in UH Mānoa recruitment efforts
- Homestay Aloha Program: Seeks to recruit UH alumni to serve as homestay hosts for UH health sciences students that are training away from home. This program aims to address the shortage of Hawai'i healthcare providers and to support the UH health sciences programs that are working to meet needs.

Expenditures of the Funds Authorized by the Board for Each
Department by Primary Expense Category

Attachment 5
Fiscal Year 2023

Fund Sources for Payroll Expenses	Revenue and Expenditures
From University - Service Agreement	\$3,000,000
From Other Sources	\$3,359,138
Total Sources for Payroll Expenses	\$6,359,138

Funds Expended for Payroll Expenses	Revenue and Expenditures
Major Gifts - Unit Development Officers	\$2,367,878
Development Operations	\$750,936
Annual Giving - Calling Ctr/Direct Mail	\$335,879
Scholarship Development	\$447,908
Foundation & Corporate Relations	\$237,533
Estate and Gift Planning	\$455,545
Development Research	\$310,418
Donor Relations & Special Events	\$954,271
Alumni Relations	\$498,770
Total Funds Expended for Payroll Expenses	\$6,359,138

Unit Development Officers Support the Following Units

Architecture	Hawaii CC	Lyon Arboretum	UH Maui College
Athletics	Hawaiian Knowledge	Natural Sciences	UH West Oahu
CALL	Honolulu CC	NAWSON (formerly SONDH)	Waikiki Aquarium
Cancer Center	Institute for Astronomy	Shidler College of Business	Windward CC
CTAHR	JABSOM	Social Sciences	WSRSL
Education	Kapiolani CC	Social Work & Public Health	
Engineering	Kauai CC	SOEST	
Hamilton Library	Leeward CC	UH Hilo	

Moneys from the Fund Transferred to Any Fund of the University

Attachment 6

No moneys from this fund were transferred to any fund of the university.

Amounts and Purpose of All Expenditures
from the UH Support Fund
Attachment 7
Fiscal Year 2023

Purpose:	UH Support Fund
Engagement and cultivation	\$63,464
Receptions	\$50,425
Travel	\$29,328
Membership dues and professional meetings	\$24,059
Business meetings	\$3,797
Other services	\$5,784
Registration fees	\$538
Duplication/printing	\$193
Personal mileage/parking	\$192
Supplies – other	\$37
Books/subscriptions	\$29
Total	<u>\$177,846</u>
UH Support Fund Balance	
Beginning Balance at 7/1/22	\$294,299
Amount transferred in this year	\$150,000
UH Support Fund expenditures (see above)	(\$177,846)
Transfer to Board of Regents	(\$4,500)
Ending Balance at 6/30/23	<u>\$261,953</u>