



prologue.

Transforming soft money into hard requires confidence and commitment

Unlike Rumpelstiltskin, educational fundraisers have not yet been able to spin straw into gold, but the University of Oklahoma Foundation has found a way to turn soft money into hard. In the academic world, that can be a very good thing.

Last summer OU President David L. Boren took OU Foundation President Ron D. Burton to lunch. Not surprisingly, Boren had a plan. The University of Oklahoma ranked sixth in the Big 12 in average faculty salaries, Boren reminded Burton. Increases in legislative appropriations, spread proportionately among all the state's colleges and universities, might enable OU to maintain that relative position, but no better. To Boren, that proposition simply was unacceptable.

What was needed, the OU President suggested, was a guaranteed annual infusion of private money into the University's faculty salary pool. With a \$2.25 million OU Foundation grant the first year, the University could increase average faculty salaries by an additional 3 percent, boosting OU's ranking to at least third in the Big 12, possibly second. The raises, Boren assured Burton, would not be across the board but rather given as individual excellence awards solely on a merit basis as determined by the Provost and the President in collaboration with the deans and department chairs.

This proposal was revolutionary thinking in the private funding world, not the sort of support normally emanating from university foundations. Faculty salaries must be based on a constant revenue stream—hard money—available year after year. Most private grants not backed by permanent endowments, such as those for named chairs and professorships, are one-time expenditures—soft money—and can be found in funding for facilities,

equipment, scholarships and awards, research support and the like.

But that wasn't all Boren was proposing. When his formal request to the OU Foundation Board of Trustees went forward with Burton's endorsement, it contained an additional allocation for five enrichment items totaling \$550,000:

1. \$100,000 to increase study-abroad programs and scholarships to assist with the OU Regents' established goal of boosting the number of OU students studying abroad by 30 percent over three years.

2. \$100,000 for additional targeted graduate fellowships in areas of excellence.

3. \$30,000 to provide six annual OU Foundation Teaching Awards, with nominees drawn from those whose evaluations by their students place them in the top 15 percent of their college's instructors.

4. \$120,000 to initiate a pilot program—first in the colleges of Business and Engineering and if successful throughout the University—for awards to faculty receiving high student evaluations for their teaching, the largest going to the top 3 percent, followed by the top 10 percent and the top 20 percent.

5. \$200,000 for a faculty retention fund to help retain outstanding individually identified younger faculty so often lost to competing institutions.

Boren was asking the Trustees to take a leap of faith based on the confidence that the ever-growing assets of the Foundation could and should support an ironclad commitment to upgrading salaries for the University's faculty. Could the Trustees embrace such innovative thinking? They could and they did.

Announcement of the \$2.8 million Academic Excellence Grant from the OU Foundation was duly noted in the media but perhaps not with complete appreciation of what had occurred. The faculty,

however, realized full well that the University had just taken a giant stride in placing itself in a competitive position among its peer institutions in the recruiting and retaining of top-tier faculty. Boren termed the Foundation's action one of the University's "greatest leaps forward" in its impact on the academic quality of the institution.

Significantly, the Foundation was not being asked to go it alone in meeting this challenge. As has become common in funding the University's most ambitious projects, the effort to meet the faculty salary challenge is a partnership venture. Increases in state funding enabled the OU Regents to give both faculty and staff a 2 percent across the board raise and make available an additional 2 percent in merit increases. The Regents Fund, which holds private gifts made directly to the institution rather than through the Foundation, increased its allocation by a supplemental \$800,000.

The self-reported figures for Big 12 schools for the 2005-06 fiscal year shows OU in sixth place with an average salary and benefits package of \$98,400. The University of Texas occupied the top spot with \$113,800 in average compensation; Colorado ranked second at \$103,700. While other schools also will be making advances in their funding for 2006-07, OU's new faculty average of \$107,300 is expected to rank second or third, a tremendous gain in just one year.

The OU Foundation's decision to plunge into the faculty salary pool in support of the University's ambitious pursuit of academic quality has not gone unnoticed in the small, specialized world of university foundations. This action is groundbreaking, and inquiries from around the country indicate that others may be feeling the pressure to spin a little of their soft money into hard. —*CJB*