

BAYLOR

U N I V E R S I T Y

To: The Board of Directors of the Baylor Alumni Association (BAA)

From: Baylor University

Subject: A Proposal to Combine Resources and Enhance Baylor's Alumni Relations

Date: September 9, 2009

These are exciting times at Baylor University. In many respects Baylor has never been stronger. Our campus is beautiful, our athletic programs soaring, our students and our graduates are excelling, and our outstanding faculty, staff and administration are driving us to the next level of excellence in higher education and service to our Lord and the community. We have challenges, as does every institution, but in almost every respect, Baylor is thriving today. Baylor's long-term bond rating of AA- was reaffirmed by Standard and Poor's last December noting Baylor's history of consecutive operating surpluses, successful fundraising, stable enrollment and solid student demand. Baylor's externally audited endowment will produce results that are in the top quartile and perhaps the top decile of universities when released next month.

Baylor's future is being written now. The search for a new president is well underway. Our Board of Regents is also changing. We established new, shorter term limits and brought in five new regents while graduating some long-term board members who served Baylor well for many years. We, like you, are committed to maintaining a strong board dedicated to academic independence and excellence in all that we do. So, while there is much progress and while there is still much to do, we are reaching out to you today for a matter of great importance to our future.

The Baylor University Board of Regents and Administration are deeply appreciative of the extraordinary contributions Baylor alumni have made throughout Baylor's history and look forward to their future participation as Baylor seeks to fulfill its important role. We are thankful for you and your service to Baylor. We also seek to resolve any lingering tension between us and have all our future efforts be about preparing young servant leaders and advancing Baylor's mission. We want to move forward in the best interests of Baylor which we believe involves having Baylor's alumni activities as part of Baylor itself, rather than an independent entity. We should speak with a united voice in support of Baylor's mission, opportunities, and accomplishments.

As we look at the current relationship between the BAA and Baylor, the conflict of purposes between Baylor and the BAA detracts from the Baylor brand. Baylor needs a vibrant, non-political, supportive alumni organization communicating with its alumni around the world. We seek to create a mutually beneficial combination between Baylor and the BAA for Baylor's

benefit. Our goal is not to silence anyone. In fact, we encourage free expression and debate and will work to address any concerns our alumni may have with our great university. Positioning the BAA in a “watchdog role” or as the “loyal opposition” should not be the primary mission of the BAA. It is not in the charter, not in best practices, and not good for Baylor. Baylor alumni as a whole do not envision the alumni association as a “checks and balance to the administration and governing board of the university.”

As we study other top tier universities, one thing that we find in every single case is that they have a strong and thriving alumni network that supports the university with their time and financial resources. We have wonderful and supportive alumni. We believe they are ready, willing, and able to become more involved in Baylor’s future if we can reach them more effectively and provide to them the infrastructure they need to rally around Baylor. However, we must work together with common goals and shared resources.

Baylor invites the BAA to be a more integral part of Baylor’s branding, development, marketing and alumni communication efforts. Please consider this our formal proposal to the BAA to terminate its independent 501(c) (3) status and become the new Baylor Alumni Association within Baylor’s Division of University Development. It is our hope that many members of the BAA staff, with their talents and services, will join us during this exciting time. If the BAA’s Board agrees to accept this proposal, we will together protect and enhance the Baylor brand, development, and alumni communications.

We hope to align the role of our new alumni affairs outreach programs with the original purpose written into BAA’s Constitution and Bylaws. “The purpose of the Association is to provide the support of benevolent, charitable, and educational undertakings by extending financial and other aid to Baylor University and to students thereof, by generally encouraging sentiments favorable to education and by promoting union of and good fellowship among former students and friends of Baylor University; to coordinate all alumni activities; to serve as the general alumni organization of Baylor University; and to maintain the administrative agency and executive personnel needed to provide for a continuity of alumni activity, interest and **financial support** of Baylor University.”

The following opportunities exist within the framework of a more collaborative effort:

Alumni Engagement

- **Alumni Events**

The Baylor Network in just six years of existence has held approximately 3,500 events in 203 cities (exhibit attached) with over 80,000 attendees. The events such as the Diadeloso, coach’s luncheons, Business Network, Day of Prayer, etc., can all be integrated into the Development Division’s new Baylor Alumni Association platform. Currently, all of the vibrant alumni events outside of Waco have no connection or synergy with the BAA organization.

- **Membership/Communication**

There are 140,000 living Baylor alumni. The University is able to communicate with approximately 120,000 of these alums through Baylor Proud, Baylor Magazine and other communication pieces. The BAA has 16,837 members and approximately 5,000 annual dues paying members. We believe that a joint effort could produce participation levels that would dramatically increase these numbers.

Financial Support of the University

Engaging the alumni base to financially support Baylor is critical to any school's long term financial health. Most capital campaigns start with an alumni organization's leadership. Big XII rival institutions Texas and Texas A&M, exclusively, through their alumni associations raise \$3-\$5 million per year for their universities. Together, as a team, we can enhance alumni support and giving.

We have conducted a review of many top tier schools around the country to determine what governance models they use for their alumni associations. While it is common for the alumni associations of public institutions to have a separate legal status for tax, lobbying, or other regulatory purposes, among private top tier schools, it appears unique only to Baylor to have such a limited reporting structure to the university. We have included the results of our research in an attachment to this proposal. In our proposal we are asking that Baylor adopt a model used by most other top tier private schools in the country.

We respectfully propose the following:

1. BAA evolves into the new Baylor Alumni Association with the responsibility of involving, reaching and energizing the entire alumni base of Baylor. BAA terminates its 501 (c) (3) status as an independent entity and becomes an integral unit within Baylor. Baylor and the BAA terminate all rights and responsibilities under all prior contracts and agreements between them.
2. The new Baylor Alumni Association shall be provided appropriate resources and funding to enable its effective communication with all Baylor alumni.
3. The current employees and staff of the BAA will have the option of becoming employees of Baylor consistent with Baylor policy and working within the new Baylor Alumni Association.
4. The new Baylor Alumni Association shall office in the Hughes Dillard Alumni Center which is owned, operated and maintained by Baylor University.
5. The new Baylor Alumni Association shall coordinate all fundraising, marketing, branding and communication efforts with the Administration.
6. The Baylor Line and Baylor Magazine will be consolidated into one publication with Baylor maintaining editorial control.

7. Baylor Regents shall select one Regent in 2010 from the current BAA Board of Directors.
8. The Baylor Board of Regents will amend Baylor's Bylaws to provide for the annual selection of an ex officio Regent beginning in 2011, from the Baylor alumni, to serve for a term of one year.
9. The Baylor Alumni Association may transfer its Board of Directors and Executive Committee into a new Associational Board of Advisors to provide advice on how to best reach and involve Baylor alumni in the affairs, activities, fundraising and other needs of Baylor. Such Advisory Board shall coordinate its activities with Baylor's Administration.
10. The position of Executive Director of the BAA shall become Vice President for Alumni Affairs and report to the Vice President of Development at Baylor. The Vice President for Alumni Affairs may serve on the Executive Council of Baylor and attend Baylor Regent Meetings except when the Regents are in executive session. The position and responsibilities of the Vice President of Alumni Affairs may be modified over time to best coordinate and reach Baylor's alumni. The Vice President for Alumni Affairs is expected to nominate qualified candidates for the Board of Regents from Baylor's alumni base. The Vice President of Alumni Affairs may also write a column or editorial page for the combined publication (Baylor Line and Baylor Magazine).
11. The money raised to date by the BAA as an independent entity, after all outstanding BAA financial obligations have been satisfied, shall become part of Baylor's endowment and designated as an Endowed Scholarship Fund to award scholarships to deserving Baylor students.
12. Beginning January 1, 2010, Baylor shall begin awarding recognition to its distinguished alumni who will be recognized by Baylor by various awards. The awards and recognitions shall be chosen in consultation with the new Baylor Alumni Association.

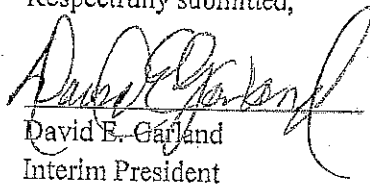
This proposal is not intended to create a contract or legal obligations between us but rather as an invitation for a coming together for Baylor's best interest. If you accept our proposal the new BAA will be well funded and will flourish. We hope to create strong chapters of Baylor alumni around the state and the country where they will find friends and support from each other. We will combine the magazines in to one strong voice for Baylor and use the new BAA platform for awards and recognition of alumni and many other key alumni relations activities. We hope our alumni, once engaged and finding value from the new BAA affiliation, will also support Baylor with their prayers, time, and financial contributions, which can be used to support our students, faculty, and our future.

Baylor is eager to work with this new Baylor Alumni Association to insure it is the finest and most effective alumni outreach effort in the nation. It is Baylor's ultimate goal and intention to reach and involve all Baylor alumni in furthering Baylor's mission. Together we can achieve

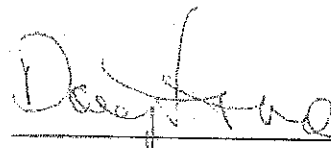
this goal and we invite you to participate in this unified effort. We stand ready to present this proposal formally to your Board at its next meeting if you so desire.

Although it is our fervent hope that the BAA will join with Baylor in creating this new Association, we recognize you may wish to maintain separate status and go a different direction. If so, we will continue to assist you in maintaining your independence which is virtually unique among private university alumni associations. Baylor will likewise move forward in furthering Baylor's efforts to engage and energize support from our outstanding alumni. Please call if we can answer any questions or provide any clarification. We look forward to your response with hopeful anticipation of joining together for the benefit of Baylor.

Respectfully submitted,



David E. Garland
Interim President



R. Dary Stone
Chairman, Board of Regents

Attachments:

1. Baylor Network Information
2. Top Tier Alumni Relations Organizations

Numbers Reported for Baylor Network Activities since 2003, as of August 1, 2009 unless otherwise noted.

<p>Attendance at events since January 1, 2003 through August 1, 2009 does not reflect the full number. EPIC was created in 2003. Before that time, we were not capturing numbers as we do today. We estimate that we are two to three-thousand off. In addition, our numbers do not reflect the large numbers from the local Parent's League meetings and Send Offs, as well as the young graduates—for whom it is difficult to count at game-watching parties or mixers at a ball park etc. We also do not receive/record numbers from the largest women's networks—Baylor women's Association of Houston and Baylor University Women's Council of Dallas because they take all of their own reservations and record numbers. Those groups have about four events each year with 75-400 at each. But from our EPIC system, we show attendance as:</p>	
Attendance recorded in EPIC since January 2003 as of August 1, 2009	83,933 alumni, parents and friends
<p>Categories are assigned by the event owner. Some events—such as those of the business network are categorized as "business," "law," and "career" depending on the speaker. Therefore, one event may be shown in several categories.</p>	
Event Category Breakdown	
1st Call to Prayer	286 events
Administration	80 events
Aftermurals	140 events
Arts & Sciences	60 events
Boxing Parties	158 events
Broadway Bears	13 events
Business	1772 events
Career	217 events
Coaches Luncheon	24 events
Day of Prayer	55 events
Diadeloso	60 events
Education	33 events
Engineering & Computer Science	156 events
Global	18 events
Golf Tournaments	46 events
Honors	6 events
Law School	177 events
Legends	8 events
Libraries	2 events
Mama Bears	44 events
Music	165 events
Nursing	36 events
Organizational Meeting	10 events

These numbers were compiled from EPIC, the event management system of The Baylor Network. If you have questions contact Brenda_Morris@baylor.edu

Parents League	1680 events
Pre-Games	40 events
Regional	121 events
Send-Off Party	672 events
Social Work	4 events
Sports	1944 events
Steppin' Out	100 events
Third Thursdays	154 events
Watch Parties	308 events
Women	826 events
Young Graduates	1064 events

| **Unique Cities**—Our event system (EPIC) records any city in which there is even one event. Note that some of the cities are in China, Germany, Japan, The Netherlands etc. Some cities, of course, have many events, but this list notes any city that has had at least one event. | |
| City Breakdown 203 unique cities total - Abilene - Addison - Albuquerque - Aloha - Amarillo - Anaheim - Anaheim Hills - Arlington - Asheville - Atlanta - Atlanta/Marietta - Aurora - Austin - Balch Springs - Baton Rouge - Beaumont - Beijing, China - Belton - Berlin - Birmingham - Boerne - Boston - Boston (Stow) - Boulder - Brentwood - Bridgeport - Brooklyn | - College Station - Colleyville - Colorado Springs - Columbia/Athens - Columbus - Conroe - Coppell - Corpus Christi - Corvallis - Costa Mesa - Covington - Cypress - Dallas - Daphne - Darien - Denver - Denver Area - DFW - Dublin - East Hartford - Edinburg - Edmond - El Paso - Euless - Fair Oaks Ranch - Flower Mound - Flushing, Queens - Fort Meyer |

These numbers were compiled from EPIC, the event management system of The Baylor Network. If you have questions contact Brenda_Morris@baylor.edu

<ul style="list-style-type: none"> • Brownwood • Bryan • Buffalo • Camdenton • Cantina Laredo • Carrollton • Cedar Hill • Celina • Charlotte • Chesterfield • Chevy Chase • Chicago • Hartford • Heidelberg • Highlands Ranch • Hong Kong • Honolulu • Horseshoe Bay • Houston • Indianapolis • Inverness • Irving • Jackson • Jenks • Kansas City • Katy • Keller • Kerrville • Kingwood • La Jolla • Lafayette • Lake Winnebago • Las Vegas • Lawrence • Leawood • Lewisville • Lexington • Lincoln • Little Rock • Littleton • London • Long Beach • Longview • Los Angeles • Lubbock • Lufkin 	<ul style="list-style-type: none"> • Fort Worth • Friendswood • Frisco • Galveston • Garland • Gatesville • Georgetown • Germantown • Glorieta • Golden • Grand Prairie • Montgomery • Mountain View • N. Little Rock • Nashville • New Orleans • New York City • Noblesville • Norcross • Norman • Odessa • Oklahoma City • Oklahoma City/Edmond • Olathe • Omaha • Orlando • Overland Park • Oviedo • Palmview • Palo Alto • Pantego • Paradise Valley • Paris • Pearland • Pharr • Phoenix • Pineville • Plano • Prairie Village • Pullman • Raleigh • Richardson • Richmond • Rockwall • Round Rock • Rudesheim
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<ul style="list-style-type: none">• Maastricht• Magnolia• Manhattan• Marietta• McAllen• McGregor• McKinney• McQueeney• Mesquite• Midland• Mission• Monroe• Shanghai• Shawnee• Shreveport• Southlake• St. Charles• St. Louis• St. Paul• Stillwater• Stoneham• Sugar Land• Sulphur Springs• Surfside• Tarrant County• Tempe• Temple• The Woodlands• Tokyo• Tulsa• Tyler• Victoria• Waco• Washington• Watauga• Waterloo• Waxahachie• Wayzata• Weslaco• West Bloomfield• West Point• Wichita Falls• Woburn• Yorba Linda	<ul style="list-style-type: none">• S. Barrington• Salado• San Angelo• San Antonio• San Benito• San Diego• San Francisco• San Marcos• Scottsdale• Seattle• Shallowater
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Membership: The Baylor Women's Network is a membership organization. However, dues support the respective scholarship funds as well as operating expenses. Members pay for their own events. The Parent's League counts all parents of all students as "members" but there are no dues.	
Baylor Women's Network Membership for FY 09 (June 1, 2008-May 31, 2009) Baylor Women's Councils, Baylor University Women's Association of Houston and The Baylor Women's League of San Antonio—13 groups total.	1,321
Number of events in FY 09 for The Baylor Network	576
Number of volunteers in leadership positions during FY 2009	347

Tier One Summary

<u>School</u>	<u>Appointment</u>	<u>Reports to</u>	<u>Employed by</u>	<u>Type</u>
Boston College	University	University	University	Private
Brown	University	University	University	Private
Cornell	University	University	University	Private
Dartmouth	University	University	University	Private
Duke	University	University	University	Private
Emory	University	University	University	Private
Florida	University	University	University	Private
Harvard	University	University	University	Public
Illinois	University	University	University	Private
Johns Hopkins	University	University	University	Public *
Lehigh	University	University	University	Private
MIT	Alumni	Alumni	University	Private
North Carolina	University/Alumni	University	Alumni	Private
Northwestern	Alumni	Alumni	Alumni	Public
Notre Dame	University	University	University	Private
Penn	University	University	University	Private
Penn State	University	University	University	Public
Princeton	University	University	University	Public
Stanford	University	University	University	Private
Tufts	University	University	University	Private
Tulane	Alumni	Alumni	University	Private
USC	University	University	University	Private
William and Mary	University	University	University	Private
Baylor University	Alumni	Alumni	University	Private
	Alumni	Alumni	Alumni	Public
			Alumni	Private

*The original document provided to the BAA mistakenly identified Illinois as a private institution. That error has been corrected here.