

**STATE UNIVERSITY SYSTEM  
MAJOR GIFT PROGRAM  
February, 2004**

**I. Major Gift Program**

The Major Gift Matching Program provides the opportunity for each state university to receive and match private donations to enhance their libraries and instruction and research programs. To be eligible, contributions for matching purposes must be made in the manner prescribed in Section 1011.94 F.S. Contributions must be made for the purpose of supporting the libraries and instruction and research programs of the recipient institution; and donations, state matching funds, or proceeds from Major Gift endowments may not be used for the construction, renovation, or maintenance of facilities or to support intercollegiate athletics. Each university foundation has the responsibility of the maintenance and investment of the major gift funds and for the administration of the programs at its respective university. Only the interest/earnings income may be used toward a gift and/or chair. The corpus of gifts and the associated state match may not be used.

There are various types of endowments established by the universities which may qualify for state matching funds as long as their purpose is to support libraries or instruction and research. Private donations of at least \$600,000 and associated state matching funds, which together total at least \$1,020,000, may be designated as an Eminent Scholar Chair endowment. These endowments allow the universities to create chairs to be occupied by selected eminent scholars. This is the only type of specific endowment that has a \$600,000 private donation minimum. All other gifts must be a minimum of \$100,000 to qualify for state matching.

The following is the current private donation/State match percentage structure outlined in s. 1011.94 F.S.:

<b>Private Donation</b>	<b>% State Match</b>
\$100,000 - \$599,999	50
\$600,000 - \$1,000,000	70
\$1,000,001 - \$1,500,000	75
\$1,500,001 - \$2,000,000	80
\$2,000,001 +	100

**II. Donations**

Approximately 2,200 donations eligible for state match have been received since the inception of the program. Over 79% of the donations are for less than \$600,000, which makes them eligible for a 50% state match (see Table 1). However, the value of those donations account for about one-third (33.21%) of the total value of all private donations.

Table 1

<b>Private Donation Scale</b>	<b># of Gifts</b>	<b>% of Total Gifts</b>	<b>Amt of Private Donations</b>	<b>% of Private Donations</b>
\$100,000 - \$599,999	1,629	79.6%	\$231,806,693	33.1%
\$600,000 - \$1,000,000	261	12.8%	\$168,869,888	24.1%
\$1,000,001 - \$1,500,000	82	4.0%	\$89,618,798	12.8%
\$1,500,001 - \$2,000,000	9	.4%	\$14,564,825	2.1%
\$2,000,001 +	65	3.2%	\$195,328,154	27.9%
Total	2,046	100%	\$700,188,358	100%

Table 2 further breaks out the private donations between \$100,000 - \$599,999. Of these gifts, 50% are for the minimum required to receive state matching funds. Over 90% of the gifts donated under \$600,000 are between \$100,000 - \$299,999.

Table 2

<b>Private Donation of Less than \$600,000</b>	<b># of Gifts</b>	<b>% of Total Gifts</b>	<b>Amt of Private Donations</b>	<b>% of Private Donations</b>
\$100,000	810	49.7%	\$81,000,000	34.9%
\$100,001 - \$199,999	535	32.8%	\$65,569,665	28.3%
\$200,000 - \$299,999	149	9.2%	\$33,550,678	14.5%
\$300,000 - \$399,999	81	5.0%	\$26,614,935	11.5%
\$400,000 - \$499,999	31	1.9%	\$13,301,134	5.7%
\$500,000 - \$599,999	23	1.4%	\$11,770,280	5.1%
Total	1,629	100%	\$231,806,693	100%

### III. Options

There are numerous changes that could be implemented to assist in managing the growth of the program:

1. Adjust the percentage of state match.
2. Adjust the level(s) of private donations needed to qualify for a certain percentage of state match.
3. Limit the total amount of state match for any single gift to a specific amount (\$15 million has been previously recommended).
4. Limit the amount of state match for a single gift in any given year to a specific amount (\$3 million has been previously recommended).
5. Tie private donations to specific Board missions or priorities (such as only private donations to support critical state needs would be eligible for state match).
6. Limit bundling of gifts.

During 2002-2003, the universities submitted 135 eligible endowments totaling \$46.5 million in private donations, which generated requests for state match in excess of \$33.6 million. Using the 2002-2003 matching requests, there are many scenarios that could be generated to determine the impact on these requests. The following are just a few:

1. Currently, private donations between \$100,000 - \$599,999 receive a 50% state match. If this percentage were changed to 25%, the 2002-2003 requests for state match would have been \$28.1 million (\$5.5 million or 16% less than the actual requests).
2. If the minimum private donation was increased from \$100,000 to \$500,000 and the percentage match stayed the same, the 2002-2003 request for state match would have been for \$24.1 million (\$9.5 million or 28% less than the actual requests).
3. If the levels of private donation were changed to \$500,000 - \$1,999,999 with a state match of 50% and \$2,000,000 plus receives a 75% match, the 2002-2003 requests for state match would have been \$16.7 million (\$16.9 million or 50% less than the actual requests) and the number of endowments eligible would have decreased from 135 to 27.
4. In 2000, legislation was introduced to change the state matching percentage to:

<b>Private Donation</b>	<b>% State Match</b>
\$100,000 - \$999,999	50%
\$1,000,000 - \$2,999,999	60%
\$3,000,000 +	85%

If this statutory change had passed, the request for state match would have been \$25.6 million (\$8 million or 24% less than the actual requests). In addition, the legislation would have limited "bundling" of gifts, which may have reduced the eligible gifts even further.

5. Taking the legislation proposed in 2000 a little further and increasing the minimum donation to \$250,000, the request for state match would have been \$20.6 million (\$13 million or 39% less than the actual requests).
6. Given that 90% of the donors who contribute less than \$600,000, contribute \$300,000 or less, using scenario five and allowing donations between \$100,000 - \$250,000 to receive a 25% match and donations between \$250,000 - \$999,999 receive a 50% match the state matching funds requested would have been \$23.1 million (\$10.5 million or 31% less than the actual requests).

<b>Private Donation</b>	<b>% State Match</b>
\$100,000 - \$250,000	25%
\$250,001 - \$999,999	50%
\$1,000,000 - \$2,999,999	60%
\$3,000,000 +	85%

Allowing the minimum to remain at \$100,000 allows smaller institutions to generate donor contributions and continues to allow donors to receive some state match. If you also limit bundling of gifts and institute the \$3 million/\$15 million criteria you may provide further limits on the number of eligible endowments.