

# **ITE Western District Richard T. Romer Student Endowment Fund Sustainability Policy**

Adopted May 2, 2014

The Richard T. Romer Student Endowment Fund (EF) is intended to provide a sustainable source of funding for the Western District Student Initiatives Program, the goal of which is to attract, retain, and develop the most talented students into transportation professionals. As stated in the attached EF Committee Strategic Plan, the short-term goal for the EF was to accrue at least \$500,000 in the fund, after which time the earnings from the principal in the fund would be used to subsidize or, ideally, fully support the Student Initiatives Program. Due to the state of the economy, in 2012 the Strategic Plan for the EF was subsequently revised to incorporate provisions for the use of the fund to subsidize the Student Initiatives Program before reaching the \$500,000 goal. Guidance is also provided within the Strategic Plan indicating that annual contributions to the EF should be used to subsidize the program rather than liquidating investments.

In 2013, in an effort to decrease expenditures from the District's general fund, the Western District Board voted to fund all of the annual expenses for the Student Initiatives Program from the EF beginning with the 2014-2015 fiscal year, before the \$500,000 goal was met. Because the Strategic Plan for the EF recommends that expenditures from the EF should be limited to the amount contributed to the EF on an annual basis, so as not to deplete the growing principal amount, additional support may be necessary for the Student Initiatives Program if expenses for the program exceed contributions to the EF in any one year. As such, the District establishes the following policy:

- Annual contributions to the EF will be used to support the Student Initiatives Program. These annual contributions include individual and group donations, interest accrued in the EF savings account, and dues transfers.
- On an annual basis, if contributions to the EF exceed Student Initiatives Program expenses, the additional income will be retained by the EF for future investment in accordance with the Strategic Plan for the EF.
- On an annual basis, if Student Initiatives Program expenses exceed contributions to the EF, the District will transfer money from its general fund to cover the shortfall.

Once the Student Endowment Fund achieves its short-term goal of reaching \$500,000, the Richard T. Romer Student Endowment Fund Sustainability Policy should be reassessed. The Strategic Plan for the EF acknowledges that the earnings accrued from this level of principal in the fund may not be sufficient to fully support the Student Initiatives Program and, as such, the District may still need to subsidize the program, but at a reduced level.

## **ITE Western District Student Endowment Fund Strategic Plan**

### **Background**

The future of the transportation profession depends upon a stable and continuing flow of students who are excited and passionate in the career opportunities afforded by transportation engineering and planning. In an ever-competitive environment to attract students with strong math, science and analytical capabilities, many transportation firms and agencies have had to look for employment candidates outside the region and the US. Over the past five years the ITE Western District has greatly expanded the Student Initiatives Program in accordance with the District's strategic plan which calls for us to:

*Encourage, support and provide opportunities to attract, retain and develop the most talented students into transportation professionals.*

The District's student initiatives have been targeted toward attracting the best and brightest university Civil Engineering students to the transportation profession in the West and have included:

- Waiving ITE dues and District Annual Meeting fees for faculty advisors
- Waiving ITE dues and subsidizing District Annual Meeting registration fees for students
- Funding travel to District Annual Meetings through student competitions, student papers, and student projects such as the Data Collection Fund
- Sponsoring special events for students and professionals

By encouraging active student chapter advisors and increasing student access to the profession (and its professionals) we have achieved substantial progress in increasing the number of engineering students choosing transportation as a career option. We have demonstrated that when we get our professionals in direct contact with students, they excite and inspire students about transportation, making it a real and inviting profession.

In the past, the Student Initiatives Program was modestly funded utilizing existing annual operating and annual meeting budgets. This has limited the scope of the program and resulted in the use of operating reserves. In an effort to avoid increasing dues and to assure continuous, stable funding for the current and future student initiatives, the Student Endowment Fund was established to provide a self-sustaining funding source for this program.

## **Mission Statement**

*The Student Endowment Fund is intended to provide a continuous and stable source of funding for the Student Initiatives Program, the goal of which is to attract, retain, and develop the most talented students into transportation professionals.*

## **Short-Term Goals**

The District initially estimated that it would require \$40,000 per year to fully fund all of the endeavors undertaken by the Student Initiatives Program. To generate enough annual revenue to support these initiatives, the District projected that the Student Endowment Fund would need to reach \$500,000.

*Goal: Accrue at least \$500,000 in the Student Endowment Fund.*

Once this goal is met, the interest accrued from the substantial principal in the fund would be utilized to subsidize or fully support the Student Initiatives Program.

## **Short-Term Initiatives**

To reach the \$500,000 goal for the Student Endowment Fund, the following short-term initiatives will be undertaken by the Endowment Fund Committee:

- Once the fund reaches at least \$210,000, invest \$200,000 of the principal in accordance with the investment policy for the fund with guidance from the Board and other financial advisors to generate maximum interest with minimal risk. The initial investment will be placed in a higher yielding investment for a longer investment period (perhaps 5 years). As additional contributions are received, subsequent investments from the principal in the fund will be made in \$25,000 increments in rolling investments with shorter investment periods (perhaps 3 years). At least \$10,000 of the principal should be held in reserve for emergencies.
- Given the current state of the economy, the fund may need to be utilized to subsidize the Student Initiatives Program before the \$500,000 goal is met. If so, annual contributions should be utilized to subsidize the program rather than liquidating investments. This procedure will allow the fund to continue to grow through reinvestment of the interest/dividends, but may delay subsequent investments of the fund's principal.
- Outreach personally to individual members to encourage contributions to the Student Endowment Fund
- Coordinate with Section/Chapter Presidents to identify liaisons in each Section/Chapter who will in turn encourage contributions to the Student Endowment Fund on a local level

- Attend District Annual Meetings to facilitate personal outreach to members and increase the convenience of the contribution process
- Distribute badge ribbons at District Annual Meetings to recognize contributors and heighten awareness of the fund
- Distribute lapel pins and encourage their use at District Annual Meetings to recognize contributors and heighten awareness of the fund
- Publish bi-monthly EF Spotlights in the WesternITE and on the Endowment Fund website to increase awareness and humanize (“put a face to”) the fund
- Send correspondence promptly to contributors to either thank them for their contributions or remind them of their pledges to contribute (annual billing)
- Distribute annual awards for contributors to the fund to recognize members/groups who have made significant contributions to the fund and engender friendly competition for the awards

### **Long-Term Goals**

Once the Student Endowment Fund reaches its \$500,000 goal, the interest accrued from the principal in the fund would be utilized to subsidize or fully support the Student Initiatives Program thereby reducing or eliminating the need to utilize the District’s general operating funds. Given the current state of the economy, it is uncertain whether the initial accrued interest would be sufficient to fully support the existing endeavors of the Student Initiatives Program. As such, the District may still need to subsidize the program, but at a reduced level.

*Goal 1: Accrue at least \$25,000 in interest on an annual basis to fully support the existing endeavors of the Student Initiatives Program.*

Continued pursuit of the short-term initiatives of the fund will add to the principal and ultimately ensure that the fund is able to generate enough revenue to support the Student Initiatives Program. As the principal in the Student Endowment Fund continues to grow, the program can undertake expanded student initiatives.

*Goal 2: Accrue at least \$40,000 in interest on an annual basis to support the expansion of the Student Initiatives Program endeavors.*

These expanded initiatives could include:

- Additional grants for the Data Collection Fund. Currently only 5 grants are awarded each year.
- Increased or additional student awards at Annual Meetings. Monetary awards for the Student Chapter, Fellowship, and Student Paper Awards, as well as the Kell Competition and Student Traffic Bowl could be increased. In addition, monetary awards could be added for the Outstanding Student and Student Chapter Web Site awards.

- Grants to student chapter advisors for activities that widen the real world experiences transportation students experience in school (i.e., technical tours)
- Grants for field trip opportunities with professionals to build tangible and local interest in transportation
- Library materials and technical software for student chapters
- Travel stipends for students to attend District Annual Meetings and other transportation conferences to broaden their exposure to the profession
- Grants to sections that develop innovative programs to attract students to transportation

### **Strategic Plan Evaluation**

This Strategic Plan for the Student Endowment Fund is consistent with the Strategic Plan for the Western District. However, periodic evaluation and update of this plan is required to ensure continued concurrence with the District's Strategic Plan and subsequent Board actions, as well as the Strategic Plan for the Student Initiatives Committee. The frequency of these evaluations should be dependent on the expected timeframe for achieving each of the Plan's goals.

*Short-Term Plan: Evaluate and update the Strategic Plan at least every two years until the short-term goal of the Plan is achieved.*

*Long-Term Plan: Evaluate and update the Strategic Plan at least every five years after the short-term goal of the Plan is achieved.*