

**F. M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM**

**DATE:** April 10, 2024  
**Program Area:** Education  
**Grant Type:** Board Grant

**REQUEST DATE:** March 1, 2024

**APPLICANT:**  
Wake Forest University  
P.O. Box 7227  
Winston Salem, NC 27109

**CONTACT:** Dr. Susan Wenthe, President

**AMOUNT REQUESTED:** \$200,000  
**BUDGETED AMOUNT:** \$200,000

**NATURE OF REQUEST:** Support of various initiatives: Wake Forest Fund, Program for Leadership and Character, Office of Personal and Career Development, and Reserved for Future Decision

**GRANT HISTORY**

**SUPPORT:** 1992-2023

**# OF APPROVED GRANTS:** 34

**TOTAL DOLLARS:** \$12,825,000

**LAST GRANT DATE:** 12/08/2023

**LAST GRANT AMOUNT:** \$200,000

**FYE DATE:** 06/30

**AFS DATE:** 11/07/2023

<b>Year Approved</b>	<b>Approved Amount</b>	<b>Approval Date</b>	<b>Grant Purpose</b>
2023	\$200,000	12/08/2023	Support of the Wake Forest Fund - \$25,000; Support of the Office of Personal and Career Development - \$25,000; Support of the Program for Leadership and Character - \$25,000; Reserve for Future Decision - \$125,000
2022	\$200,000	12/12/2022	Toward the Wake Forest Fund-\$25,000; toward the Office of Personal and Career Development-\$25,000; toward the Program for Leadership and Character-\$25,000; Reserve for Future Decision-\$125,000
2021	\$300,000	05/03/2021	Toward COVID relief funds-\$250,000; toward the Wake Forest Fund-\$25,000; toward the Program for Leadership and Character-\$25,000
2020	\$50,000	03/31/2020	Crisis Response Fund-\$25,000; The Wake Forest Fund-\$25,000
2019	\$250,000	12/16/2019	Toward the proposed Academic Commons project (Changed to Reserve for Future Decision in 2022)
2019	\$25,000	11/27/2019	The Wake Forest Fund

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**LAST SITE VISIT DATE:** October 2021

**ENDORSEE:** Alice Horton, Alexa Horton, Ashley Freedman, Laura H. Virkler, and Ward K. Horton

**FINANCIAL ANALYSIS COMMENTS:** The FY24 expense budget for Wake Forest University's (WFU) Reynolda Campus projects a 5% increase over the prior year actuals. The FY24 revenue budget projects a \$21.1M net operating surplus after transfers and a 5% increase over the prior year actuals. The FY23 audit for WFU, which includes WFU Health Sciences, shows unrestricted net assets totaling \$1.7B, and a cash position of \$86.7M. The Reynolda campus has unrestricted net assets totaling \$871M, and a cash position of \$62.2M. WFU investments are valued at \$3B, with \$1.7B attributable to Reynolda. Student tuition and fees accounted for 52% of Reynolda's total operating revenues in FY23. The Reynolda Campus had an operating excess of \$51.5M and an overall change in net assets of \$60.4M in FY23. Total Reynolda endowment value is \$1.1B, a 2% increase over FY22. Financial assets available for general expenditures within 12 months are \$1.4B - \$547M of which is attributable to the Reynolda Campus. To help manage unexpected liquidity needs, the Reynolda Campus has a committed line of credit with a total borrowing capacity of \$150M. As of June 30, 2023, it had not been drawn down on. As of June 30, 2023, the Reynolda Campus had notes payable, finance leases, and bonds payable totaling \$582.8M. As per the FY23 audit, supporting services represented 10.8% of Reynolda's functional expenses. FMKF last approved a grant to WFU in FY23. The amount accounted for less than 1% of gifts and contributions.

**ORGANIZATION DESCRIPTION:** Wake Forest history dates back to 1834, when Wake Forest Manual Labor Institute was founded in Wake Forest, North Carolina. It was rechartered as Wake Forest College in 1838, making it one of the oldest institutions of higher learning in North Carolina. In 1946, the school accepted an invitation from the Z. Smith Reynolds Foundation to move 100 miles west to Winston-Salem. Construction began in 1952, and the new campus opened its doors in 1956. Winston-Salem is the home of R.J. Reynolds Tobacco Company, and much of WFU's main Reynolda Campus is comprised of land that was once the R.J. Reynolds estate. The institution was designated Wake Forest University (WFU) in 1967.

WFU is dedicated to the pursuit of excellence in the liberal arts and in graduate and professional education. Its distinctiveness in its pursuit of its mission derives from its private, coeducational, and residential character; its size and location; and its Baptist heritage. Each of these factors constitutes a significant aspect of the unique character of the institution. WFU is built upon the shared belief that the University community is distinct in embodying its motto: *Pro Humanitate* (For Humanity). *Pro Humanitate* illuminates their purpose, animates their values, and calls the WFU community to seek a meaningful role in the world.

Enrollment in the 2022-23 academic year was 8,963, with representation from 47 states and 48 countries. Enrollment in the 2023-24 academic year is thus far 9,121, with representation from all 50 states and 39 countries. Undergraduates choose from among fifty majors and sixty minors and are encouraged to pursue an academic study-abroad experience. In response to the Supreme Court's

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2023 ruling on race-conscious admission programs – a ruling that WFU felt jeopardized its efforts to diversify their student body – the College launched the Early Action application process in fall 2023. The new process is geared specifically toward first-generation applicants. As part of WFU’s efforts to lower barriers to undergraduate admission for these students, the process allows first-generation applicants to receive their admission decision earlier than usual, thereby allowing them to consider other offers of admission and financial aid options before making their ultimate decision. This initiative not only gives first-generation students more flexibility in their college decisions – importantly, it signals that WFU values their experience and wants to create more opportunity for them.

**EMILY PRINCE COMMENTS:** Since 1992, FMKF has approved thirty-four grants totaling \$12.825M in support of Wake Forest University (WFU) and its various initiatives. Areas of support have included the Wake Forest Fund; various endowments and fellowships; the Calloway School of Business and its new building Kirby Hall; and Covid relief and crisis response funds. In FY24, FMKF is considering \$25K in support of the Wake Forest Fund, \$25K for the Office of Personal and Career Development (OPCD), \$25K for the Program for Leadership and Character, and \$125K RFD, for a total of \$200K. Historically, WFU has applied in the second or third quarter of the year, with their most recent grant approval in December 2023. However, the late submission of their audit (in FY23 it was November 21<sup>st</sup>) has made it challenging for us to do a thorough grant review. Thus, the decision was made to move them to Q1 to ensure timely administration of their request. Therefore, WFU is currently requesting funding in a new fiscal year, but less than one calendar year from the time of their last application.

WFU seems to have taken JJK’s feedback to heart about their previous request narratives, which provided virtually no academic details or updates on the accomplishments of the OPCD and Program for Leadership and Character. This request is a massive improvement.

As the University community anticipates its third century, they are preparing to launch a multi-phased fundraising effort to position them for the next chapter. The effort will be guided by the goals outlined in “Framing Our Future,” WFU’s strategic framework released in September 2023. As opposed to a strategic “plan,” the framework is a living document, which may be updated over time in response to societal shifts, the changing landscape of higher education, and new thinking from faculty, staff, and students. The framework was formed through conversations with more than 1,000 faculty, staff, students, alumni, parents, and friends from summer 2022 through summer 2023. With *Pro Humanitate* as the inspiration, the three overarching goals are: 1) We are a Community of Learning; 2) We are a Community of Inquiry; and 3) We are a Community of Partnerships. The framework provides structure to make decisions regarding where to invest to preserve distinctive value and inspire creativity.

The University is actively engaged in the campaign planning process, which includes setting goals, analyzing donor prospects, and determining which programs and projects will be prioritized. “Evergreen” needs such as financial aid and the Annual Fund will anchor efforts, as will signature programmatic initiatives such as OPCD and the Program for Leadership and Character, along with other emerging themes and opportunities. Significantly increasing the endowment and certain capital projects will feature prominently as well. Phase 1, or the “Silent Phase” is expected to fall

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during FY25-FY28, Phase 2, or the “Public Campaign” during FY29-FY31, and Phase 3, or the “Capstone Campaign/Bicentennial” during FY32-34.

- **Annual Fund:** The Annual Fund provides the University with the foundation it needs to face both challenges and opportunities as they arise. This unrestricted giving benefits every aspect of the University – from student financial aid and faculty development to emerging programs for students and technology resources. Filling the gap between tuition dollars and endowment income, it allows the University to address its most pressing priorities, making it a critical aspect of financial support. Gifts to the Annual Fund allow the University to uphold its mission and fulfill the primary purposes of higher education by pursuing and uncovering knowledge and new ways of benefiting society. In FY23, over \$12.7M was donated to the Annual Fund. A gift of \$25K from FMKF in FY24 would bring our all-time contributions to the Annual Fund to nearly \$800K.
- **Program for Leadership and Character:** Throughout the development of Framing Our Future, the theme of “leadership, character and integrity” emerged again and again as an institutional priority. This feedback not only affirms the contributions of the Program at WFU to date, but also underscores its critical role in the years ahead. Since its inception, the Program has grown to include nearly 40 faculty and staff, and their impact can be seen throughout – and well beyond – campus. Their work includes teaching, curricular and co-curricular programming, research, conferences, and community engagement activities. Two examples that perhaps best exemplify the range of the Program’s impact are the Leadership and Character Scholars Program and the Educating Character Initiative. Leadership and Character Scholars constitute a cohort of exceptional students committed to developing qualities of leadership and character. They receive a full scholarship, along with distinctive opportunities, including conversations with visiting speakers and exemplary leaders; specially designed retreats, workshops, and discussion groups; personal mentoring; and stipends to pursue service, internships, and research. The Scholars Program is designed to strengthen students’ sense of community, inform their values and vocation, and prepare them to serve their communities well beyond their college years. The inaugural class of Leadership and Character Scholars graduated in May 2023.

Although the Program for Leadership and Character’s mission centers on WFU students, it also aims to extend its impact to institutions around the country. The newly established Educating Character Initiative invites institutions of higher education to learn about and from WFU’s work, thanks to a \$30M grant from the Lilly Endowment. Partner organizations receive the resources, funding, and support they need to integrate character education into their distinctive institutional contexts, curricula, and cultures. The Initiative aspires to foster a robust network that recognizes the value of educating character within higher education. In addition to organizing workshops, conferences, and convenings and developing resources for faculty and staff, the Educating Character Initiative awards grants to both individuals and institutions. Approval of a \$25K grant in FY24 will further ensure the Program can continue to develop the moral, civic, and intellectual character of the University community and beyond.

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- **Office of Personal and Career Development (OPCD):** Since its launch in 2012, the OPCD has become a part of the fabric of WFU, a role emphasized in Framing Our Future. The first thematic goal of the framework articulates the ways in which Wake Forest fosters a community of lifelong learners and plans to further leverage its strengths in career readiness to graduate leaders with integrity and courage. The nationally recognized OPCD operates in service to this goal by ensuring that every student has the tools, resources, and information to successfully navigate the college-to-career transition. The OPCD's success is founded on a unique model of unified management and collaboration between the teams supporting undergraduate and graduate students, a single Employer Relations and account management team providing a world-class experience for students and recruiters, and campus partnerships with faculty and student organizations. In addition to post-graduation success rates – over 96% of WFU graduates land jobs or post-graduation education opportunities within six months of graduation – student participation is a critical indicator of the OPCD's success. In 2022-23, student engagement in career events and workshops, employer events, internship and job applications, and career coaching appointments was nearly 80%. Of those students, 76% were first-generation. The OPCD strives to provide all students with the resources and support they need to succeed post-graduation. The Kirby-Horton Access and Opportunity Fund, which supports students whose resources are limited but whose potential is boundless, is critical to this end. In summer 2023, the Fund provided experiential learning stipends for 15 students performing summer internships. In addition to experiential learning stipends, the Fund also regularly provides student support through professional development grants and travel stipends to participate in Career Treks to major cities. As of June 30, 2023, the Fund had a market value of \$1.7M. Approval of a \$25K grant in FY24 will further ensure the OPCD can positively impact students' post-graduate success and wellbeing.
- **Capital/RFD:** Consistent with the three thematic goals articulated in the strategic framework process, WFU students need spaces that inspire their learning and creativity; scholars need spaces that enable excellence in teaching, learning, and mentorship; and, collectively, the University needs spaces where the community can engage in meaningful partnerships. To execute these goals, in October 2021, WFU initiated a Space Utilization Study to understand current and future space needs on the Reynolda Campus as well as the capacity of peripheral campus properties to meet future needs. The University partnered with a national planning and design firm for the study. The study had four primary goals: 1) Address the need for additional instructional, academic, and community space on the Reynolda Campus; 2) Identify potential academic and/or administrative uses of University-owned commercial properties located in close proximity to the campus; 3) Assess recently acquired real estate adjacent to the campus for potential uses; and 4) Assess the future need of space currently under lease to the University for various academic programs. Partnering with an architecture and design firm, the University is actively engaged in work to create a holistic, well-sequenced and long-term campus space plan to renew the Reynolda campus academic core while continuing to investigate how they might activate existing real estate assets in service of the same. WFU will likely tackle select capital projects over two phases. As of now, Phase 1 will include the creation of swing spaces among properties to “unlock the core,” specifically on the South Campus. It is likely that several projects will be undertaken in Phase 2, including the renovation of Scales Fine Arts building – which will

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be welcome news to the Kirby-Horton family, as previously approved RFD funding has been unofficially earmarked for this purpose. WFU anticipates hiring consultants specifically to evaluate Scales during 2025 to further inform the campus master planning process. Approval of an additional \$125K RFD in FY24 would bring the total amount held to \$625K and go a long way towards making the Scales project a reality.

Given the priorities that have emerged from the Strategic Framing Process, and planning for the next capital campaign, there is no question that WFU is being thoughtful in its approach to its Bicentennial in 2034. This request, with its mix of support for immediate and future needs, acknowledges that WFU is not losing sight of its responsibility to educate its students today while preparing for its campus of tomorrow. WFU indicates it is hopeful that continued support via RFD will encourage other key donors to invest enthusiastically in the initial phase of the campaign, and they are likely correct, as the amount is already substantial, with five years left to go before entering the Public Phase. Considering the significantly improved request narrative and family endorsements, I recommend a grant of \$200K in FY24 as requested and budgeted - \$25K for the Wake Forest Fund, \$25K for the Office of Personal and Career Development (OPCD), \$25K for the Program for Leadership and Character, and \$125K for RFD.

**RECOMMENDATION:** In FY24 I recommend a grant of \$200K, to be allocated as follows:

\$25K Support of the Wake Forest Fund  
\$25K Support of the Office of Personal and Career Development  
\$25K Support of the Program for Leadership and Character  
\$125K Reserved for Future Decision

**JUSTIN J. KICZEK COMMENTS:** I could not agree with ECP more that this new WFU proposal is such an improvement! I have a much better understanding now of the Foundation's history of support, the University's own values and strategic framework, and the scope and significance of the programs we have funded. It would behoove us to give the WFU team some compliments on this, so we can ensure this becomes the norm moving forward.

I remain as impressed and pleased as ever with the Foundation's broad support for various WFU initiatives. It is wonderful to see our attention not only to career development but also equity by providing experiential learning stipends for underresourced students through the Kirby-Horton Access and Opportunity Fund. As I learned in our 2021 site visit, this fund also helps students who may need a professional wardrobe refresh or financial help with transportation.

How affirming, too, to see that FMKF's early investment in the Program for Leadership and Character was, in part, responsible for the program later attracting \$30M through the Lilly Endowment. The ripples of this investment will indeed continue to expand outward as the Educating Character Initiative seeds other similar character education programs in higher education across the land. My review of the proposal gave me the idea that Michael Lamb would make a really wonderful Lunch and Learn presenter!

With Ella Virkler soon adding her name to the list of family alumni, it is clear that WFU will continue to be an important relationship for the Kirby family and the F. M. Kirby Foundation.

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**RECOMMENDATION:** In FY24, I recommend a grant of \$200,000, to be allocated as follows:

\$25,000 in Support of the Wake Forest Fund

\$25,000 in Support of the Office of Personal and Career Development

\$25,000 in Support of the Program for Leadership and Character

\$125,000 to be Reserved for Future Decision

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**DISPOSITION:**

- Declination
- Hold for review on/about:
- Approval for: **\$200,000**
- Recommended Grant Payment(s):  
**2024:**  
**2025:**  
**2026:**
- Hold for Board Review: **April 26, 2024**
- Payee Other Than Addressee:
- Insert Information:  
**Support of the Wake Forest Fund - \$25,000**  
**Support of the Program for Leadership and Character - \$25,000**  
**Support of the Office of Personal and Career Development - \$25,000**  
**Reserved for Future Decision - \$125,000**
- Other:  
**Include grant letter.**

Initials: ggk

Date: 04/12/2024

Check #                     

Date: