

The Leading Edge

MARCH 2012

Inherently Governmental vs. Margin of Excellence: The Impact of Giving Back

by Gen (Ret) Stephen Lorenz '73, President & CEO

As I have traveled around the country visiting different groups of Air Force Academy graduates, one question comes up regularly: "Why should we give money to the Academy when the federal government is supposed to pay for our great school and provide support for the cadets?" This is an excellent question, especially as we face cutbacks in the Air Force budget.

During my 37 years of service to our Air Force and the nation, I spent four years as the Air Force Director of the Budget. I learned that there are services such as operations and maintenance, military construction, acquisition, and personnel costs that are *inherently governmental*. The cost for these goods and services should be borne and paid for by the government. However, there are some things that the government will not pay for, but that are still necessary for ensuring quality and performance. These unfunded essentials provide a critical *margin of excellence*.

This *margin of excellence* is what makes our grads and the Academy what they are today—outstanding. Sometimes, this extra *margin of excellence* includes support for constructing buildings that the Academy needs, but which are not covered by the government. For example, the recently completed \$15.5 million Holaday Ath-

letic Center helps our athletic teams compete at the Division One level. This vital indoor practice field would not make the military construction priority list in today's constrained Air Force budget; however, due to the generosity of nearly 750 donors, the facility was designed, built and open for use by cadets in less than 18 months.

Another example is the planned Center for Character and Leadership Development. The CCLD will be constructed through a blended program, consisting of \$27.5 million from government military construction funding and more than \$12 million from private contributions. The idea of using both government dollars and donor dollars for a project is not new. Many state universities have been doing this for years, and recently, the United States Military Academy constructed their new \$62 million library, using \$2 million in private funding. In fact, over the last decade, West Point has raised over \$234 million in donations. During that same time period, Naval Academy alumni and parents raised over \$294 million, in comparison to the Air Force Academy community which raised \$95 million in private contributions.

Please understand that not all funds committed by donors goes into constructing buildings. In fact, the \$16.5 million raised by the USAFA En-

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dowment in 2011 went toward maintaining that valuable *margin of excellence* across all aspects of the Academy experience. Those donations went where the Superintendent and our great donors wanted the money to go. Some donations went to fund endowed academic chairs, and others were given to cadet clubs for supplies, equipment and travel. The money also funded pre- and post-graduate scholarships that the government cannot afford. Today, many of our cadets will gradu-

ate and, within months, be in harm's way. We owe these young warriors every opportunity to help them become the best leaders for our nation. Sometimes, government money is just not enough to support these needs, and that is where our graduates, parents and friends of the Academy play such an important role. Our donors fill the gap between *inherently governmental* funding and the *margin of excellence* that makes all the difference to our graduates. It takes both types of fund-

ing to make the Air Force Academy the world class institution it is today, which means your donations to the Academy will be even more critical to give our graduates The Leading Edge.

Go Green!

By making an online gift to The Air Force Academy Fund, your gift is green – saving the paper, envelopes and postage involved with mailings and checks. Giving green saves the environment and minimizes our cost of fundraising to maximize impact at the Academy!

Every gift you make supports the Academy and is an investment in continuing the tradition of developing outstanding leaders of character for the nation.

Make a gift online today at
www.usafaendowment.org



Meet a new Polaris Society member

Gary and Penny Hoe, '69, recently confirmed that the Air Force Academy is a beneficiary in their estate plans. In recognition of their generosity, the USAFA Endowment has conferred on them membership in the Polaris Society, and they join more than 185 dedicated individuals who have made such commitments in their own plans, or have other planned gifts.

Both Gary and Penny are from Kentucky originally, and married six weeks after Gary's Academy graduation. Two tours at Kirtland Air Force Base introduced them to Albuquerque, and following his Air Force retirement as a lieutenant colonel, they stayed in New Mexico. He joined Sandia National Laboratories and also worked at Los Alamos. Now retired for good, he volunteers as a docent at the National Museum of Nuclear Science and History, in addition to many other community activities. Penny is involved in Albuquerque's thriving arts community.

When Gary set about to revise his living trusts, taking measures to provide for Penny and their two daughters, he designated a percentage of their estate to make charitable bequests for several organizations that mean a lot to them.

Says Gary of his decision to include the Academy as a beneficiary, "I am grate-



Gary and Penny Hoe, Class of 1969.

ful for the opportunities afforded me by the Air Force Academy – Appalachian Kentucky just did not offer much to a budding engineer at the time. I'm proud to be a member of the Class of 1969 and happy to offer this future support to help enrich cadets' experiences."

For more information on how you can arrange a charitable bequest to the Academy and qualify for Polaris Society membership, contact Dale Zschoche. He may be reached at 719.238.7510 or dale.zschoche@usafaendowment.org.

Giving Back: Glenn Strebe

I grew up an Air Force brat, and my family moved frequently. By the age of eight, I had already lived in five different places, before we finally settled near Minot, North Dakota.

My father, who had enlisted at the age of 17, did not have a lot as a child, and my mother and her family were survivors of the atomic bombing of Nagasaki. We learned growing up that it doesn't take a lot of money to live and be happy.

When I was 17, I received my appointment to the Air Force Academy and graduated in 1987. I was then on casual status as a BCT Associate AOC, before transferring to Honor and Ethics. My first assignment was at Peterson Air Force Base as an auditor in the Air Force Audit Agency. I came back to the Academy to work in the Comptroller's office as a Cost Analysis Officer and then as the Director of Cost Analysis. While in the Air Force, I received my MBA from Colorado State University. I separated from the Air Force in 1993 to become the Chief Financial Officer at Air Academy Federal Credit Union (AAFCU). Two years later, I became the Chief Operating Officer, and in 1998, I became the CEO. At that time, Air Academy had approximately \$140 million in assets. Currently, AAFCU has \$424 million in assets, and serves 42,000 members worldwide. In the credit union industry, I have served on various boards and committees at the local, state, regional, and national level. I have also been active on boards and committees in my community. In November 2011, I was elected to the Academy School District 20 Board of Education. My wife, Terri, and I have been married since 1988. We have two children, Joshua and Kamiko—20 and 18, respectively. Both are in college. I enjoy pretty much



Glenn Strebe, Class of 1987.

anything outdoors, and quite often, you will find me training for triathlons.

It seems not a day goes by that I don't reference a learning "opportunity" from my time at the Academy. We all have numerous experiences from the Academy that have shaped and molded us to be who we are today. While we didn't recognize them when we were cadets, time filters wisdom, and we finally see it later in life.

Giving to the Center for Character and Leadership Development and being a part of the Sabre Society is one way to perpetuate this incredible institution and to help shape our future. As I see it, kids are 25 percent of our population and 100 percent of our future. I believe I have a duty and responsibility to positively influence the future. When I was young, I talked about being successful (as most grads do). As I have matured, I now talk about being significant. To me, success may not be significant, but significance is success.



Upcoming Events

April 13, 2012

Founders Day
Falcon Club, USAFA, CO

July 19-20, 2012

Academy Donor Summit
USAFA, CO

September 7, 2012

Donor Reception
Sheraton Hotel, Ann Arbor, MI

November 2, 2012

Donor Dinner (Army Weekend)
Castle on the Hudson, NY

More information regarding save the dates and registration to follow.

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