

WINTER 1989

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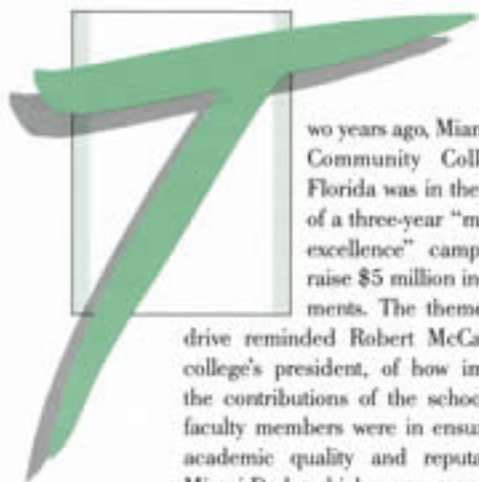
QUARTERLY



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ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

Community Colleges Exhibit New Spirit of Fund-Raising Aggressiveness



Two years ago, Miami-Dade Community College in Florida was in the middle of a three-year "margin of excellence" campaign to raise \$5 million in endowments. The theme of the

drive reminded Robert McCabe, the college's president, of how important the contributions of the school's 800 faculty members were in ensuring the academic quality and reputation of Miami-Dade, which serves over 40,000 students on four campuses.

How, McCabe wondered, could the college recognize and reward its outstanding teachers in a systematic way? He shared his thoughts with the development staff and officials of the college's foundation. The idea they came up with was this: a \$10 million campaign to underwrite 100 "endowed teaching chairs."

Endowed chairs are traditionally associated with prestigious universities, not public two-year institutions. But Miami-Dade's forward-looking leadership symbolizes a new spirit of fund-raising aggressiveness and outreach that is taking hold at community colleges across the country.

School officials say the harsh reality of shrinking tax support is forcing them to

seek out more charitable dollars to fund expanding program needs that are not being met by regular operating budgets. And a growing number are looking to foundations to help them do the job.

"Community college foundations are beginning to borrow more elements of university private fund-raising models," notes Stephen Katsinas, Miami-Dade's associate director of institutional advancement and executive vice president of the foundation.

Besides endowed chairs, these techniques include annual giving, capital campaigns, planned giving, and alumni relations. Together, they promise new vitality and steadier long-term health for institutions that have been the orphans of higher education when it comes to corporate and philanthropic giving.

"The key is that two-year colleges are community based, serving local needs, and they certainly qualify for funds from the private sector," says Lex Walters, president of Piedmont Technical College in Greenwood, South Carolina.

"But only recently," he adds, "have they started making their needs known."

In *The Community College Foundation*, published in 1982 by the National Council for Resource Development, contributors agreed that effective founda-

tions provide vital services in eight areas: planning, budgeting, student financial aid, faculty enrichment, community services, student activities, outreach, and gift solicitation.

The fund-raising savvy of Miami-Dade and others illustrates the measure of success community colleges can achieve working in close cooperation with a well-run foundation.

Since 1980, Miami-Dade's endowments have grown from a total of 17 to more than 142; assets have risen from less than \$70,000 to effectively over \$60 million. Meanwhile, the new endowed chairs appeal was launched in June—when ink on the \$5 million in earlier pledges was barely dry. Yet already donors have signed on to fund 26 of the honorary teaching slots, a quarter of the goal in a projected three-year campaign.

The key to such success, Katsinas believes, is making foundations equal partners with the college's development office. The endowed chairs project, he says, "is an excellent example of how the development office and the community college foundation can work cooperatively with the college in its strategic planning process."

To fund the \$75,000 cost of each chair, a corporate or individual donor's gift of \$45,000 is matched with \$30,000 from a state-chartered trust fund. Sponsors can designate the chair in the academic field of their choice. Interest from each endowment will provide a stipend of about \$7,500 annually, to be awarded to outstanding faculty members for up to three years each. According to Siegfried Herrmann, director of institutional development, \$5,000 of that amount will supplement the teacher's annual salary; the rest can be used for any resources that enrich classroom instruction, including books, supplies, and even personal travel.

Edison Community College in Fort Myers, Florida, recently capped the \$5



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million mark in endowments, placing it among the top five public two-year college endowments in the nation. The fund to support activities of the 7,000-student college has been built through community gifts of cash, securities and real estate, with a major portion from wills and trusts.

Active since 1975, Edison's foundation has enriched the five-county-district college in the form of academic improvements, athletics, an Honors Scholar Program, a fine arts gallery, more than \$350,000 a year in scholarships, and a \$1.2 million performing arts hall built in conjunction with the University of South Florida.

Community colleges in Florida are leading the way in part because of landmark legislation passed by the state in 1983. "Community colleges usually are in last place when it comes to legislative funding," notes Johanna Hudson, Edison's director of college relations. Recognizing its inability to meet the expanding needs of its community colleges, Florida enacted a bill that encourages public two-year colleges to broaden their financial base through private fund-raising; the act provides for a system of tax dollars to match private contributions.

Chartered as separate nonprofit entities "at arm's length" from the school,

foundations have long offered public colleges a way of forging special links with local business and industry, philanthropies, and other potential donors.

Foundations can offer donors better tax incentives and greater discretion in the allocation of gifts; conversely, they give community colleges more flexibility in accepting certain kinds of gifts and services.

Examples from a diverse sample of community colleges—both rural and urban, large and small—show how integral such support can be to the quality of programs and services.

At Kirkwood Community College in Cedar Rapids, Iowa, a 19-year-old foundation has made it possible for students to enjoy "more assistance and a little bit better equipment," says executive director Martha Aldridge. Last year \$128,000 in scholarships was awarded.

The college, with an enrollment of 7,000 students from seven counties, receives a lot of "in-kind" contributions. Regular contributions made through the foundation include horses, cattle, and equipment needed for agriculture students to operate the school's 450-acre farm. Because community colleges are public institutions, Aldridge explains, any gifts donated directly to the college could be considered property of the state and not the school.

For a program that trains about 250 students a year as tractor-trailer operators, the foundation has a special purchasing agreement with four local trucking companies; the school buys new truck tractors, then later sells them back to the companies for the original purchase price after students have logged 20,000 miles. The deal enables a turnover of new equipment every three to four months.

Says Aldridge: "We perceive of the foundation as being an extra edge in enabling us to be an excellent college instead of just a good college."

At Midland College in Texas, a special arrangement with one local donor opened the doors to higher education for hundreds of local youths during a recent period of economic difficulty.

Three years ago, the community of 100,000 was suffering the effects of a recession in the oil industry. The Abell-Hangar Foundation, a local family-run philanthropy, wanted to provide some financial relief to families in the area. So it decided to pay the cost of books and tuition for any graduates of the county's three high schools who chose to attend Midland College (enrollment 4,000). The first year, 40 percent of the community's 1,000 graduating seniors took advantage of the offer; the second year, some 600 students responded.

Abell-Hangar "has been pleased" with the results, says college president Jess Parrish, and the program was continued indefinitely. Some of the students who have benefited, he notes, would otherwise have gone away to school; others probably would not have attended college at all. Estimated total support since the program was introduced: about \$400,000.

In September, Valencia Community College in Orlando, Florida, received a grant of \$500,000 from Florida Hospital—the largest gift the hospital ever made to a college. The money, matched two to one by the U.S. Department of Education, will build a scholarship endowment fund to assist students in nursing and the allied health professions. As part of that community partnership, Valencia and Florida Hospital teamed up to offer a specialized program to retrain inactive nurses.

Piedmont Technical College, a rural school of only 2,500 students (mainly part-time), recently won enough community support to build a \$1.5 million conference center on the campus. College president Walters attributes his school's success in large part to "a very close working relationship

with local business and industry."

Not so long ago, most community college foundations were mainly "walk-in" operations set up to accept scholarships and other local gifts, or transacting bodies that collected and rechanneled funds for athletics or single-purpose projects. As one college official recalls, "unless you went to donors, they didn't know you existed."

Today, that passive and narrow profile is quickly becoming obsolete. Since the mid-'70s, when state, federal and local support began eroding, a growing number of public two-year colleges have been looking to foundations to fill in the gaps and help ensure long-term financial security.

Although statistics on the number of community college foundations are generally incomplete, it's estimated that roughly three-quarters of the nation's 900-plus public two-year colleges now have foundations. More than 80 percent of these have been established since the late '60s, according to Shelba Robison, writing in *The Community College Foundation*.

A major challenge community colleges face in broadening their fund-raising activities is breaking down the institutional resistance that has locked them out of

some major sources of private dollars.

Last spring, G. Jeremiah Ryan, vice-president of institutional advancement at Monroe Community College in Rochester, New York, examined the gift-giving policies of 200 of America's largest corporations and foundations. What he found: 48 percent do not accept funding proposals from community colleges.

Dick Witter, formerly executive director of the foundation at Northern Virginia Community College, explains that trend: "In the past, lots of people regarded community colleges as not quite colleges, as more developmental in their approach. And it's true that a lot of community colleges began almost as extensions of high schools, with a heavy vocational and technical emphasis in programs."

But Witter and others see encouraging signs that those close-minded attitudes are changing. Record enrollments at many community colleges in recent years, along with greater concern among business and industry about the need for better-trained workers, are contributing to a greater respect for the special mission of public two-year colleges.

"There's definitely a feeling today that community colleges have proven to corporations and foundations that they're doing a satisfactory job," Witter says, "and they're beginning to open up in terms of giving, particularly at the local level."

Recent reports indicate, however, that while community colleges are making progress in private gift solicitations, they still have far to go.

Figures compiled by the Council for Aid to Education show that although corporate support for community colleges has nearly doubled since 1984-85, it still represents only about 1 percent of all corporate contributions. Total corporate support for community colleges in 1986-87 was \$19.8 million; contributions to higher education overall added up to \$1.8 billion.



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Giving to community colleges by major foundations also has increased dramatically. The Foundation Center reported that community and junior colleges received \$8.6 million in 1986, compared with nearly \$4.4 million in 1982. But again, total contributions to two-year colleges represent only 1 percent of all foundation gifts to education.

"Impressive as the gains in educational fund-raising are, relatively few community colleges have benefited from the increased flow of dollars," Ryan concluded in the report, which was sponsored by the American Association of Community and Junior Colleges (AACJC) and the Council for Advancement and Support of Education (CASE). Ryan currently is heading a task force set up last year by CASE to educate private grant-makers about the need to include community colleges among their eligible recipients.

But even where there are no restrictions on giving to community colleges, Ryan found that a limited number of public two-year schools showed interest in tapping these sources. Of an estimated 700 community college foundations now operating, he notes, only about 200 have active programs that employ traditional educational fund-raising practices.

Ryan attributes this uneven progress to a deep-seated ambivalence on the part of many community college officials. The reluctance to engage in more aggressive fund-raising, he believes, "centers on [concerns about] whether or not a public community college supported by public dollars should be asking for private dollars as well."

In some cases, he suggests, community college leaders fear a conflict between the school's trustees and the foundation board members over fund-raising priorities. Or they may be wary of the high cost of initiating major fund-raising efforts.

In line with these concerns, school offi-

cial and fund-raising experts agree that most critical to the success of an effective foundation is an active, committed, independent board. Also crucial, they add, is ongoing support from the college's president and trustees.

"We make it clear to our board members this isn't just something to put on a resumé," says Aldridge of Kirkwood Community College. She also deems it important for community college foundations "to have glass doors."

"Let everyone know how much money is being generated, and where it's going," she advises. "People are more likely to contribute if they see what you're doing with the money."



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For Dick Witter, running an effective foundation meant "establishing the credibility of the foundation within the college as much as outside." A practical tip Witter offers: Avoid too-frequent meetings. Some foundations model their schedules on the monthly meetings of the school's trustees, he notes. "But there's no reason why most foundations have to meet that often."

School officials stress it's important for community colleges to proceed cautiously

when looking to expand their financial outreach. Decisions should be based on realistic expectations and careful planning. A foundation's guidance and activities represent a significant investment in the college's future; as such, it takes time for this investment to pay off.

Miami-Dade's Katsinas thinks many foundation boards fail to achieve optimum financial results for their schools because "they are not organized to take a pro-active stance in regard to fund-raising." That mandate is crucial. While college presidents are usually skillful planners and budget-managers, he notes, few have the kind of fund-raising experience needed to give their schools an

edge in the intensely competitive world of charitable giving.

"There's a real need for community college presidents to pay close attention to the organizational structure of foundations," Katsinas says. Functions that should be represented "by active committees' work," he notes, include audit, budget and finance, endowment asset management, and investment.

Valencia Community College is a telling example of the difference such an approach can make. Officials of the 21-year-old school of 14,000 students selected foundation board members with an eye to their financial and accounting expertise. The payoff has been rich, enabling the school to reap the benefits of skillful investment advice and advantageous business dealings.

According to foundation board chairman F.B. Bywater, the foundation has helped the college to negotiate bank loans for renovations at favorable rates; maximize investments and expand endowments beyond the original goals of the college's leadership; and purchase a broad array of goods and services more efficiently.

Through foundation board members' efforts, for example, Valencia has acquired significant real estate holdings at

Through foundation board members' efforts, for example, Valencia has acquired significant real estate holdings at no cost to the college. The school's downtown central building was acquired seven years ago for \$750,000, in a special transaction with the owner that required no money down; today the property is appraised at over \$4 million. A similar deal was struck two years later to acquire a 3,500-square-foot house the college uses to train the blind.

A recent fund-raising drive collected \$50,000 in donations to beef up the holdings of Valencia's library; through a foundation board member's intervention, a local newspaper agreed to match all contributions by half. A current "High-Tech With Humanity" campaign to raise \$2 million will eventually enable the college to offer classes at remote locations through state-of-the-art equipment.

While fund-raising programs are increasingly being modeled on the successful techniques of four-year colleges and universities, many community colleges find winning formulas in their own peculiar blend of instinct, local tradition, and whatever else happens to work.

In developing its relatively new foundation, 44-year-old Montgomery College in Rockville, Maryland, has focused much of its attention on expanding support among alumni—seldom a high-priority area for community colleges.

In its initial alumni contribution drive three years ago, the college, which currently enrolls 20,000 students on three campuses, set a modest alumni-gift goal of \$5,000. Actual proceeds were double that targeted amount, and last year donations from former students totaled \$26,000, according to Sarah Meehan, director of development and executive director of the foundation.

A growing endowment of a quarter-million dollars and other fund-raising efforts, Meehan notes, provide up to



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\$50,000 a year in scholarships and \$20,000 a year for faculty enrichment. Recent grants have enabled teachers to do research into illiteracy and study special curriculum development; to hold master classes; and to travel to professional conferences. The foundation also supports artists-in-residence and an active business and economic development program at the college.

The 15-year-old endowment association of Hutchinson Community College in Kansas two years ago hired its first full-time executive director. "Our program has improved a lot by going this way," says James Stringer, president of the 3,500-student college.

A major mandate was to cultivate more bequests from large local estates and to develop a closer working relationship with alumni. Hutchinson hired a well-known sports broadcaster for the job. School officials based the decision on their feeling that "fund-raising skills are secondary when you're talking about the importance of community interaction," Stringer says. "We felt we could build on the rest," he adds.

In contrast to that attention by a full-time director, 7,500-student Bristol Community College in Fall River, Massachusetts, depends on a cadre of 50 volunteers to organize and run the activi-

ties of its foundation.

An annual performing arts gala at the college's state-of-the-art theater, begun shortly after the foundation was established eight years ago, netted the college \$38,000 last year. A President's Club, initiated by a local banker, holds a recognition dinner each year—featuring a nationally known speaker—that also draws heavy local support.

Some development officials dismiss special events like these as too time-consuming for efficient fund-raising, notes Helen Marie Booth, director of development. But because these events have become so popular in the community, she says, "ultimately I'll be more confident knocking on doors" to solicit larger gifts.

As the foundation approaches its second decade, Booth adds, she expects the school to gradually broaden its financial outreach to include more of the fund-raising techniques that are beginning to show impressive results for so many other community colleges.

"As the leaders of community colleges look past the 1980s to the 21st century, private resource development looms as a crucial element of college operations," Ryan concludes in his recent study of fund-raising practices at community colleges. "The private sector," he adds, "may be the greatest potential for increased financial support."

Under a grant from the Exxon Education Foundation, Ryan is working with CASE to identify successful fund-raising programs at community colleges and develop models that other public two-year schools could adopt. ■

—by Diana L. Pabst