Batten Down the Hatches!

Weathering the Budget Storm with Your Foundation
Overview

- Welcome and Introductions
- Supporting Infrastructure Through Social Enterprise *(Robert Schwartz)*
- Getting Federal Match Dollars Through Strategic Grant Applications *(Selina Chi)*
- Collaborating with your Foundation for Amazing Results *(Randall Parent)*
- Questions
Introductions

• Keetha Mills  
  President and CEO, Foundation for California Community Colleges

• Robert Schwartz  
  Executive Director, Los Angeles City College Foundation

• Selina Chi  
  Executive Director, East Los Angeles College Foundation

• Randall Parent  
  Attorney, Liebert Cassidy Whitmore
Collaborating for our Colleges

• Foundation for California Community Colleges
  Official nonprofit supporting the Chancellor’s Office and the California Community Colleges, providing support to all 112 community colleges through innovative, diverse and far-reaching programs.

• Network of California Community College Foundations
  Works to enhance and support the resource development capabilities of California Community College foundations through leadership, training, and networking.
Supporting Infrastructure Through Social Enterprise

Robert Schwartz, Los Angeles City College
About the Foundation

- Los Angeles City College Foundation is a non-profit, tax-exempt 501(c)(3) corporation established in 1968 to increase the educational opportunities for students of Los Angeles City College by managing existing funds and raising new funds for a broad assortment of academic scholarships.

- In service of this mission, the Foundation creates and promotes new initiatives to meet unfunded programmatic needs of the school community, and to meet the financial challenges of the college and its students.

- It is designated to receive gifts for the College from individuals, corporations, and foundations.

- The Foundation is governed by a Board of Directors:
  - The Executive Director reports to the Board
  - There are six full-time and two part-time staff
  - The Foundation salaries and benefits are paid by the Foundation.
Los Angeles City College and the Los Angeles Community College District

- Founded in 1929, the college is the flagship of the nine-school Los Angeles Community College District (LACCD), the largest community college district in the United States.

- LACCD serves more than 250,000 students annually at nine colleges that are spread throughout 36 cities in the greater Los Angeles area.

- The other LACCD schools are East Los Angeles College; Los Angeles Harbor College; Los Angeles Mission College; Los Angeles Trade–Technical College; Los Angeles Valley College; Pierce College; Southwest College; and West Los Angeles College.

- Six colleges have active foundations:
  - Los Angeles City College, East Los Angeles College, Los Angeles Trade Tech College, Los Angeles Valley College, Pierce College and West Los Angeles College.
Los Angeles City College and the Los Angeles Community College District (continued)

- There is a District foundation that is a pass-through for scholarship and other funds but it does not function as a traditional foundation

- LACCD’s Chancellor has scheduled a meeting of the presidents of the nine colleges, the current foundation executive directors and key LACCD staff
  - Participants will discuss social enterprise initiatives that will raise earned income for the foundations
  - The discussion will include establishing a culture of philanthropy at the LACCD
  - The colleges should consider soliciting gifts from government sources (grants), private foundations, corporations and individuals—alumni, faculty, staff and friends of the colleges

- In addition, participants will discuss how the foundations and administrators can work together more effectively to pursue entrepreneurial revenue-generating opportunities
Los Angeles City College Foundation Earned Income Partnerships

- The Weekend Swap Meet
  - The Swap Meet was launched in 1998
  - Originally, the Swap Meet took place on Sundays only
    - The Saturday Swap Meet was added in 2009
  - The Swap Meet operator supports the effort with flyers, direct mail and cable TV advertising
  - While the first year returns were modest, the Swap Meet revenue now funds the Foundation’s operating expenses
  - This revenue positions us to inform donors that 100% of their contributions will be used for charitable purposes and not for Foundation overhead expenses
Los Angeles City College Foundation Earned Income Partnerships

- **Vending Machines**
  - The Foundation has a contract with a vending machine operator that has been in place since 1998
  - Vending machines are placed strategically throughout the campus and offer drinks, snacks and food to students, faculty and staff
  - Revenue from the vending partnership also provides operating income

- **ATM**
  - The Foundation operates one ATM on campus from an independent vendor and the college operates a Higher One ATM
  - The Foundation has a relationship with the LACCD-approved credit union
    - The credit union provides benefits to the Alumni Association that is managed by the Foundation
    - The Foundation is working to establish credit union ATMs on campus
Tully’s Coffee

- Since 2009, a Tully’s franchise has been located on campus in the Student Lounge.
- The franchise sells coffee, pastries and sandwiches.
  - In addition, Tully’s provides catering for the campus community.
- Tully’s is open during Monday through Thursday, 7:00 A.M. to 6:30 P.M. and Friday from 8:00 A.M. to 1:00 P.M.
  - It is closed Saturday and Sunday.
  - It is also closed when school is not in session.
- There is currently no coffee shop operator in the newly opened Student Union and subject to the outcome of an existing RFP, it is hoped that Tully’s will be able to move to this space.
Los Angeles City College  Foundation Earned Income Partnerships

- Prospective Partnerships
  - Management of event space in the new Student Union that will incorporate an opportunity to secure a well-known brand name catering/food service entity as the operator, e.g., Wolfgang Puck
  - Farmers market
  - Tennis courts—introduce a tennis club modeled after the enterprise at Glendale Community College
  - Golf driving range—the basic structure is in place and the facility could be reopened with a tenant/operator providing the necessary improvements
  - Working with LACC faculty and staff to identify networking sources for other financial opportunities, including potential fundraising events
Getting Federal Match Dollars Through Strategic Grant Applications

Selina Chi, East Los Angeles College
LEVERAGING GRANTS TO FUND THE ADVANCEMENT OPERATION

Presented by

Selina S. Chi, CFRE
Dean Resource and Institutional Development
Executive Director, ELAC Foundation
East Los Angeles College is the largest of the nine colleges in the Los Angeles Community College District.

ELAC student population qualifies college for HSI and AAPI funding.

Of our 30,000 student population, over 80% qualify for financial aid.

The community approved three construction bonds for over $900 M.

ELAC has an active and vibrant Foundation Board of Directors.

ELAC is an engine for the economic health of our community.

ELAC has many unique and innovative programs.

The margin of excellence requires sufficient and stable funding revenue. The Advancement Office is the overarching support of the college.
INSIDE THE RESOURCE AND INSTITUTIONAL DEVELOPMENT OFFICE

- Dean Resource and Institutional Development and
  Executive Director College Foundation
- Associate Dean Resource and Institutional development and
  National Science Foundation Co Principal Investigator
- Assistant Dean Grants Management and
  Project Director, Title V, Web 2.0
- Foundation Development Officer and
  Project Director, STEM,
With capacity building grants, the Department of Education anticipates institutionalization of programs and personnel after the funding period ends.

US Department of Education -Title III- completion in 1999 – over $2 M
Brought about the creation of a new administrative position.
Dean, Resource Development and Community Relations

Title V-2000-MENTE, created additional staffing opportunities – over $2 M
Foundation Development Assistant.

Title V Cooperative Grant – Closing Funding Gap- over $3 M
Associate Dean and first endowment challenge.
Endowment allowed for the purpose of building the capacity of the Foundation and support the college- allowable 20% of budget of the grant application.

Endowment used to leverage additional funding.

Title V–Partnership for Academic Literary (2006) $2.8M
SFP Project Director

AS WE CONTINUE TO LEVERAGE
ADVANCEMENT OF THE INSTITUTION

SINCE 2008  with our core team this is the list of key achievements

CCRAA- Green Science Technology and Curriculum  $2.45 M
CCRAA- Engineering Transfer Pathway  $2.4 M
HSI-STEM – Goals and Needs for Accelerating STEM  $6 M
ANNAPISI- Pacific Rim Meets the Barrio  $2 M
NSF – Improving STEM Transfer  $2 M
TAA-CCCT- Improving Student Outcomes for Employment  $3 M
First 5 LA- ECE Workforce Development Project  $1 M
First 5 LA- Family Child Care Higher Education Academy  $1.1 M
FCCC/OSHER Endowment Initiative  $1.8 M

Department of Energy –Green Career Training  not funded  $50 M
FEDERAL ENDOWMENT MATCH

Title V Coop – Closing the Funding Gap (4 colleges) $600,000
Title V-Partnership of Academic Literacy $425,000
CCRAA- Green Science Technology and Curriculum $200,000
CCRAA- Engineering Transfer Pathway $210,000
HSI-STEM – Goals and Needs for Accelerating STEM $100,000

TOTAL $1,535,000
WHAT ADVANCEMENTS WERE MADE FOR THE INSTITUTION

Students served through programs.

Faculty supported.

Systemic changes made.

Partnership developed and strengthen

College initiatives supported
AN EXAMPLE OF EXPANDED TEAM

East Los Angeles College President

VP Academic Affairs
Richard Mayer, VP

Principal Investigator
Karen Dean, Dean

Advisor/Steering Chair
Marina Rudes, SFF

Advising Technician
Patricia Reyes, SFF Tech

Mentors Steering Committee
Armando Rivero-Figueroa
Karen Dean
Marina Rudes
Paulina Palomino
Carmen Rios-Aceves

VP Workforce Education
Rones Martinez, VP

Co-PI/Project Director
Armando Rivero-Figueroa

Outreach Coordinator
Jesica Cristo, ISA (Temp)

Program Technician
Brice Pelados

Sustainability Development Officer
Martia Feloney, SFF Dir

Evaluation Coordinator
Lou Hughes

Math Coordinators:
- Anne Sixamento
- Ruben Aranas
- Rahim Faridi
- Gabriel Castro

STEM Mentors
Anne Sixamento
Ruben Aranas
Rahim Faridi
Gabriel Castro

SFP Specialists
Maria Caples
NUMBERS TELL THE MESSAGE

Personnel Cost / Revenue
2006-2012
Creating the credibility

Encourage the open dialogue within the partnerships
Create “think tanks”

Translate, edit and document the goals and expectations
ASSISTANT DEAN OF GRANTS MANAGEMENT AND COMPLIANCE

Charting the relationship of partners.

Analyze and review the regulations.

Budget development and oversight.
Community Engagement

Government Relations

Fund Development and Logistics

Project Management/External Relations
WHERE THE GRANT RESOURCES ARE ALLOCATED
Balancing the multiple budgets.

Dealing with the “S” word.

Finding balance in the workplace
LOOKING FROM THE OUTSIDE IN
BE A CORE FUNCTION OF THE INSTITUTION. BE PART OF THE ACCREDITATION PROCESS.

PARTICIPATE IN PROGRAM REVIEW AND VIABILITY PROCESS.

INCLUDE THEN FOUNDATION IN STRATEGIC PLANNING.

ENGAGE THE ENTIRE OFFICE STAFF ON PLANNING PROCESSES.

BE AN INSIDER-ALIGNMENT IS CRITICAL TO ADVANCEMENT
HOW CAN WE LEVERAGE FOR THE LOOMING FUTURE

DIVERSIFY

Bond Campaign

Social Enterprise

Planned Giving

Grants

Events

Alumni
With adversity comes opportunity..
Challenge yourself to examine your organization structure..
Each college situation is unique..
It is all about cooperative and collaborative working relationships…
Find your friends and partners…
This presentation should not discourage you…
ADVANCEMENT IS ABOUT ALL THE ENDLESS POSSIBILITIES

The collective wisdom, talent, and knowledge at ELAC is at our fingertips. Our job is to tap that wisdom.

By actively listening and putting that information into a proposal format.

Finding the right opportunity to make the appeal, the application, or the ask.
THE END

But really just the beginning!
Getting Federal Match Dollars Through Strategic Grant Applications

Selina Chi, East Los Angeles College
Collaborating with your Foundation for Amazing Results

Randall Parent, Liebert Cassidy Whitmore
Batten Down the Hatches!
Weathering the Budget Storm with Your Foundation

ACCCCA 2013 Annual Conference
February 21, 2013

Presented By: Randy Parent
Introduction
Organizational Models

- Direct Fundraising by Colleges
- Non-profits - independent
- Non-profits – auxiliary organizations
History

- The 1960 Master Plan for Higher Education
- Public higher education “shall be tuition free to all residents.”
- Direct fundraising by colleges
1978 – Passage of Proposition 13

- State budget deficits impact higher education
- Imposition of fees
- Need for financial resources
Starting a Foundation

• California Non-Profit Corporation
  – General Provisions (Cal. Corp. Code §§ 5000 et seq.)
  – Nonprofit Public Benefit Corp. (§§ 5110 et seq.)

• Tax Exempt Status
  – 26 USC 501(c)(3): Tax Exempt Organizations
  – Exempt Corporations: organized and operated exclusively for educational (or other enumerated) purposes
Nurturing Foundations

Gift of Public Funds

- Cal. Cost. Art. XVI, § 6
  - Prohibits all gifts
  - *Oakland v. Garrison* (1924) 194 Cal. 298:
    Prohibits voluntary transfer without consideration
1980 – Legislation Authorizing Auxiliary Organizations

• Authority permitting college to provide support
• Requires written agreement between non-profit & college
• Required terms for auxiliary status
  – 5 CCR §§ 59250 et seq.
College Support – Avoiding Gift of Public Funds

• Independent
  – Enforceable agreement for equitable exchange of consideration

• Auxiliary
  – Full reimbursement for services by district employees: Up to 50% in the form of non-monetary benefits (5 CCR 59257(j)(6).)
  – Facility rental, maintenance, operating expenses (5 CCR 59257(j)(5, 7, 8).)
Independent or Auxiliary

• Auxiliary - Chancellor or President responsible for ascertaining propriety of all expenditures in accordance with district board policies. (EC 72672(b).)

• Independent – Governed only by corporations code, Articles of Incorporation and Bylaws

• See handout for summary of differences
Responsibilities

Familiarity with Governing Documents

• Articles of Incorporation
• Bylaws
• Written agreement
Volunteer Leadership

- Non-profit public benefit corporations
  - Fulfilling governance obligations under corporations code
  - Size of board considerations
  - Opportunities for dynamic volunteer involvement
New Legal Issue

- Auxiliaries & Collective Bargaining
Resources

- Advising California Nonprofit Corporations (CEB, 3rd Ed.)
- Boards That Make a Difference: A New Design for Leadership in Nonprofit and Public Organizations (3rd Ed.), by John Carver
Questions?

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Thank You

www.foundationccc.org
www.ncccfweb.org