



## **An Assessment of Revenue Generation and Capacity Building Opportunities among California Community Colleges**

*Funded by the Kresge Foundation*

### **Situation Overview**

California Community Colleges are at a major crossroads. With state budget cuts topping \$840 million over the past two academic years, and an unprecedented enrollment growth of nearly 400,000 new students in the system in the last four years, colleges are continuously struggling to do more with less. At a time when higher education is critical to the recovery of our nation's economy, a divestment in the community colleges is severely impeding their mission of providing open access to a higher education for all, and is resulting in a projected 250,000 students being turned away in the 2009-10 academic year alone.

As the largest system of higher education in the nation, the California Community Colleges have an opportunity to turn the tide and ensure increased financial stability in the future. This can be achieved by collaborating with statewide partners to increase the system's ability to diversify funding sources and seek other revenue-generating opportunities, such as social enterprise efforts and statewide cost savings options, which can make a significant difference in a college's bottom line, and ultimately, the number of students served.

In an exploratory conversation with the Kresge Foundation, the Foundation for California Community Colleges (Foundation) learned of its interest in the California Community Colleges due to a number of factors, most significantly because of its standing as the largest higher education system in the nation and its role in educating California's future workforce. The Foundation was invited by Kresge to submit a proposal for funding a statewide assessment to gain a better understanding of the California Community Colleges' current, non-public revenue-generating activities and determine the existing resources, strengths and opportunities throughout the system.

Based on the proposal submitted by the Foundation, Kresge has awarded funding for a statewide capacity building assessment which will be conducted by an external consultant together with the Foundation and will analyze four integral parts:

- The capacity of the colleges' fundraising programs.
- The social enterprise and earned income activities and opportunities;
- The existing business and corporate partnerships throughout the system; and
- Cost savings potential, through efforts such as centralization of services, and existing cost reduction models currently in place.

**The ultimate goal of this assessment is to give California Community Colleges the tools and resources needed to garner increased private support and local campus partnerships, along with opportunities for cost savings through statewide resources and alliances. The results from this study will make it possible for the Foundation to secure additional funding to create a unique capacity-building model that could ultimately be implemented throughout the system.**

## **Assessment Approach**

The assessment will include a review of all 110 California Community Colleges through interviews with foundation executive to help determine fundraising capacity and existing practices, as well as gain an understanding and awareness of the businesses and corporations that have supported or may support the colleges. Staff managing other revenue sources, if other than the foundation executive directors, will also be interviewed to gain insights into the social enterprise and earned income activities of the campus, including facility rentals, vending and pouring contracts, and other forms of revenue, as well as potential cost savings opportunities for the campus through statewide efforts.

The Foundation will begin contacting college foundation executive directors and other college staff this fall to schedule phone interviews. The data accumulated throughout this process will be analyzed and compiled into a report by a neutral third party consultant, who will then present the findings to the Foundation. Ultimately, the information gathered through this process will be used to determine the best model for enhancing revenue generating capacity at colleges throughout the state and will support the implementation of a system-wide revenue generating, cost-reduction process.

The Foundation will begin contacting CCC foundations in early 2010 to begin this study, with the goal of completing the assessment and compiling a written report by Spring 2010.

**For more information about this study, contact the Foundation for California Community Colleges at 916.498.6702 or [jscofield@foundationccc.org](mailto:jscofield@foundationccc.org).**