

## **RESOURCE PLAN OVERVIEW**

The Resource Plan is actually a plan for the development of alternative resources. When all Planning Agendas from the other Comprehensive Master Plan chapters are reviewed, it becomes apparent that the District's usual sources of funding will not be sufficient to enable the College to accomplish all that it wants and needs to accomplish. The plan begins with a review of the responsibilities of the Planning and Budgeting Committee, continues with an overview of present and future funding considerations, and concludes with a look at possible alternative resources.

## **PLANNING AND BUDGETING COMMITTEE RESPONSIBILITY**

The Planning and Budgeting Committee (PBC) is charged with the responsibility for linking campus-wide planning and budgeting activities. The PBC was established to review and monitor on-going planning and budgeting activities. These included: budget requests; institutional effectiveness; implementation of accreditation planning agendas and recommendations; implementation of the Comprehensive Master Plan; coordination of facilities, technology, human resources, and fiscal planning integration with educational planning; long-range financial planning and the development of a fiscal plan; and implementation of the program review process.

The PBC provides recommendations to the President on all planning and budgeting activities, including revenue generating initiatives such as bonds and certificates of participation; funding of strategic initiatives; generation of revenue; enrollment management and growth of FTES; alternative sources of funding such as grants and fundraising; and the Comprehensive Master Plan.

The designated responsibilities of the PBC and their actual activities seem to be moving in separate directions. Some committee members have raised concerns over the direction the

Committee has taken since its formation versus the responsibilities outlined above. Committee members have suggested that the PBC evaluate their current direction with their assigned responsibilities to determine what changes if any should be made.

## **FUNDING CONSIDERATIONS**

### **Current Funding Considerations**

State funding for public education increased through the 2001-02 fiscal year. However, beginning mid-year in fiscal 2002-2003 and continuing through fiscal year 2003-2004, state revenues have decreased dramatically, resulting in reductions in annual state funding to community colleges. Two major concerns rise from this situation.

The first and greatest concern for the next several years is the uncertainty of receiving full funding of ECC's total revenue entitlement. During the 2003-2004 fiscal year, the revenue limit was deficated almost 2%, or \$1.2 million. It is known that the state balanced the 2003-2005 budget on large borrowings that may result in a need to apply deficits in the next several years as well.

The second concern is that revenues have not been keeping pace with cost increases. The total income in 2002-2003 was only \$847,000 more than in 2001-2002 (1%). In 2003-2004, the total income was \$1,734,000 less than in 2002-2003 (2% less). Meanwhile, the cost of operations continues to increase for such items as utilities, health benefits, workers' compensation insurance, building maintenance, and so forth.

In order to address this shortfall, in February 2002, El Camino College initiated a hiring freeze and a reduction of temporary employees in anticipation of reduced funding for the 2002-03 budget. ECC made nearly \$4 million in reductions to the 2002-03 adopted budget to address the mid-year reduction of state funding. The reduction of temporary staff and the non-

replacement of vacant positions extended into the 2003-04 fiscal year in order to help balance the budget with reduced funding. These savings were used to protect ECC against anticipated mid-year cuts from the state. Fortunately for the College the 2003-04 mid-year cuts did not materialize.

In addition to the actual mid-year state-funding cuts of 2002-03 and the threat of cuts in 2003-04, there were additional changes at the state level that have been detrimental to community colleges. These changes include increasing enrollment fees from \$11.00 per unit to initially \$18.00 per unit, and then to \$26 per unit; reduced funding of enrollment growth entitlement to 70% of the Full Time Equivalent Student (FTES) amount, and applying a deficit to the basic revenue allocation.

A lack of guaranteed state-funding means the College must consider non-state funding sources, as well as carefully manage our enrollment and spending patterns. The District must exercise caution when looking at non-state funding sources – such as short-term or one-time infusions of funding – to be certain that these sources do not eventually become a drain on the unrestricted general fund when the non-state funding is exhausted.

### **Future Funding Considerations**

ECC's successful passage of a \$394,516,464 bond provides a source of funding for additional modernization of classrooms; health and safety, energy efficiency, accessibility, and physical education facilities improvements; and information technology and instructional equipment. However, funding from the bond is not enough to cover all of the facilities needs of the District and the growing student and employee population. Total costs for all construction projects are estimated to exceed \$460 million with at least \$66 million coming from the state and other sources. The College must explore additional sources of funding, such as grant development, public and private funding through the El

Camino College Foundation, and revenue generation from activities in the Community Advancement Division.

### **ALTERNATIVE SOURCES OF FUNDING**

The Grant Development and Management Office, El Camino College Foundation, and the Community Advancement Division have been identified as potential areas in which to develop alternative sources of funding. A brief overview of these areas has been provided below.

#### **Grant Development and Management**

The Grants Office is staffed with a full-time director and administrative assistant. The Grants Office provides coordination and oversight for all grant applications submitted by College faculty and staff, and all grant-funded projects awarded to the College. The Grants Office functions include: providing information on funding opportunities; proposal and budget development assistance; proposal review, sign-off, and transmission; grant negotiation and acceptance; grant start-up; post-award management assistance; grant close-out assistance; training in various aspects of grantsmanship (grant seeking, proposal writing, project management); and special projects. The staff also provides administrative support and in-depth assistance to faculty who serve as Project Directors or Principal Investigators of grant-funded projects.

During the past three years there have been major reductions in monies allocated to competitive grant funding from the state. This is a result of the elimination of many Chancellor's Office grant programs, including the Fund for Instructional Improvement, which was the main source of small grants for faculty-driven projects, and drastic reductions in the Fund for Student Success which funded projects in the Student Services area. Private foundation grants accounts for less than 10% of ECC's grant funding. Nationally, community colleges receive about 2% of total annual foundation gifts to the education sector. This could be a potential growth area for funding.

Among the current federal grants, ECC has two Title V (Strengthening Hispanic Serving Institutions) grants, one individual and one cooperative. The first cooperative grant ended September 2004, and an application for second collaborative Title V grant with the same focus (Teacher Education) was funded beginning October 2004. Application for a federal TRIO Student Support Services grant was submitted in fall 2004. Title V, Title III and TRIO are examples of those few federal programs that have been created to level the playing field for institutions of higher education serving underrepresented students.

Unfortunately, those grants are exceptions rather than the norm. Most grant funding - federal, state, and private - targets projects that create replicable solutions to problems of importance and interest to more than just the individual applicant institution. Most grant awards are based on the merit of the project and the institution proposing it. Because of that, as well as the inherent nature of grant funding (short-term, project/problem-driven), this funding cannot be used to compensate for shortages in operational funds caused by diminishing state funding.

In looking at what grants can do for an organization, the pharmaceutical and car industries provide some insights. In those industries, research and development drive the production with ongoing design and testing to assure that the products today and in the future meet the changing needs, demands, and tastes of the public as well as the industry, for environmental and safety standards. This type of forward thinking and experimentation can position the College for the future and assure its adaptability to the changing community needs as well as changing funding patterns. Grants should be utilized for finding new solutions such as creating new programs, redesigning existing ones, or partnering with others in the community to solve a concrete problem or need. Grant funding

is ideal for testing new concepts and moving strategic initiatives forward.

Currently, grants development at ECC resembles a university sponsored research office model, where faculty, staff, and administrators generate ideas. The Grants Office provides whatever services are needed to prepare a competitive grant application. The Grants Office services range from approving the narrative and budget to complete comprehensive project planning, budgeting, and proposal writing.

With the College's new strategic planning process, which links planning activities with budgeting, a more strategic approach to grants development should be introduced. Aligning grants with the College strategic plan by creating an annual grants agenda with projects selected to support the priorities identified and directly related to specific goals and objectives in the plan should be done. In this model, grants planning would be very closely tied to the initiatives, priorities, and objectives identified by various College divisions and departments. Based on the divisions' un-funded objectives and action plans, a resource development plan would be developed, which would include the annual grants development agenda as well as fundraising priorities for the Foundation. This approach is much more likely to assure that external funding is sought and obtained for programs and projects of highest institutional priority.

### **El Camino College Foundation**

The mission of the Foundation is to enhance the ability of the College to excel in providing educational opportunities to its diverse community and students by promoting the College, identifying and developing community resources, and building internal and external partnerships.

Founded in 1983, the Foundation helps shape the future and enhances long-term development of the College for the students, alumni, faculty, and staff. The Foundation's philanthropic activities provide a positive and beneficial impact to

the College and the communities it serves. The three main functions of the Foundation are to raise money for the College, to oversee the investment strategy of the funds raised, and to allocate funds for campus programs, scholarships, and initiatives.

The Foundation board members and staff meet annually to review and refine the Foundation's strategic goals. These goals include: building donor relationships, strengthening relationships with corporate partners and the College community, enlisting faculty and staff to identify and participate in the development of innovative ideas for alternate sources of funding, recruiting board members, and accelerating the growth of the Alumni Association

In an effort to reach the strategic goals of the College, the Foundation has increased and expanded fundraising activities to grow the amount of funds that can be advantageously distributed each year. In the past year the Foundation raised \$92,000 through the Annual Fund Campaign that provides unrestricted monies for the College; \$90,000 in Planned Giving to restricted District programs; and \$480,000 in bequests.

Other Foundation fundraising activities include the President's Circle and Major Gifts. The President's Circle provides an opportunity to establish relationships with community leaders who have the ability to support the College at the major gift level. To date, the President's Circle has 49 members and has raised \$72,000 in unrestricted gifts. The Major Gifts program currently includes a \$100,000 (5 year pledge) for the Counseling Division, \$70,000 for classroom construction for Construction Technology, and \$10,000 for Nursing and the Inglewood Center. The Foundation is planning to launch a Capital Campaign within the next 3 - 5 years to raise \$3 million for equipment and other needs not covered under the bond facilities improvement plan.

By working with other campus constituencies such as the Grants Office and Community Advancement, the Foundation has been able to leverage resources and connections to the benefit of the College and community.

### **Community Advancement**

The Community Advancement Division is primarily dedicated to providing fee-based training and consulting services to businesses and industry throughout the South Bay. These training and consulting services are designed to advance the economic growth and global competitiveness of those businesses through educational training that contributing to continuous workforce improvement.

The Community Advancement Division is dedicated to providing the highest quality training and consulting services to local businesses, often through linkages with local agencies (e.g., Workforce Investment Boards, economic development agencies, cities, and other educational institutions). The desire of the Division is to annually collect sufficient revenue to pay all Business Training Center expenses plus contribute a minimum of \$100,000 annually to the College general fund.

The future plans for the Community Advancement Division are focused on reducing shared divisional costs, increasing program profitability, and increasing the annual contribution to the College general fund.

### **SUMMARY**

Three units within the College have the potential of raising substantial amounts of alternative funding. The Grants Development and Management Office, the Foundation, and the Community Advancement Division are independently producing alternative funding streams for the College. Each unit draws upon its unique strengths to attain the institutional strategic goals by working with the business community and the greater College community. A well-

planned, integrated approach would be more effective.

### **PLANNING AGENDAS**

1. The PBC needs to evaluate its current direction to determine if its activities are in alignment with its assigned responsibilities. If a discrepancy exists the committee should discuss how to immediately realign its tasks to refocus on the original responsibilities of the PBC.
2. The College should continue to promote collaboration among Grants, Foundation and Community Advancement in an effort to share resources that will generate higher levels of annual funding to the College with reduced expenditures.
3. The Grants Office and the Foundation should develop an annual resource development plan designed specifically to support College priorities and directly related to specific goals and objectives in the College strategic and master plan.
4. The Foundation should explore the possibility of a Capital Campaign in the near future.
5. As program profitability increases in Community Advancement, the Division should increase its annual contribution to the General Fund.

