





The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS

DATE: July 8-9, 2013

SUBJECT: Foundation for California Community Colleges: Annual Accomplishments, Plans and Budget		Item Number: 4.3	
		Attachment: Yes	
CATEGORY:	Foundation for California Community Colleges	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Keetha Mills, President/CEO	Consent/Routine	
		First Reading	
Approved for Consideration:	 Brice W. Harris, Chancellor	Action	
		Information	X

ISSUE: This item will include a presentation and discussion related to the Foundation for California Community Colleges (Foundation) annual accomplishments and projected financial results for fiscal year 2013, and annual plans and financial budget for fiscal year 2014.

BACKGROUND: The Foundation recently concluded an analysis of its program accomplishments as part of a year-end reporting process. Over the past year, the Foundation has continued on its path of providing valuable programs and resources that benefit, support, and enhance the California Community Colleges.

RECOMMENDEATION: This item is presented for information and discussion.

ANALYSIS: Through its various programs and services, the Foundation has successfully built on its accomplishments of the last 15 years, with key progress in focus areas such as system-wide collaboration, diversification of programs that play on the Foundation's strengths, and greater strategic alignment and partnership with the California Community Colleges Chancellor's Office and Board of Governors. In addition, the Foundation has maintained its support of key programs and initiatives while achieving greater efficiencies within program operations.

Fiscal Year 2013 Financial Reforecast

Despite a significant reduction in year-over-year revenue of approximately 25percent, the Foundation continues to project positive net reserve growth for fiscal year 2013 of approximately \$365,000, bringing the Foundation's total reserves to approximately \$1.5 million at the end of the fiscal year. The reduction in fiscal year 2013 revenue is primarily related to the significant curtailment of the Career Pathway Student Assistant program as a result of an agreement executed last fall between the labor union and the state of California. The reductions in the Career Pathway Student Assistant program were offset by growth in the Foundation's Student Success Fundraising Initiative, CollegeBuys, and Air Quality programs.

Administrative expenses continue to remain lean, representing approximately 10percent of total Foundation expenses, which means that 90 cents of every dollar earned by the Foundation is expended to support the community college system. The Foundation is projected to contribute approximately 1percent of total expenses to provide direct support to the California Community Colleges Chancellor's Office totaling \$250,000 consistent with previous years.

Fiscal Year 2014 Financial Budget

The Foundation is budgeting modest year-over-year revenue growth of approximately 2percent, resulting in total revenues of just over \$31 million. Net reserve growth is budgeted at just over \$500,000 which would bring the Foundation's total reserves to approximately \$2.0 million at the end of fiscal year 2014.

Key opportunities for growth in the coming year include:

- Student Success Initiatives
- Student education and training programs
- Workforce development initiatives (including student internships)
- Air quality programs
- Fiscal sponsor services
- Pooled investment management services

Administrative expenses and direct Chancellor's Office support expenses are expected to remain constant at 10 percent and 1 percent of total Foundation expenses, respectively.

Fiscal Year 2013 Accomplishments and Fiscal Year 2014 Plans

The Foundation continues to make significant progress toward achieving its strategic goals of:

1. Sustaining and growing programs and services
 - a. Enhancing support of system-wide initiatives
 - b. Administering quality education and training programs for students
 - c. Expanding workforce development offerings
 - d. Creating meaningful cost-savings for colleges, students, faculty and staff
 - e. Providing statewide, cost-effective investment management and scholarship distribution services
 - f. Increasing opportunities for students
2. Diversifying revenue streams
 - a. Fund development
 - b. Corporate sponsorships
3. Enhancing collaboration
 - a. Internal collaboration
 - b. External collaboration and partnerships
4. Increasing awareness
 - a. Branding
 - b. Marketing, communications, outreach
 - c. Public relations
5. Sustaining and growing infrastructure support
 - a. Human Resources
 - b. Accounting
 - c. Finance - building reserves
 - d. Information technology
 - e. Customer service

Fiscal Year 2015 and Beyond

The Foundation is currently in a five year strategic planning process, involving staff, board and other key constituents. The five year strategic planning process is expected to result in validation and refinement of key strategies to chart the course of continued support to the community college system through 2020.