

Fundraising Assessment and Feasibility Report

Prepared for



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INTRODUCTION

The Peralta Community College District and the Peralta Colleges Foundation are engaged in the process of determining how to best develop their fund development and fund raising capacity and infrastructure in order to raise funds for scholarships, special projects, endowment and unrestricted funds.

In the fall of 2006 Peralta District Trustee Linda Handy introduced Saad & Shaw – Comprehensive Fund Development Services to the Chancellor of the Peralta Community College District after learning of our experience providing campaign counsel to the State Center Community College Foundation (Fresno, CA). Throughout the remainder of 2006 and 2007 Saad & Shaw met with the then-Chair of the District Board of Trustees, the President of the Peralta Colleges Foundation, the Chancellor and the Associate Vice Chancellor to discuss the District's fundraising needs and various ways in which Saad & Shaw could assist the District as it builds its fundraising infrastructure and capacity.

In the spring of 2008 Chancellor Elihu Harris contracted with Saad & Shaw to conduct a fundraising assessment and feasibility study and to provide the District with a report based on the findings of the study. Working under the direction of Associate Vice Chancellor Alton Jelks, Saad & Shaw was asked to

test the feasibility of conducting a \$10 million endowment campaign.

Saad & Shaw was asked to interview 45 community stakeholders, alumni, Client/college/foundation representatives, corporate leaders, friends, key donors, staff, trustees and board members in order to:

1. Determine the extent to which the District's proposed endowment campaign priorities are received, understood and prioritized
2. Assess the potential fundraising successes and challenges that the District would face in the marketplace with the launch of an endowment campaign
3. Identify prospective donors and volunteer fundraising leadership
4. Assess initial level of financial support available
5. Encourage buy-in from key stakeholders
6. Create early awareness of the District's intent to launch an endowment campaign
7. Cultivate and secure goodwill from current and prospective donors/partners/funders and volunteer leadership
8. Assess the District's current level of fundraising capacity and infrastructure and identify

opportunities to increase funds raised from current strategies

9. Assess how those interviewed understand the District's unique role and services

A copy of the questions used during the Study is incorporated into this report in the *Interview Questions and Summary of Responses* section along with a summary of responses by interviewees. A copy of the draft case for support used during the interviews is included as *Appendix A*.

Saad & Shaw thanks Chancellor Elihu Harris, Associate Vice Chancellor Alton Jelks, Trustee Linda Handy, Foundation Board President Mark Lindquist, executive assistants Socorro Taylor and Linda Garcia, Kathy Neal, and all the individuals who participated in this study. The open and frank manner with which people answered the interview questions provided meaningful information that will help in planning for the District's proposed endowment campaign.

SECURING THE INTERVIEWS

Interviews were to be scheduled by a third party chosen and contracted with by the District. Interviewees were to include community stakeholders and individuals employed by and/or volunteering with the District.

Saad & Shaw worked with the Associate Vice Chancellor and the leadership of the firm selected by the District to create a list of individuals to be invited to participate in the interview process.

The original interview period was scheduled for the two week period of March 24 through April 8, 2008. As only one interview was scheduled within the

interview period, the period was changed to July 7 through July 18, 2008 so that the 45 interviews could be secured.

Twenty one interviews were secured for the July interview period. When an additional four interviews were secured with the assistance of the President of the Board of the Peralta Colleges Foundation, the interview period was extended to accommodate their participation. Of the 25 people interviewed, 24 were interviewed in person and one was interviewed over the phone.

INTERVIEWEE & TITLE	ORGANIZATION
1. Dr. Bobby Adams, President	Merritt College
2. Scott Bidy, Vice Chancellor University Relations	UC Berkeley
3. Erwin Reeves, Vice President Community Development	Mechanics Bank
4. Bob Canter, CEO	Emeryville Chamber
5. Dr. Cecilia Cervantez, President	Alameda College
6. Dr. Frank Chong, President	Laney College
7. Sharon Cornu, President	Alameda County Central Labor Council
8. Dr. Mohammad Qayoumi, President	California State University East Bay
9. Linda Handy, Trustee	Peralta Community Colleges Board of Trustees
10. Elihu Harris, Chancellor	Peralta Community College District
11. Dr. Sandra Hernandez, CEO	San Francisco Foundation
12. Dr. Janet Holmgren, President	Mills College
13. Mike Howe	Independent Consultant
14. Dr. Betty Inlan, President	Berkeley City College
15. Victoria Jones, Director Government Affairs	The Clorox Company
16. Dr. Wright Lassiter, CEO	Alameda County Medical Center
17. Benjamin Leung, First Vice President	East West Bank
18. Mark Lindquist, President	Peralta Community Colleges Foundation Board
19. Darien Louie, Director of Public & Private Partnerships	East Bay Community Foundation
20. Kevin Macquarrie, Principal Leopold Ray-Lynch, Architect	WLC Architects
21. Rev. Dr. Harold Mayberry, Pastor	First African Methodist Episcopal Church
22. Barbarette Newton	Redwood Resources
23. Brian Rogers, Executive Director	Rogers Family Foundation
24. Tim Silva, Senior Vice President	Wells Fargo Bank
25. Nicole Taylor, President and CEO	East Bay Community Foundation

There were challenges in securing the interviews for this Study. The full 45

interviews were not secured and the collective interviews do not reflect the

agreed upon diversity. The challenges in securing interviews – especially interviews with regional business leaders – raises questions regarding the District's current relationships and fundraising capacity and infrastructure. The following is a list of the constituencies who were not interviewed as part of this process:

1. Chair of the District Board of Trustees or an appointed representative¹
2. Representatives of regional major employers with projected employment growth such as Kaiser Permanente, Novartis and Pixar
3. Student representative
4. Faculty representative
5. Staff representative
6. District alumni
7. Elected and/or appointed government officials
8. Leadership of local Chambers of Commerce and associations, including the Asian, African American and Hispanic Chambers. The only chamber interviewed was the Emeryville Chamber of Commerce
9. District grant writer hired to secure funds for the District and member colleges

While 25 individuals were interviewed as part of this study, not all interviewees

¹ Trustee Handy was interviewed for this Study. However this interview was scheduled by Saad & Shaw after District's representative was unable to secure an appointment with the chair of the Trustee board or his selected representative.

answered all questions. Comments were not provided by all interviewees to all questions and the comments do not necessarily relate to how the questions were answered. For example, while the majority of those interviewed believe the Foundation and District can raise \$10 million the majority of comments caution about the challenges associated with raising this money.

Please note: The interviews were conducted during July and August of 2008. While the economic conditions were challenging at that time they have become significantly more challenging since then. Campaign planning and implementation will need to take the current and projected economic climate into account.

This report is intended as an internal document to guide the work of the District and Foundation. When shared with consultants, volunteers or others, consideration should be given to the confidential nature of this document.

EXECUTIVE SUMMARY

As noted in the introduction, Saad & Shaw interviewed 25 individuals to learn the extent to which the Peralta Community Colleges District (District) and the Peralta Colleges Foundation (Foundation) are ready to launch a \$10 million endowment campaign. The campaign goals communicated in the case for support that was tested with interviewees are:

1. Student support 60% (\$300,000 annually)
2. Class equipment 20% (\$100,000 annually)
3. Innovative classroom curriculum 20% (\$100,000 annually)

Individuals participating in this study were sent a letter with a draft brochure describing the District, its mission, vision, history and proposed campaign goals. A copy of the brochure (case for support) is included in this report as Appendix A.

Over half of those interviewed said that they thought the District should launch an endowment campaign. They noted that raising funds for endowment is a smart choice because it will allow the District to build sustainability and attract long-term donors and/or interest from the local community. However, some believed that the raising money for specific programs or other needs should either be done in conjunction with or instead of the endowment campaign.

At the same time that they indicated that raising funds for endowment is a good idea, they also indicated that the District, Foundation and colleges are not yet ready to do so.

The key finding of this report is that the District, Foundation and colleges are not currently prepared to launch a \$10 million endowment campaign.

GUIDANCE FROM INTERVIEWEES

While those interviewed believe that the District should raise funds for endowment and that \$10 million was an achievable goal, they also cautioned that there are important issues that need to be addressed in order for such a campaign to reach its goals.

Strengthening the District's and Foundation's fundraising capacity are the most important among these.

The guidance and suggestions provided by those interviewed can help influence the decisions and activities of the District and Foundation as preparations are made for the proposed endowment campaign. The following are a few quotes from interviewees regarding the campaign.

1. "Not with the organization currently in place. It is the people around the table at the Foundation who will be responsible for raising the money. The first step is to create a bigger board with more influence around the table. Will depend on the value contained within the Foundation's prospective donor list."
2. "It is a competitive fundraising market right now. Everyone is raising money. This is in addition to the challenging economic environment. The competitive environment is hotter now than usual but competitive market will not change even as economy improves."
3. "You have to start with achieving specific successes before going to an endowment campaign."
4. "The college presidents need to take a lead in the campaign – they should use their positions to identify and secure contributions. They are the ambassadors for their colleges."
5. "Look at how much you have raised with your current team. Then look at what it will take to raise \$10 million. Current team has gotten you where you are but you will need a new team to get you to the next level. You need an impact player to build an impact team that will impact this district. You need higher quality people. Board president needs to be an impact player who makes an immediate statement of impact to funders."
6. "Need is not applicable. People do not give based on need. The need is not relevant - does Stanford need more money? It is about what inspires people."
7. "There is a lot going on in this area and people in the philanthropic and business community feel very hit up. CAL has a huge campaign going on, Children's Hospital is raising money, the County is raising money. Other organizations that are asking are leaps and bounds ahead of Peralta with their branding and messaging. Even if they did have the capacity – which I don't think they do – they

would have to overcome a lot of competition.”

The District, Foundation and member colleges will need to improve their image; communicate their niche and impact in the educational marketplace; attract strong, effective and experienced fundraising leadership (professional and volunteer); and communicate the compelling impact that the District and its member colleges make on the service area, the Bay Area and beyond.

Please note: the majority of individuals interviewed for this study did not include individuals who can make gifts at the highest levels. Additionally, as noted elsewhere, the CEOs and leadership of regionally-based growing businesses and industries were not interviewed for this study. The

engagement of individuals from both of these categories will be key to the campaign’s success. The inability of the Foundation and District to engage these stakeholders in the interview process raises questions regarding the extent to which the District and Foundation have developed meaningful relationships with stakeholders in the region.

The *Suggested Next Steps* section of this report can be used to guide the activities of the District and Foundation as they prepare for the proposed endowment campaign. Included within this section is a brief proposal for a joint annual and major gifts campaign. These activities will help address issues of capacity and infrastructure and can increase campaign readiness.

GROWTH AND COLLABORATION

Securing a \$10 million endowment to support students, purchase classroom equipment, create innovative classrooms and pursue other goals will require that the Foundation grow its infrastructure and capacity and that the District, Foundation and member colleges create a collaborative fundraising process.

It is a big jump to go from an annual giving campaign that relies on special events that raise funds for annual grantmaking to the launch of an endowment campaign. A lot of work will need to be done to prepare for the proposed campaign – work that will not

only support the endowment campaign but the foundation’s annual giving campaign as well.

Additionally, the relationships between the Foundation, District and member colleges need to be delicately managed. The Foundation has a limited context outside of its relationship to the District and member colleges. The District itself is an entity that comprises the member colleges. While the Foundation is an entity independent of the District, it is staffed by three district employees who allocate a percentage of their time to planning, managing and accounting for funds raised through special events.

Time and careful attention should be paid to creating a collaborative process that engages all entities in working together with defined roles, responsibilities and benefits. Creating

such a collaborative process can help engage all parties, reduce conflict and ensure a unified presence in the philanthropic and educational marketplaces.

California Community Colleges Scholarship Endowment

The California Community Colleges Scholarship Endowment supports student success and opportunity by creating a permanent fund for scholarships, offering long-term relief to the rising costs that keep many students from completing their education.

Launched on May 6, 2008, by a generous \$50 million commitment from The Bernard Osher Foundation—the largest gift ever made to a community college system—and spearheaded by the California Community Colleges and the Foundation for California Community Colleges, this effort includes an historic three-year matching fundraising campaign to create a \$100 million endowment that will touch the lives of thousands of Community College students each year, safeguarding the promise of an education for future generations.²

² <http://foundationccc.org/WhatWeDo/ScholarshipEndowment/tabid/361/Default.aspx>

Endowed funds raised by the Peralta Colleges Foundation as part of the California Community Colleges Scholarship Endowment could be counted as part of the Foundation's endowment campaign. Participating in the statewide endowment campaign will provide the Foundation with support from the Foundation for California Community Colleges, initial marketing materials and the added benefit of a matching grant.

Participating will also provide the District and Foundation with experience communicating the need and value associated with giving to endowment prior to launching the proposed endowment campaign. Additionally, this initiative may be an ideal catalyst to encourage collaboration and joint fundraising by the District, Foundation and member colleges.

A copy of initial information provided by the Foundation for California Community Colleges is included in this report at Appendix B.

Follow-up Meetings

Saad & Shaw recommends that the District and Foundation work together to schedule personal meetings with:

1. Dr. Holmgren, President of Mills College
2. Dr. Sandra Hernandez, CEO of the San Francisco Foundation
3. Nicole Taylor, President and CEO of the East Bay Community Foundation and Darien Louie, Director of Public & Private Partnerships at the East Bay Community Foundation

Each of these women indicated that they are prepared to work with the District and Foundation to explore partnerships, funding and/or introductions. They would welcome a meeting to follow up on the feasibility study interview.

Overview of Report Contents

This Fundraising Assessment and Feasibility Study Report (Report) is based on the assessment and feasibility interviews conducted by Saad & Shaw. It contains the following information.

- 1. Key findings.** This section provides an overview of the key findings including the extent to which interviewees agree with the goal of an endowment campaign, an assessment of funds that could be raised, the level of recognition of the District and Foundation within the philanthropic and business communities, and internal and external challenges that would need to be overcome prior to a campaign launch.
- 2. Strengths and Challenges.** This section also includes a list of perceived strengths and challenges that were communicated through the interview processes. These are included so the Foundation and District can use the feedback in assessing how to proceed.
- 3. Fundraising Infrastructure and Capacity.** This section provides an assessment of the Foundation's current operations. This assessment is provided so that the Foundation and District can work together to build the capacity and infrastructure needed to support increased annual fundraising that leads to the launch of the proposed endowment campaign.
- 4. Suggested Next Steps.** These are provided so that all parties can take immediate actions to improve the District's and Foundation's ability and capacity to increase funds raised and partnerships. This list is provided so the momentum created through the interview process is not lost.
- 5. Interview Questions and Summary of Responses.** This section includes the questions that were asked of those interviewed, a summary of the responses to each question and a sample comments.

KEY FINDINGS

Those interviewed indicated that they believe the District can raise \$10 million for an endowment. They indicated that it is important for the District to raise funds for this purpose and believe that donors will respond. At the same time, none of the individuals interviewed indicated that they would be willing at this time to consider a lead gift (10% of the goal or \$1 million) or a gift of \$100,000⁺. Interviewees did offer many cautions regarding factors that would influence the District's and Foundation's success in this endeavor. Influencing factors identified include:

1. The state of the economy
2. The extent to which the case for the endowment campaign is understood and accepted by those individuals and institutions who can make gifts at the highest levels
3. The Foundation's and District's level fundraising capacity and infrastructure
4. Current levels of giving
5. Prospective major donors identified and their readiness to give
6. The campaign's projected duration (proposed length/number of years)
7. Awareness, marketing and communications programs that promote the District, member colleges, students and their impact on the Bay Area

8. Competition from local institutions currently engaged in major campaigns or preparing for such

Those interviewed indicated that the District and member colleges need to raise their profile within the business community and philanthropic community. Strong partnerships need to be developed that are rooted in mutual benefit and benefit for local students and the larger East Bay. The difficulty in securing interviews with business leadership is an indication of the work that may need to be accomplished in this area.

The District, Foundation and member colleges will need to work together to create joint fundraising programs that benefit the Foundation and that bring direct financial benefit to participating colleges. At this point in time, the Foundation is not fully engaging the member colleges. Rather it is working on behalf of the member colleges, their students and faculty. However many interviewed do not identify with the District or with the Foundation. Rather their allegiance is to one or more of the specific colleges. Students attend the member colleges, and the majority of District employees work at the member colleges. It is the colleges that are at the heart of the District, and they are not yet involved with fundraising.

Engaging the college presidents and their administrations will require the creation of fundraising programs that yield specific financial benefit to the

colleges over and above the current allocation of funds for student scholarships and faculty research. A taskforce should be created to examine this issue and to create a fundraising program that will increase revenue to the Foundation, awareness of the member colleges and participation by new donors. Saad & Shaw recommends a joint annual and major gifts campaign. A brief overview of such a campaign is included in the *Suggested Next Steps* section of this document. Individuals with experience creating joint fundraising campaigns should provide guidance and oversight of this work.

While the district, foundation and colleges are not in a position to launch a \$10 million endowment campaign at this time, the creation and implementation of a pre-campaign period can build the foundation's capacity, infrastructure and increase the amount of funds raised on an annual basis. Another set of interviews should be conducted once the *Prerequisites for Fundraising Success* (included in this report) have been met. Those interviews will need to

include individuals who have the interest and capacity to make lead gifts (\$1 million) or major gifts (\$100,000+) to the campaign and those can influence those gifts. The majority of individuals interviewed for this study did not meet those criteria. The District's inability to secure interviews with these stakeholders may be another indicator that additional capacity building and partnership development needs to occur.

Lastly, there are internal challenges that will need to be overcome if the District, Foundation and colleges are to be successful in raising \$10 million for endowment. As noted throughout this document, these include increasing the level of fundraising experience within the foundation (board members and staff); establishing the endowment campaign as a district-wide priority; developing the fundraising capacity and infrastructure of the Foundation and the member colleges; and creating a culture of fundraising and corresponding accountability within the Foundation, District and member colleges.

STRENGTHS AND CHALLENGES

The following is a summary of the strengths and challenges identified by interviewees and Saad & Shaw. These are included so that the District and Foundation can build on identified strengths and work to address identified challenges.

Strengths

1. A desire to create stronger partnerships with the community expressed by College presidents.
2. A renewed focus on the needs of the student body and what it will take to meet those needs.
3. Affordable, accessible education.
4. Annual funds raised through special events continue to increase.
5. Annual Gala Dinner and Annual Golf Tournament are increasing revenue.
6. Chancellor is committed to the growth of the Foundation.
7. Chancellor's recruitment of new college presidents who are committed to the success of their individual colleges and the district as a whole.
8. College presidents are engaged in meetings of the Foundation board.
9. College presidents are willing to become more engaged in fund development and fundraising.
10. Dedication of staff and faculty
11. District has secured a grant writer to help attract additional funds for the District and member colleges.
12. District has supported the work of the Foundation by hiring consultants to test the feasibility of conducting a \$10 million endowment campaign.
13. Diversity of the district student population.
14. Foundation has begun the process of increasing board membership – has engaged new members.
15. Foundation has secured a consultant to help develop alternative revenue and attract major donors.
16. Interviewees believe the District can raise \$10 million if certain pre-conditions are met.
17. Interviewees supported the goal of an endowment campaign.
18. Lack of scandal or reported financial mismanagement.
19. Leadership, vision and experience of Chancellor Elihu Harris.
20. Sense of stability and consistency at the District administration level.
21. Those interviewed from the business, higher education and philanthropic sectors all see the need for the District, its colleges and students to flourish and succeed.
22. Unique programs offered by member colleges.

Challenges

The challenges identified during the feasibility study process are broken into four categories:

1. Peralta Colleges Foundation
2. District Leadership
3. Image, Branding and Communications
4. Collaborating within the District and with External Stakeholders

Peralta Colleges Foundation

1. Foundation needs to improve its fund development and fundraising capacity and infrastructure.
2. Foundation lacks professional fund development staff, management and programs.
3. Foundation staff do not have defined roles and responsibilities directly related to fundraising and fund development.
4. Foundation has a limited volunteer base (primarily from within the member colleges).
5. Foundation's fundraising is limited to special events – needs to be diversified to include an annual campaign and major gifts.
6. Foundation does not work from an annual budget.
7. Foundation not currently working from a strategic plan.
8. Foundation not currently working from a fund development plan.
9. Foundation board is generally not known.
10. Board members do not have defined roles and responsibilities in the area of fundraising.
11. Only a few of the Foundation board members can influence major giving or meaningful gifts.
12. Donor management software not yet implemented (already purchased).
13. Staff assigned to support the Foundation are all assigned part time and have other primary responsibilities. An endowment campaign will require dedicated and experienced staff.

District Leadership

1. Chancellor does not view himself as a leader of the development program.
2. District, Foundation and colleges have not fully engaged people of power, wealth and influence, especially in the East Bay.
3. Fund development does not appear to be a top priority with the District's leadership and staff.
4. The Chancellor's experience as a politician is viewed as both an asset and a liability to the District.
5. Fund development orientation and coaching are required for the Chancellor, college presidents and the Foundation's acting director.

Image, Branding and Communications

1. The mission and programs of the District and its member colleges are not well known within the service area.
2. Branding, advertising and communications of the District and member colleges need to be improved. Foundation will need to brand and market the District and member colleges in a manner that highlights the colleges.
3. With the exception of the Chancellor, District leadership is not visible within the community. Administrators and trustees are not known.
4. Case for support tested during this feasibility study needs to be reworked to better engage prospective donors prior to a campaign launch.

Collaborating within the District and with External Stakeholders

1. Individual colleges do not have staff allocated to fundraising, fund development or coordination with the Foundation other than the president. Each college should have a development coordinator to assist with raising funds for the college and the Foundation.
2. Chancellor has not yet utilized his relationships with people of power, wealth and influence to support the Foundation in a meaningful way.
3. District and Foundation have yet to create an emotional tie between the community and the District and its member colleges.
4. Creating a collaborative process that will engage the District's leadership, the colleges' leadership and the Foundation in the work of raising

funds for the District, Foundation and colleges. Determining the process of allocating funds raised from each of these parties.

5. Marketing materials do not yet communicate a **balanced** image for the multiples roles the colleges play – preparation for transfer to a four-year institution, provision of vocational and career training, and continuing education. Confusion regarding the role of the district and colleges can impact fundraising.
6. Communication materials need to create an engaging portrait of the District's students, their challenges in pursuing education and their aspirations.

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FUNDRAISING INFRASTRUCTURE AND CAPACITY

This section begins with working definitions of the terms “fundraising” and “capacity” as they relate to fundraising. These are followed by an assessment of the Foundation’s current fundraising infrastructure and capacity.

Definitions: Capacity and Infrastructure

For the purposes of this document, the term “capacity” refers to:

1. The District’s experience with fundraising, in this case the experience of the Foundation staff and board members, Chancellor, college presidents, District trustees, volunteers and alumni
2. A Foundation Board of Directors that is committed to fundraising supported by a District Board of Trustees that supports the Foundation’s fundraising priorities and serves as advocates, donors and solicitors
3. The number of staff and volunteer leaders who are trained and experienced in fundraising campaigns (annual and endowment)
4. The number of volunteers (trained, as well as untrained but willing) available to assist with fundraising
5. The type and quality of marketing materials available – especially the case for support
6. The level and depth of positive public awareness amongst the general public and people who can either make or influence major gifts
7. An ongoing annual fundraising program
8. A pool of individual and institutional (corporations and foundations) donors and prospective donors
9. A pool of prospective major donors and leadership-level volunteers

The term “infrastructure” is used to refer to systems and people that support the Foundation’s fundraising activities. This includes:

1. A fundraising plan with financial goals, objectives and milestones
2. Experienced staff allocated to fundraising
3. Policies and procedures for processing, acknowledging and reporting gifts
4. A development committee of the Foundation’s Board of Directors and of the District’s Board of Trustees
5. A development advisory council comprised of Foundation board members, District trustees, the Chancellor, the presidents of the District’s four colleges, alumni, students and volunteer leadership
6. Clearly defined roles and responsibilities in the area of fundraising for Foundation and District employees (Chancellor, Foundation executive director, college presidents, foundation staff), Foundation board members, District trustees, consultants, volunteer leadership and others
7. Donor management software that is consistently used to track and report on all elements of fund development and fundraising activities including prospect identification, cultivation, solicitation and stewardship.
8. An adequate budget for fundraising and fund development activities
9. A communications plan and program that coordinates with fund development and fundraising activities

Prerequisites for Fundraising Success

The following prerequisites for fundraising success were presented to the District Board of Trustees during Saad & Shaw's December 2007 presentation to the Trustees. They are included here to help guide the pre-campaign work of the Foundation, District and member colleges. Ensuring that these prerequisites are in place can help build the fundraising capacity of the Foundation and District.

Sustained, successful fundraising requires consistent attention, action, funding and leadership. It is proactive and donor-focused. The success of the Peralta District's fundraising activities will depend upon the involvement of District Trustees, Foundation board members, the Presidents of member colleges and their ability and willingness to cultivate and solicit major donors. Other prerequisites are listed below:

1. Full commitment to implement a campaign by District Trustees, Foundation Board, the Chancellor, and Presidents of member colleges.
2. A compelling case for financial support that ties back to the District's strategic plan.
3. Completion of a Fundraising Assessment and Feasibility Study.
4. Time-phased fundraising campaign plan.
5. Top caliber leadership. Leadership is critical to the success of any fundraising effort. Fundraising must be volunteer-driven with strong, experienced leadership.
6. Coordination and agreement between the Trustees, the Foundation board of directors, the Chancellor and the Presidents of member colleges regarding fundraising.
7. An active fund development team that meets regularly.
8. A strong public communications effort to complement and support the fundraising campaign.
9. An attractive commemorative gift recognition program.
10. A team of properly trained and informed volunteers.
11. Experienced professional staff with the experience required to manage and guide the work of Foundation board members and staff; Trustees; Presidents, faculty and staff; and volunteer fundraising leadership.
12. Defined roles and responsibilities for all parties.
13. Allocation of funds/resources required for campaign implementation.
14. Open lines of communication amongst all parties combined with a sense of urgency.

Foundation Assessment

While the Foundation was established in 1971 it has only recently become more active in securing resources to support students, the colleges and District under the leadership of Chancellor Harris and Associate Vice Chancellor Jelks. In recent years the Foundation has been most successful at raising an increasing amount of funds through two annual special events. These are the Annual Gala Dinner and the Annual Golf Tournament. Funds raised are used to “offer scholarships to assist students who demonstrate financial need and academic potential, and to enhance the continued excellence of the Peralta College’s educational, cultural and community programs.”³

The Foundation has engaged in the work of attracting new board members with the skills, connections and experience required to increase its fundraising and prepare for an endowment campaign. The Foundation is also engaged in the process of creating a strategic plan to guide its work and is prepared to create a corresponding fund development plan after the strategic plan is approved. It has also retained the services of an experienced professional with foundation management and fundraising experience to assist with the development and implementation of alternative revenue sources that can

provide the Foundation with the revenue needed to support staff and operations.

“Very young foundation especially when compared to Cal State East Bay. Formalities and structures are not there yet. Needs more organization. Needs more procedures and a more methodical approach to its mission. Policies and procedures need to be put in place.”

“Need to communicate capacity and successes before launching a campaign. They don't yet have the experience on their staff that knows how to enter the market with a campaign. Even the way they approach people for the gala is not the way people want to be approached. They have a lot of learning to do.”

The Foundation currently raises most of its funds through two special events – the Annual Gala Dinner and the Annual Golf Tournament. The following table illustrates the growth in net revenue raised from these events the past few years.

³ Peralta Colleges Foundation brochure “ Help Strengthen Education in Our Community”

Funds Raised from the Annual Golf Tournament 2004 – 2008

Year	Gross	Expense	Net
2004	\$36,962	\$24,242	\$12,720
2005	82,230	22,557	59,673
2006	65,120	31,379	33,741
2007	88,493	36,302	52,191
2008	91,645	35,012	56,633

Funds Raised from Annual Gala Dinner 2004 – 2007

Year	Gross	Expense	Net
2004	\$36,962	\$24,242	\$12,720
2005	47,875	18,441	29,434
2006	73,405	22,502	50,903
2007	136,867	35,678	101,189

Staffing

There are currently three individuals identified as Foundation staff. These are an Acting Director (50% time) and two executive assistants (90% and 75%). All staff are employees of the District and are not employed by the Foundation. Both executive assistants report to the Acting Director/Associate Vice Chancellor. The District pays their salaries and benefits. Salaries (not including benefits) for staff assigned to the Foundation total \$288,636 (based on percentage of time allocated to the Foundation). The District also provides office space, phones, supplies, services of the District's marketing department and services of the District's finance department.

Specific roles and responsibilities related to the Foundation are not documented.

While 50% of the Associate Vice Chancellor's time is allocated to his position as acting director of the Foundation, there is no job description for the associate vice chancellor position and no itemized description of roles and responsibilities associated with his service as acting director of the Foundation.

Both of the executive assistants work from a District job description entitled *Executive Assistant, Foundation & Chancellor's Office (C)*. Only one item in

the job description relates explicitly to the Foundation:

“Assist in the coordination and administration of the Foundation’s major fundraising events and provides administrative support to the Peralta College’s Foundation and maintains daily operation of the Foundation.”

A review of board minutes shows that in 2006 the Board President met with the President of the Foundation for Community Colleges who “expressed concerns about our Foundation not having a full-time person who is focused on the Foundation. This is something that we might want to consider in the future before the Foundation can move forward with its plans (e.g., establishing an endowment).⁴”

Saad & Shaw agrees with the recommendation by the Foundation for Community Colleges and suggest that a full-time director experienced with college fundraising and campaign management be recruited to manage the work of the Foundation as it grows its annual revenue and prepares for and manages an endowment campaign.

A job description that includes accountability measurements should be created and used during the recruitment process. Defined roles and responsibilities for the Foundation’s executive assistants also need to be created and implemented.

If salaries of Foundation staff were added as an expense item to the budget and offset by an in-kind donation, it would give the Foundation board and supporters a more accurate accounting of the costs associated with the Foundation and the cash and in-kind support received.

Right now the Foundation is not raising enough in annual cash gifts to cover actual operating costs. One way to begin to address this is with roles and responsibilities for staff that tie to the Foundation’s strategic plan and fundraising goals. Time allocated to the Foundation by staff should be tracked and reported on. The current measure of accountability is funds raised. Yet this measure does not take into account the cost to raise funds. While the salaries are donated, they are a real cost.

⁴ Minutes of the Board of Directors Meeting May 4, 2006

Measures of staff engagement can be adjusted to include:

1. Number of new prospective donors identified
2. Number of current/prospective donors visited with (cultivation)
3. Number of donors personally solicited
4. Number of donors retained from prior year
5. Number of donors upgraded from prior year
6. Creation and management of volunteer fundraising team
7. Identification and engagement of volunteer fundraisers
8. Creation of partnership opportunities to engage the corporate sector and regional foundations
9. Meetings with and engagement of prospective partners

Use of Consultants

The work of Foundation staff is supplemented by the work of consultants on an as needed basis. Prior to the engagement of Saad & Shaw, another consultant had been working with the Foundation to help secure funds and assist with special events. More recently the Foundation has secured a consultant to "assist the District, through the Foundation, to implement and execute the following:

Phase I: Support

- A. Develop an outreach strategy to secure support for the Peralta Foundation from individuals, families, corporations and foundations
- B. Interview and facilitate a fund development session with the District Chancellor and College Presidents

- C. Assist in identifying potential donors (individuals, families, corporations and foundations) who would commit to providing funds (this would include operating support for the Foundation as well as program support dollars to District programs) on an annual basis
- D. Work with Foundation/District staff in securing appointments with these potential donors
- E. Accompany and support Foundation and District staff at these appointments
- F. Negotiate grants and gifts in excess of \$50,000"

The time period covers January 2008 until the work is complete.

Consultants can play an important role in guiding the growth of the Foundation provided that

1. Products/services are incorporated into the development of the Foundation
2. Recommendations are carefully reviewed and revised or implemented as appropriate

Foundation Board

Saad & Shaw interviewed the Foundation board president as part of the feasibility interview process. Beyond participating in the process he personally secured additional interviews with additional board members, donors and supporters. Under his leadership the Foundation board is engaged in expanding board membership and increasing the participation by individuals who can make and influence gifts. The board is in a process of transformation. As noted earlier it is engaged in creating a strategic plan, intends to create a fund development plan that is tied to the strategic plan, and is committed to increasing funds raised through special events. The board is engaging the college presidents and encouraging their attendance and participation at board meetings.

The engagement of a consultant to assist in developing alternative revenue, and identifying and soliciting gifts of \$50,000⁺ will increase the Foundation's capacity, provided the Foundation allocates staff and volunteer leadership to work with and follow up on the work of the consultant.

As a board that is transitioning, it is not yet clear that the Foundation understands its primary responsibility to be that of a fundraising board. While the Foundation was founded to secure funds in support of the missions of the four member colleges in the Peralta Community College District⁵, it is not clear that all board members understand that fundraising is the foundation's primary activity. There are currently no formally adopted roles and responsibilities for board members in the area of fundraising. Creating a culture of fundraising within the board is a next step in its organizational development and a necessary one for the launch of an endowment campaign.

Creation of a strategic plan and a fundraising plan that is tied to the strategic plan are important next steps. It is not clear to Saad & Shaw that the Foundation board has the experience and skill set required to create such plans that:

⁵ Peralta Colleges Foundation brochure " Help Strengthen Education in Our Community"

1. Are fundraising focused
2. Will build fundraising capacity and infrastructure
3. Include roles, responsibilities and defined accountability measures

The Foundation may want to consider employing counsel to work with the Foundation in this area, or may want to ask the Foundation's current consultant to assist with this process.

Giving by Foundation Board Members

Foundation board members are asked to support the Foundation's fundraising work. The following illustrates gifts received by board members. The table combines giving that is made by an individual board member or by the company/organization that the board member is associated with.

Year	Total board contributions	# of gifts	Percentage of Board members giving
2004	1,000	1	7.69%
2005	4,650	4	75%
2006	4,000	5	40%
2007	11,490	8	61.54%
2008 (through 9/30)	7,700	5	33.33%
Total	28,840	23	

The Foundation has received 23 gifts from board members totaling \$28,840 over the past 4.5 years. Given that the Foundation is a fundraising and grantmaking institution, the current level of board giving should be higher. Giving by 100% of board members is a reasonable expectation. The size of each member's gift will vary but should represent a personal stretch. Members should also be asked to secure gifts from the businesses and organizations they are engaged with and should agree to a personal fundraising goal.

The current level of board giving and the current amount actually given by board members may be related to the Foundation's current stage of organizational development and the extent to which board members understand their role as fundraisers for a fundraising institution. While the acting director understands the need for the board to have fundraising as its primary responsibility, that has not yet been accepted by the board. A focus on board development and the creation of defined roles and responsibilities for board members may assist with this.

Endowment

When discussing the Foundation and the proposed endowment campaign, Saad & Shaw was led to believe that the Foundation has a current estimated endowment of \$1 million. While the Foundation had assets of \$1,090,875 as of June 30, 2008, the endowment is actually \$125,334. Additionally, staff indicated that the Foundation has been "touching" the endowment principal

since 2004. Saad & Shaw suggested accurate definitions of endowment be used when communicating with stakeholders and prospective donors and that the use of endowed funds and the accessing of principal be reviewed to ensure that funds are managed in accordance with the donor's wishes and accounting practices.

Grantmaking

A review of the Foundation's minutes showed that foundation board members have a process for reviewing grant requests from students, staff and

faculty, and that the process is understood by board members and referred to when reviewing grant requests.

Scholarship Awards

The awarding of scholarships is one of the main priorities of the Foundation and funds raised on an annual basis are allocated towards this purpose.

The following table shows the number and total dollar value of scholarships awarded in each of the past three years.

Fiscal Year	# of Scholarships	Total \$ Value	Comments
2005	62	\$69,450	Includes 10 Allied Health Scholarships of \$4,000 each and two International Education Fund grants totaling \$12,000
2006	43	81,136	Includes 12 Bernard Osher Allied Health Scholarships of \$4,000 each and one International Education grant of \$9,286
2007	119	95,318	Includes 48 Bernard Osher Foundation grants of \$1,000 each and four International Education grants totaling \$11,418

Foundation Marketing and Public Awareness Activities

Those interviewed for this feasibility study indicated that the District and Foundation need to increase and improve the quality, quantity and impact of their marketing and communications pieces. Interviewees indicated that the impression is that member colleges are promoted primarily as vocational or professional training institutions, but not as colleges that prepare students to transfer to a four-year college or university. There is low brand-recognition of the District and almost no recognition for the Foundation.

"Peralta has the worse advertising of any district in CA. Has a horrible website. It is difficult to interact with if you are a consumer/student. District is difficult to access. People who understand Peralta can get access to good programs. Billboards are awful. Gate keeping makes the system inaccessible. Website is not up-to-date with where classes are offered. It is difficult to get forms to register. They are like the DMV used to – not consumer friendly."

"There is no brand. People don't know what Peralta is. They know the colleges. No knowledge of the District as an entity. The colleges compete against each other for who will offer specific classes."

"They have not created visibility for Peralta and its colleges yet, let alone visibility for giving to the District. They need to sell who they are."

The foundation has a few basic marketing pieces that are used to communicate with current and prospective donors and/or funders. These include:

1. Foundation brochure
2. Foundation newsletter
3. Frequently Asked Questions document
4. General purpose Foundation brochure
5. Letters encouraging individuals and businesses to support the Annual Gala Dinner and the Annual Golf Tournament as a sponsor and participant
6. List of available funds as of December 31, 2007
7. List of board members
8. Marketing folder - The Case for Peralta – Why We Need Your Support
9. Promotional materials and invitations for the Annual Gala Dinner and the Annual Golf Tournament
10. Website

It appears that the Foundation is promoted primarily through materials that market and promote the Foundation's Annual Gala Dinner and the Annual Golf Tournament. These

materials do not yet have a coordinated look-and-feel and should be reviewed and updated on a regular basis to ensure they are current, compelling and effective.

Data Management

Foundation data is managed using Excel spreadsheets and Quicken. The Foundation has purchased donor management software (Giftworks) but has not yet begun to use it. Saad & Shaw recommends that the Foundation begin using donor management software as one method of building the

Foundation's capacity and infrastructure. Such software will allow the Foundation to track relationships between donors, prospective donors, board members and volunteers, to identify patterns in giving over a period of years, to identify lapsed donors and to track prospective donors.

Sponsors and Donors

The following table illustrates the number of donors who currently support Foundation activities (golf tournament and dinner). This table is based on copies of sponsor lists included in event programs. Some donors gave to more than one event in a given year. Without using donor software it is difficult to give an accurate accounting of how

much each sponsor contributed in each of the past three years and the extent to which current donors were retained or upgraded and new donors engaged.

While these numbers do not include the individual ticket sales, they are very low given the geographic area the District covers, its history and impact.

(table on following page)

Year	Dollar Value	# of Sponsors
2008		
	\$10,000	2
	5,000	2
	2,500	12
	Under 2,500	23
	In-kind services	1
2007		
	\$10,000	1
	5,000	3
	2,500	14
	Under 2,500	66
	In-kind services	1
2006		
	\$10,000	
	5,000	5
	3,500	2
	2,500	6
	1,000	11
	Other	29

Assessment Conclusion

Launching the District's first endowment campaign and raising \$10 million will require an investment in the fundraising capacity and infrastructure of the Foundation, District and member colleges. If this investment is well managed, it should also increase funds secured through annual fundraising. It can provide the Peralta District with the

opportunity to develop and manage joint partnerships; increase its marketing, public relations and communications; and implement a planned giving program. **Current infrastructure and capacity, including staffing levels and experience, are not adequate to launch an endowment campaign.**

SUGGESTED NEXT STEPS

The first “next step” that should be pursued is the presentation and sharing of this Feasibility Study Report with Chancellor, Foundation staff and board, College Presidents and District Trustees. Additional suggested next steps are in the areas of planning, leadership and image, branding and communications. These are followed by a suggestion for a joint annual and major gifts campaign.

Planning and Preparation

1. Establish a collaborative process to engage the District, colleges and Foundation in planning for and securing annual and endowment funds.
2. Continue the work of exploring and securing alternative revenue streams to support the operating costs of the Foundation and District/college fundraising activities.
3. Create an annual budget for the foundation with projected income (and sources) and expenses. Include in-kind offsets from the District in the areas of salaries, phones, supplies...).
4. Strengthen and diversify annual giving to include work with individual donors.
5. Engage fund development counsel to work with the District, colleges and Foundation in creating the infrastructure, culture and process to support increased annual giving and the proposed endowment campaign.
6. Begin building the fundraising capacity and infrastructure required to develop, launch and manage an endowment campaign. This includes items such as creating a fundraising and fund development plan, securing training and coaching for current staff, hiring professional staff, implementing donor management software, engaging and training volunteers, engaging in the processes of identifying, cultivating and soliciting new prospective donors.
7. Create a fund development plan to guide the work of the Foundation. Plan should include strategies for the growth of annual giving and the proposed endowment campaign.
8. Develop a list of prospective donors who could support annual fundraising efforts and the proposed endowment campaign. List should be developed with input from member colleges, the District and the Foundation. Individual prospective donors should be assigned to a specific individual or institution for cultivation and solicitation based on relationships.
9. Create an annual joint fundraising campaign that engages the District,

colleges and Foundation. Each college should have a financial goal. Each should launch an internal campaign to raise funds from administrators, faculty, staff and students. Joint campaign will help lay the groundwork for the participation of the colleges in the proposed endowment campaign.

10. Determine how data and donors will be shared between Foundation, District and individual colleges.
11. Develop a timeline and activity chart for the District, Foundation and member colleges to ensure timely action and accountability regarding work in the area of fund development and fundraising.

12. Place special emphasis on developing fundraising programs that target alumni giving, planned giving and corporate/business giving.
13. Create a series of orientation workshops and seminars for the following target audiences for the purpose of sharing the District's fundraising plan, case for support and plan of action.
 - a. Trustees and Foundation board members
 - b. College presidents
 - c. Development and administrative staff
 - d. Volunteers

Leadership

"It will come down to the College presidents and the Chancellor to make this happen. People who write big checks want to have the presidents and chancellor sitting down with them. Leadership has the vision and can sell the story. They are the ones who can negotiate partnership and meet donor requests."

1. Chancellor and presidents determine the percentage of their time they are willing to allocate to fundraising.
2. Continue to expand membership of the Foundation board with an emphasis on individuals with fundraising and marketing expertise.
3. Identify and engage one high-level volunteer (preferably an alumnus) who can serve as the face for the District, the colleges and the foundation. This person needs to be a respected influencer who can excite a cross section of individuals in the service area.
4. Create a volunteer-led endowment campaign committee.
5. Hire a Vice Chancellor for Development and support staff. Vice Chancellor would serve dual role as executive director of the Foundation. Individual should be an experienced

fundraiser who can manage both an annual campaign and an endowment campaign. Criteria should be developed to determine the skill sets required of the proposed Vice Chancellor as well as for foundation staff, and foundation board members.

6. Create a fund development leadership team that represents the Foundation, District and colleges. Leadership team to work together to develop and manage the proposed

endowment campaign. Membership should include Chancellor, Vice Chancellor for Development (to be hired), College Presidents, college development coordinators, Foundation Board President and President of the District Board of Trustees.

7. Chancellor and presidents to define the priorities and aspirations of the District and colleges that form the basis of annual fundraising and endowment fundraising.

Image, Branding and Communications

1. Create an awareness and communication program to better inform residents of and stakeholders within the service area regarding the value and assets of the colleges.
2. Create marketing materials to support annual fundraising and to create awareness for the District, Colleges and Foundation in

preparation of the endowment campaign. These should include brochures, DVDs, billboards, radio, TV and online advertising.

3. Develop a case for support for the proposed endowment campaign to be used when talking with prospective lead donors during initial and silent phases of campaign.

Launching a Joint Annual and Major Gifts Campaign

Based on these findings, Saad & Shaw recommends that the District and Foundation begin the process of strengthening their fundraising capacity and infrastructure by preparing for and launching a joint annual campaign. Such a campaign should be jointly created and managed by the Foundation, District and member colleges. Each entity would be responsible for raising funds for scholarships and college programs through special events and individual solicitations of annual and major gifts.

The process of designing, launching and managing such a joint campaign can help the District, Foundation and member colleges resolve the challenge of how to work together and allocate funds raised. The questions that arise during the process of a joint annual campaign are the same questions that will arise in the process of preparing for the proposed endowment campaign.

The process of engaging in a joint campaign can increase the fundraising capacity and infrastructure of the

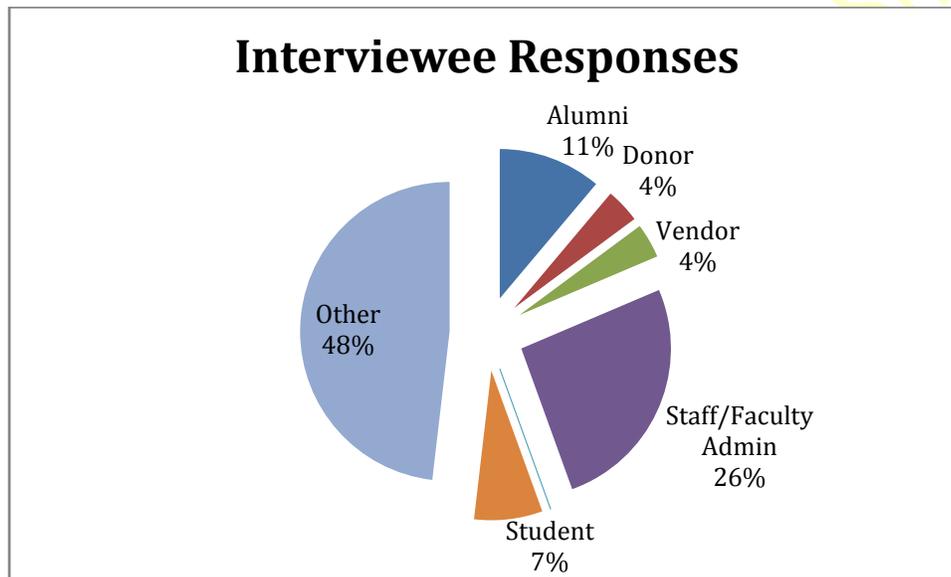
District, Foundation and of the member colleges. If managed correctly it should engage a larger number of individuals in making the case for giving to the District/Foundation, and will place the colleges – and the relationships the colleges have developed – at the center of the campaign. The joint campaign can engage a larger number of volunteers and reduce costs. It can also increase funds raised on an annual basis, develop new relationships with current and prospective donors, and increase the donor pool and depth of relationships that are required for an endowment campaign. Developing relationships with individual donors will also help lay the groundwork for the launch of planned giving activities. This is important as planned gifts can be a major source of revenue for an endowment campaign. The awareness, marketing and communications activities required by a joint campaign will also increase visibility for the colleges, District and Foundation.

INTERVIEW QUESTIONS AND SUMMARY OF RESPONSES

Twenty-five individuals were interviewed for this study. Not all interviewees answered all questions. Graphics included in this report show percentages for those who responded to a particular question.

1. Familiarity with the District

How and when did you first become familiar with Peralta Community College District?



Twenty-one out of 25 interviewees responded to this question.

Summary: Some are familiar with the District through their jobs and careers, business contacts and/or the Foundation, while others know of the District from living in Oakland or having known someone who attended one of the colleges. The majority of those interviewed do not appear to have a long-standing personal relationship with or commitment to the District or its member colleges. Individuals knew about the District through more than one relationship.

Sample comments: (in alphabetical order)

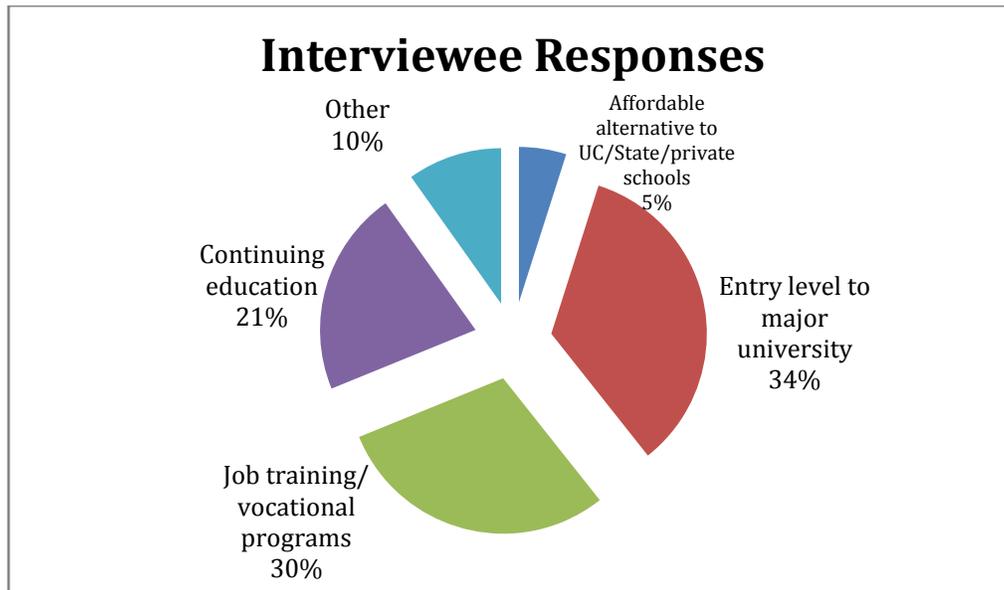
1. "Always known them as a potential partner. But were unable to figure out how to partner with them."
2. "Daughter attended."
3. "Friends attended Laney. Father was involved with bond issue to build the college."

4. "Have always known of Peralta. Don't know their programs. We would be open to hiring from Peralta with a relationship."
5. "Husband was faculty and administrator."
6. "Introduced to District via Chancellor when he was involved with Laney College."
7. "Involved for six years. Bad prior management and low public standing. Money was being wasted."
8. "Students are members of my congregation."
9. "They have not risen to the occasion with the business community until lately. But they appear very flexible. Community colleges are able to move very quickly to help meet pressing community or business needs."
10. "Two daughters attended Merritt, and friends have worked for the district. Have worked with each of the presidents."
11. "When I was in college. Taught at Peralta. Long-term familiarity with the college."

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2. Understanding of the mission of the District

What is your understanding of the mission of Peralta Community College District?



Twenty-four out of 25 interviewees responded to this question.

Summary: Most of those interviewed stated that Peralta's mission was to be a stepping stone for students whose goal is to transfer to a major university, to provide vocational training, and continuing education. Very few thought the mission was to provide an affordable education.

Sample comments:

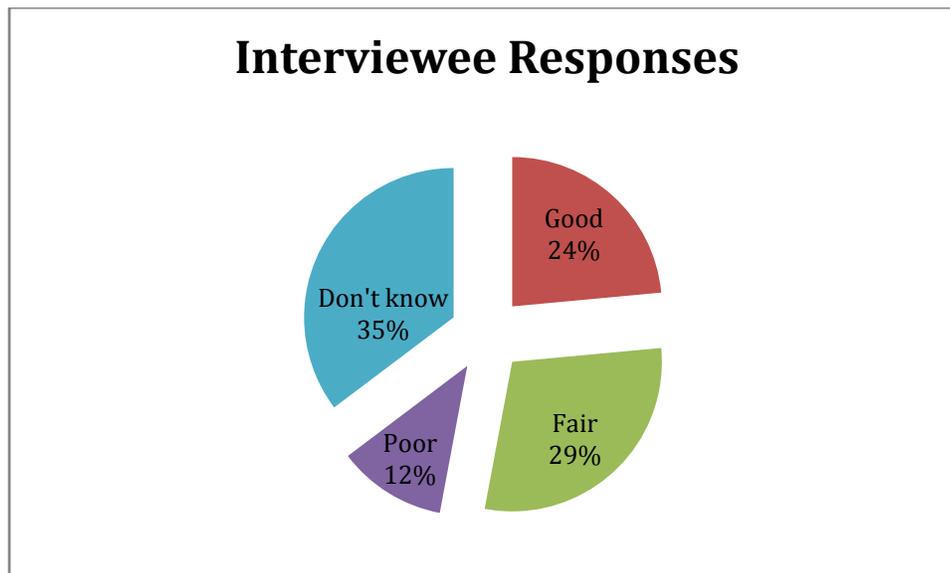
1. "Graduates used to be highly employable and able to transfer but not anymore. Students no longer complete their education there. They need to improve the bridge between two-year and four-year colleges. They have not yet been able to do that. Current perception is that community college students are not four-year college material."
2. "Open access institutions for those who do not qualify for four-year institution."
3. "Part of the continuum between K-12 and the four-year system with vocational training and continuing education responsibilities."
4. "Peralta is a major economic force in the county, the city and region by preparing the workforce."
5. "Peralta is part of the master plan for higher education for the state of California. Plays an important part in the educational eco-system."

6. "Plays a major role in social change for the community."
7. "Provide basic knowledge and skills to make a living in the outside world in all fields. They are successful in this endeavor, especially with minority students and educating new immigrant students. They are very helpful."
8. "Provide opportunities for residents to achieve their dreams. For immigrant students, to prepare students to read and write English so they can function in larger American society. Help people become economic contributors, tax-paying citizens."
9. "To maximize the human potential in this community and to connect students with the resources of higher education and technical job training."

Confidential - Produced by Saad & Shaw

3. Image of the District and member colleges

How would you assess the image of the District and its member colleges?



Sixteen out of 25 interviewees responded to this question.

Summary: The majority of those interviewed felt that the overall image is fair or good. Many did not have a strong feeling either way. No one rated the image as excellent. Many noted that the District does not have a brand. While people may have heard about the individual colleges, they have just a general knowledge.

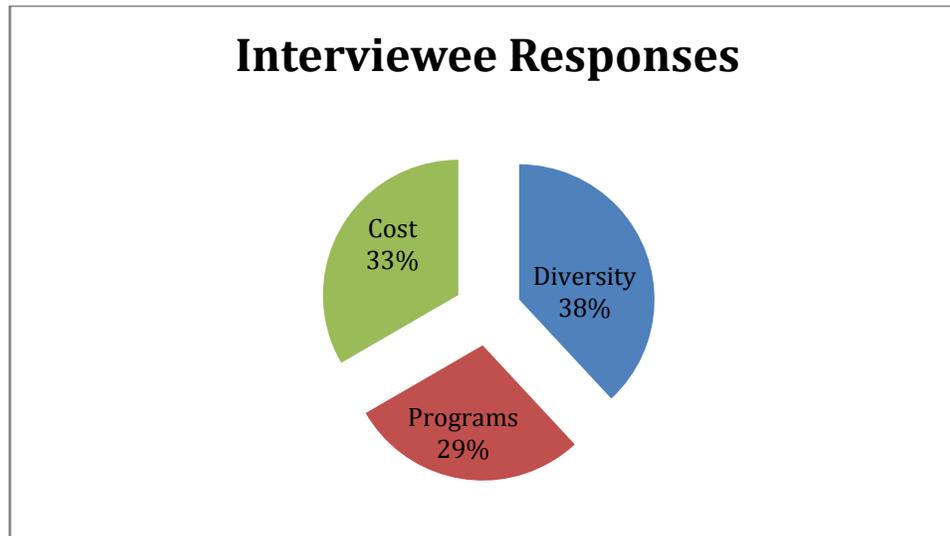
Sample Comments:

1. "External stakeholders may not be aware of the internal turmoil that had preceded the Chancellor's tenure. Used to be a lot changes in administration but that may not have been visible to external stakeholders."
2. "Image is getting better."
3. "Improving internally and externally. Have grown in our partnerships with the community, with our communications with grassroots groups including the faith communities, working more closely with high schools in recruiting."
4. "Inner city school district with all the connotations that come with that, positive and not so positive. Other community colleges have a stronger image of high quality and upward mobility. None of the colleges have much presence in their local communities. People know they are there, but that is about it."

5. "It is nowhere near it needs to be. If people know the district they respect it. The broader community doesn't really know the District at all. They know of it, but not intimately and definitely not enough to support an endowment campaign."
6. "Known to the community. Supported by a long history of bond issues over time."
7. "Mixed bag. In Oakland the image is negative, but among the students it is very positive. People who are familiar with the district are engaged and very impressed."
8. "Nothing stands out good or bad."
9. "Peralta has the worse advertising of any district in CA. Has a horrible website. It is difficult to interact with if you are a consumer/student. District is difficult to access. People who understand Peralta can get access to good programs. Billboards are awful. Gate keeping makes the system inaccessible. Website is not up-to-date with where classes are offered. It is difficult to get forms to register. They are like the DMV used to – not consumer friendly."
10. "There is no brand. People don't know what Peralta is. They know the colleges. No knowledge of the district as an entity. The colleges compete against each other for who will offer specific classes."

4. Uniqueness among Bay Area colleges and universities

What makes the member colleges unique among Bay Area colleges and universities?



Sixteen out of 25 interviewees responded to this question.

Summary: Those interviewed cited the diverse student body as the most unique feature of the member colleges. Other unique opportunities were the relative low cost, and the high quality of specific programs.

Sample Comments:

1. "Accessibility. Going to Peralta gives you easier access to actually getting into UC Berkeley."
2. "Cost is very attractive. Quality education and close to home. Easy for people to get to the colleges. Good relationships with surrounding four-year colleges. Students are comfortable at the colleges."
3. "Each college serves a target geographic area and they each have unique programs."
4. "It is a district with four colleges. Each has its own unique programs and each needs to amplify its own uniqueness. The uniqueness does not yet exist; each needs to develop a brand. Each college needs to develop support from the local community they are located in."
5. "It is an extension of Cal State East Bay. Many students there come from the district colleges. It is the college for the people. It is accessible to people who want to attend college. Community college today is also about vocational training and providing work force development."

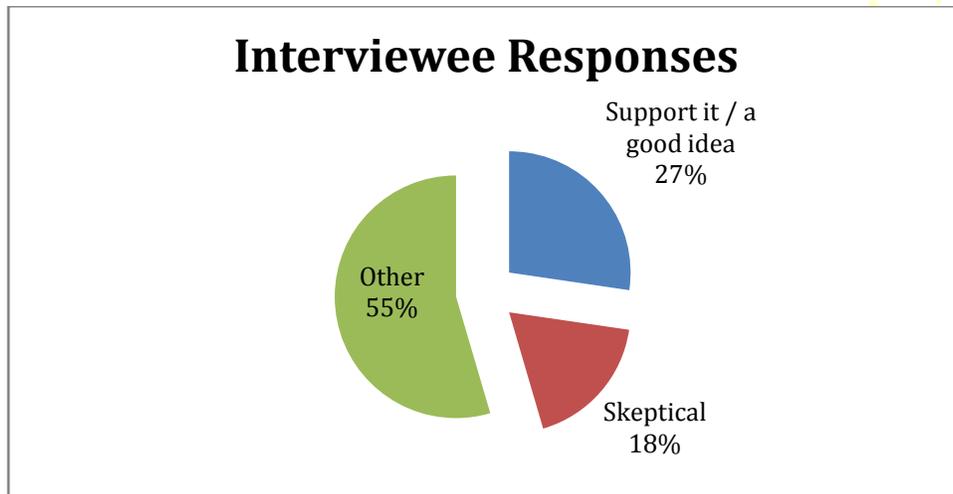
6. "Now there is opportunity. Peralta can now prepare people to work. They can partner with business to ensure that students gain the skills they need to ensure employment in the local economy. They can partner more with K-12 to ensure that students get access to higher education. With the rise in costs of state university and Cal there is a unique role for the community colleges to play in ensuring that segments of the population have the opportunity to attend college."
7. "They are willing to serve anyone. Open door policy."
8. "They have opportunities they have not yet taken advantage of. Each campus is very different, in different communities and serves different people. Merritt is more suburban and upscale but hasn't marketed itself as such. Berkeley City College is beginning to create a unique presence. Peralta is unique in that it has four colleges. Most districts have only one or two campuses. Weather and location are excellent draws. Each college is unique but they have not yet taken advantage of their uniqueness."
9. "We are unique in that we have four colleges. Alameda is transportation and logistics; Berkeley prepares transfer students and multi-media; Merritt is nursing; Laney has a culinary program. Strong teaching faculty."

5. Response to case for support

This question had three components. A graphic breakout is provided for each, followed by overall comments.

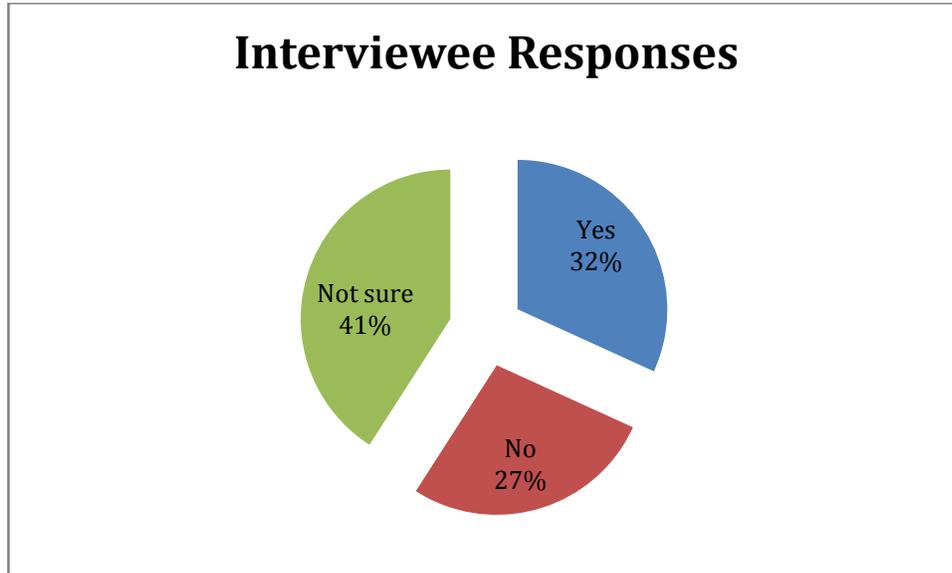
After reviewing the letter and document you received from Chancellor Harris's office,

What was your initial reaction to the proposed Endowment Campaign?



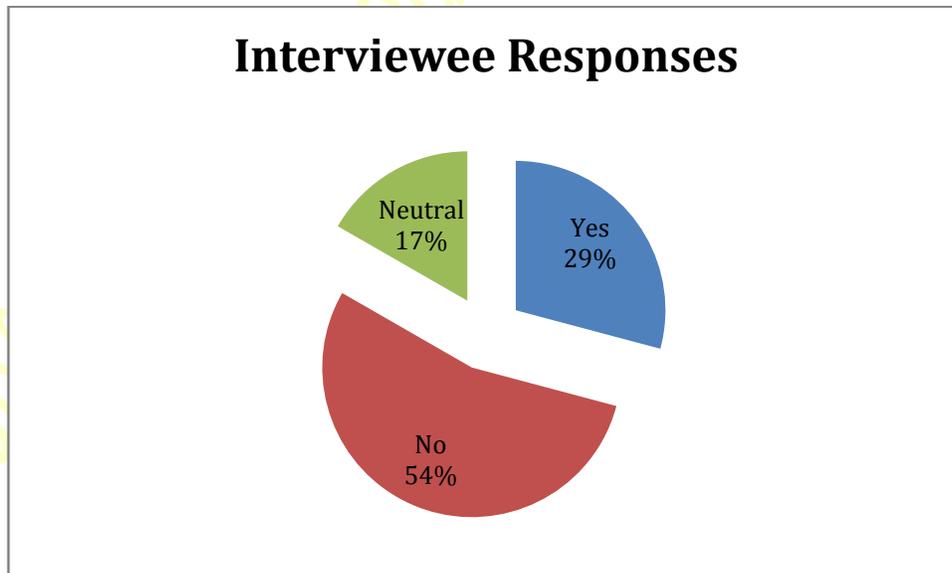
Twenty-one out of 25 interviewees responded to this question.

Did you understand the District's financial needs?



Twenty-two out of 25 interviewees responded to this question.

Are they compelling?



Twenty-three out of 25 interviewees responded to this question.

Summary: While six of those interviewed think the endowment campaign is a good idea, more did not clearly understand the financial needs (15) or feel that the materials were compelling (13). Almost everyone had suggestions for how to improve the

marketing materials. Extensive comments are provided to assist the district and foundation as they review and recreate the case for support for the proposed endowment campaign. Suggestions can also be referred to when creating other marketing materials for the foundation's annual campaign and/or general district marketing.

Sample Comments:

1. "An introductory proposal for the Peralta Colleges. Provided basic information and made the case for Peralta. We have produced others that are more attractive than this look, but it addresses the big picture."
2. "Case is well presented. \$10 million is a lot of money. This is a difficult time to raise money due to the current and feasible economic climate."
3. "Compelling – serving underserved constituencies is important. Suggestions: feature graduates from various colleges and where they are now. Show what jobs students secure."
4. "Confused about percentages associated with use of funds for programs. Piece that highlights how community colleges are funded vs. other public education systems is a good graphic. Doesn't show outcomes. How many students would be affected, how many new nurses would be created? You need pictures of students that allow you to connect to the District. Are there famous alumni that people could connect with that you could list? Include quotes from students about how the District has impacted their lives, or have a quote from an employer of Peralta students to help make a connection between the reader and the District."
5. "Document does not properly present the diversity of programs that are available from the colleges. It talks more about the college than the community needs. Should connect how the colleges can help make the community better as a result of the endowment campaign."
6. "Document does not properly present the diversity of programs that are available from the colleges. The academic side is not highlighted enough – many students come for academics and to prepare to go to four-year colleges. Their number one programs are not the same as those highlighted."
7. "Funding for education from Sacramento can be confusing. Need to clearly articulate how and where state funding is allocated and what influences those decisions."
8. "Graphically it does not grab you. No photos of the campuses, chancellor, presidents, students. Case statement does not create interest. Unless you want to be involved you wouldn't want to read it."

9. "I don't want to pay for something that will be out of date or gone in a year. People need to see that the institution has a plan for sustainability. You need to tell me how you make a difference in people's lives. You need to tell me the impact that the colleges make in getting people into the economy. Who are the students you are helping now – people who have graduated in the past five years, not from 20 years ago. You need to say exactly what the money will be used for. I don't know if they have an active alumni. How do they capture information about student successes? The motivator for endowment is the messenger (alumni/students) not the message. Need to show how students then contribute back to the bay area with employment, family."
10. "I like its simplicity. Communicates things that a donor would want to know. I can see who your supporters are and I respect them. Being in black and white and only four pages tells me they need money."
11. "I want to know that Peralta is reaching out to people who are trying to survive. Piece needs visuals – show charts showing how to support a family of four you need a minimum of two years of college education. Show costs of books, costs of childcare, and why supporting these are needed. Need to show what is needed for students we serve to take advantage of this 'free' education. Need to show what is needed to make the campuses more attractive to students. Add visuals. Show what a 'smart classroom' looks like. Show distance learning in action."
12. "Leads too much with what the District doesn't have as opposed to what the District does well and how donors can partner in that success for the community."
13. "Looks like a prospectus from a mutual fund. Seems like a challenging goal for Peralta. Does not appear as a marketing document. Needs color."
14. "Need a robust menu of philanthropic opportunities, not just an endowment. Case lacks emotional resonance. Catch phrases don't work. Use four paragraphs that emotionally communicate. The current case is not for donors; it is for administrators and fundraising staff. Donors expect instant gratification – they want to see an impact now."
15. "Need is not applicable. People do not give based on need. The need is not relevant – does Stanford need more money? It is about what inspires people."
16. "Need to speak to what individuals and businesses want to support – green technology, nursing.... Too internally focused."
17. "Should connect how the colleges can help make the community better as a result of the endowment campaign."

18. "The emphasis on reaching out to Hispanics and the success of those programs created a sense of exclusion. Need to include all ethnicities."
19. "The questions are compelling – the answers remain to be seen. Community colleges have a challenge raising endowment funds, as they often don't have the long-term sense of identification amongst students. It is hard for people to connect the role of the community college to their success in life."
20. "They have not created visibility for Peralta and its colleges yet, let alone visibility for giving to the District. They need to sell who they are."
21. "Too internally focused."
22. "When people give money it means they believe in the mission of the institution."
23. "You need to say exactly what the money will be used for. If you are focusing on student support make clear exactly what these are. You have to focus on the students as the centerpiece. If the student is the centerpiece what will it take to produce an outstanding student?"

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6. Priority of Campaign Goals

Please indicate which ones of the Campaign goals is your personal priority?

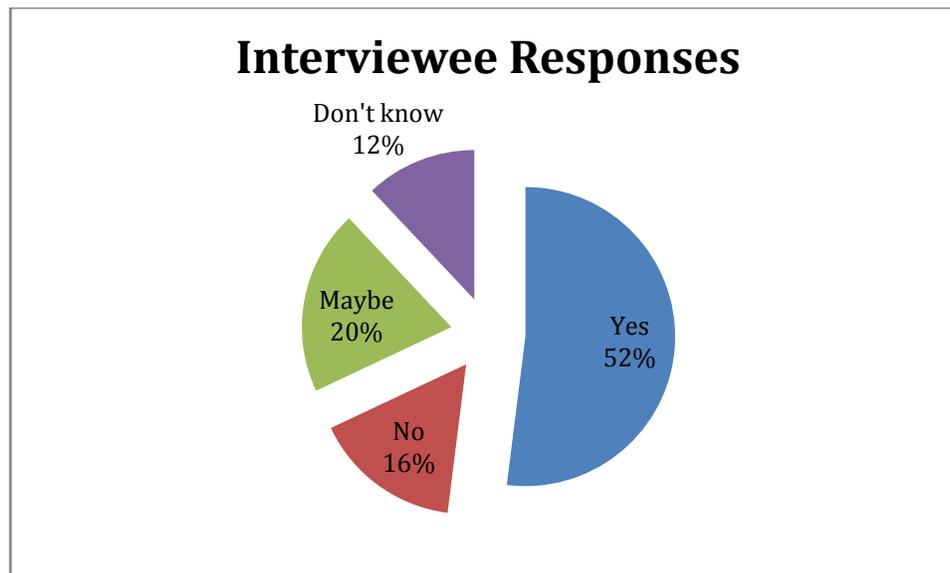
(Interviewees were asked to examine the chart in the case for support document that showed how interest generated from a \$10 million endowment could be allocated. A copy of the case for support that was tested is included as Appendix A to this document.)

	Student Support (\$300,000 or 60%)	Class Equipment (\$100,000 or 20%)	Innovative Classroom Curriculum (\$100,000 or 20%)	Number of Responses
1st	56.0% (14)	20.0% (5)	24.0% (6)	25
2nd	27.3% (6)	27.3% (6)	45.5% (10)	22
3rd	18.2% (4)	45.5% (10)	36.4% (8)	22

Summary: The top priority amongst those interviewed is supporting students, followed by supporting innovative classroom curriculum and classroom equipment.

7. Ability to raise \$10 million

Do you think the District can raise \$10 million?



All 25 interviewees responded to this question.

Summary: A little over half of those interviewed believe that Peralta can raise \$10 million provided it overcomes certain challenges, including the current state of the economy, name recognition, alumni involvement, successful marketing, effective campaign management and Peralta's ability to form relationships with the local business community. Whether the Bay Area will invest in Peralta largely depends on how relevant Peralta is to the community's economic future.

Other factors identified as affecting the success of the endowment campaign include how successfully it has raised funds in the past; whether it can involve people of power, wealth and influence; how well it can deliver its unique message and brand; as well as fundraising capacity and appropriate infrastructure to run a major campaign.

Sample Comments:

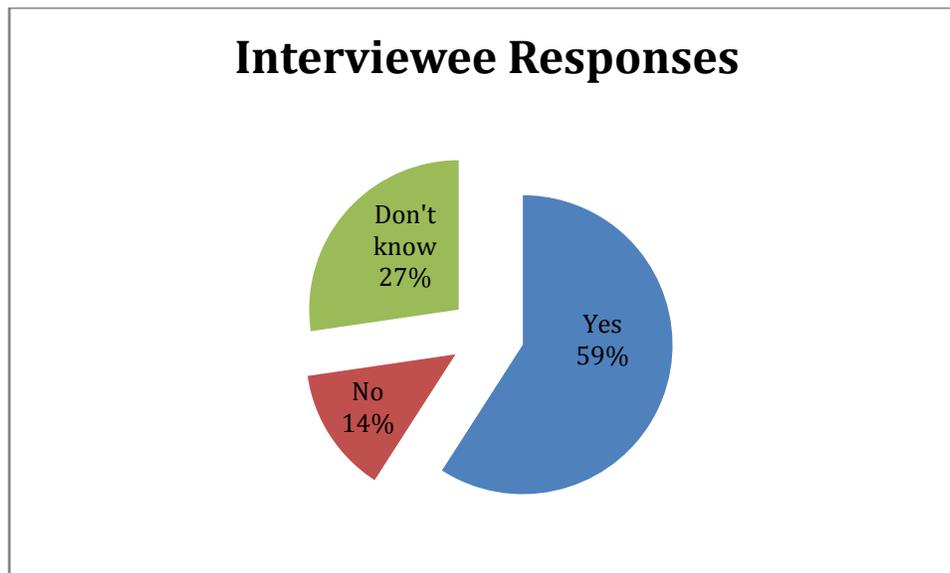
1. "\$10 million is not a lot but it is a lot in these times. Whether or not they can raise it will depend upon the time horizon they are considering."
2. "A traditional approach will not raise \$10 million. They need to be more entrepreneurial in their approach. They need to develop a business model for the foundation that is rooted in bringing in revenue that will support an aggressive campaign."
3. "Anyone with the right drive can raise \$10 million. Raise money over five years."
4. "Don't know if they would be as successful as they are without Elihu. There is a

lot going on in this area and people in the philanthropic and business community feel very hit up. Cal has a huge campaign going on, Children's Hospital is raising money, the County is raising money. Other organizations that are asking are leaps and bounds ahead of Peralta with their branding and messaging. Even if they did have the capacity – which I don't think they do – they would have to overcome a lot of competition. They maybe could do \$5million if they really, really worked it. People need to see the benefits of giving to this system.”

5. “In the grand scheme of things \$10 million is not a lot of money. But it will depend upon their history of fundraising. The wealth is here, but it depends upon relationships and history of giving. It will depend upon how you make the case. What is your gift pyramid? With 10% of the total as the lead gift equaling \$1 million who will you go to for lead gifts?”
6. “It is going to be tough in this climate. They are not yet showing how they are uniquely value added.”
7. “It will depend on the plan. You will need additional people with networks and financial capacity.”
8. “It will depend upon who is defined as the target prospective donors. Endowment should include partnership opportunities. Connection between Merritt and Kaiser should be the model. Novartis is in their service area – they are the biggest in the world and should be a target partner for the bioscience program. Partner with the Port of Oakland – one of the largest ports in the country includes the airport, trains, and ships.”
9. “Not with the organization currently in place. It is the people around the table at the Foundation who will be responsible for raising the money. The first step is to create a bigger board with more influence around the table. Will depend on the value contained within the Foundation's prospective donor list.”
10. “They don't have the capacity and infrastructure right now to raise \$10 million.”
11. “They need to be more entrepreneurial in their approach: develop a conference center at Merritt; green technology could secure revenue from region-wide supporters.”
12. “We need an image consultant at the same time we are preparing for the campaign.”
13. “You will raise less than you expect in one-to-two years and more than you expect in five-to-ten years.”

8. Launch of an endowment campaign

Do you think the District should launch an Endowment Campaign?



Twenty-two out of 25 interviewees responded to this question.

Summary: Over half of those interviewed said yes. They noted that raising funds for endowment is a smart choice because it will allow the District to build sustainability and attract long-term donors and/or interest from the local community. However, some believed that the raising money for specific programs or other needs should either be done in conjunction with or instead of the endowment campaign. One interviewee commented that funders would rather leave a mark by naming a building or program, while another noted that he/she would be more motivated to give toward improving the quality of education. These comments indicate that it will be essential that the Foundation and District provide potential donors with a deeper understanding of what an endowment fund is, how it works, and why it is important to the long-term success of students and the Bay Area communities. The district may want to consider a campaign that combines gifts for endowment and other purposes.

Sample Comments:

1. "Endowment is ideal but can you guarantee a 5% rate of return? Will that protect the corpus, especially over the first few years given the current status of the market?"
2. "Endowment is more sophisticated than a capital campaign or a major gifts campaign. A lot of people don't understand what an endowment is and how it works. Endowment can also be pledged to increase financial viability. If you

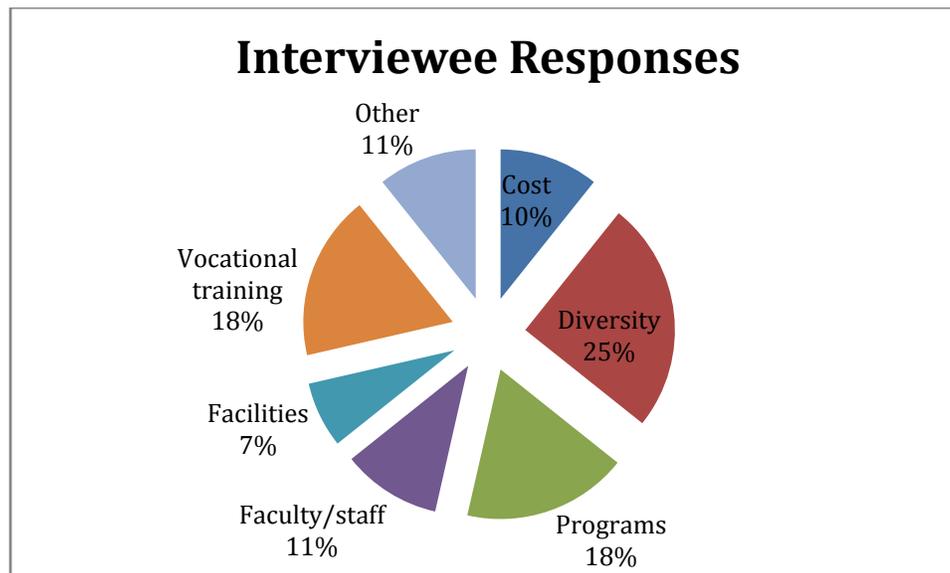
launch an endowment campaign they should talk about the critical role that an endowment plays in challenging economic times. The endowment gives the institution the flexibility it needs to address critical issues during uncertain economic times.”

3. “Endowment is needed.”
4. “Endowment makes a lot of sense. Bond funds only support bricks and mortar. State funding is limited.”
5. “Endowment may be sellable, but any fundraising will be difficult at this time. Endowment may attract those donors who intend to give over the long term. One time, short-term donors will not be attracted to endowment.”
6. “Present level of endowment needs to be increased.”
7. “Suggest that funds are needed for endowment and current needs. Perhaps raise funds for both.”

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9. Strengths of the District

In your estimation, what are the strengths of the District?



Sixteen out of 25 interviewees responded to this question.

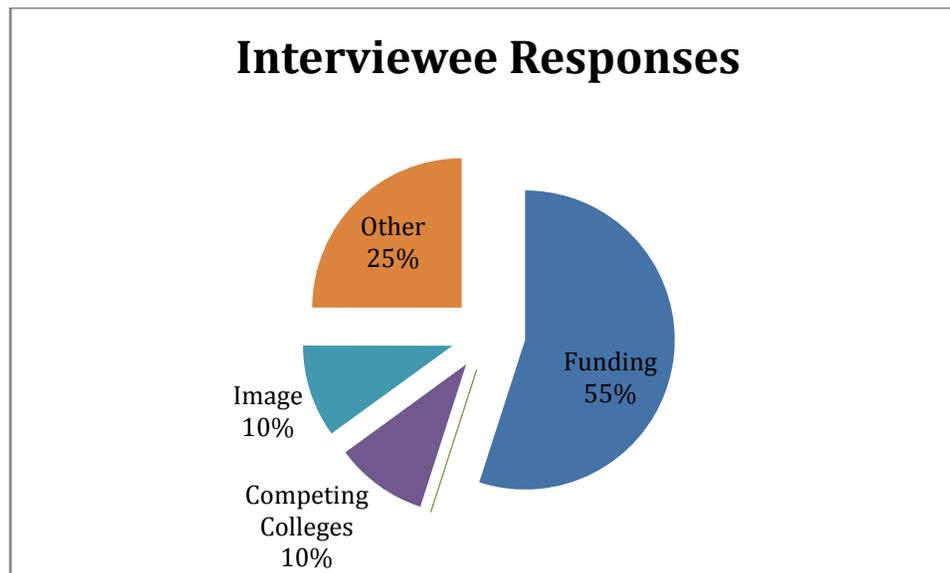
Summary: The strengths include diversity of the student population, programs, vocational training, and faculty/staff.

Sample Comments:

1. "Ability to serve an underserved and diverse population and offer job skills that other colleges don't offer."
2. "Don't know other than leadership and nursing programs."
3. "Don't know. As a community person I don't know the strengths of the District."
4. "Philanthropic institutions are being pushed to show their investments in diverse communities. Peralta serves a diverse community."
5. "Presidents are a strong asset. Elihu has added a lot in terms of cache for the district. There are people in the district who want to partner and are trying to reach out."
6. "Specialization of the colleges."
7. "Strong program for moving students into the four-year institutions. They do a good job in languages."
8. "Transfer rate into the UC and State system."

10. Challenges facing the District

In your estimation, what are the challenges facing the District?



Seventeen out of 25 interviewees responded to this question.

Summary: Lack of funding and challenges in fundraising were cited the most often. Some of the other challenges include access to large funders, visibility of the District's colleges and leadership, infrastructure, competition from other colleges in the area, and other non-fundraising-related challenges such as student attrition rate and the ability to attract students right out of high school. The comments below are related to the district's challenges in the area of fundraising.

Sample Comments:

1. "Challenges to this campaign would be creating the campaign plan, the human resources required to implement the plan and the active support of community leaders who would embrace the plan and the institution."
2. "It is a competitive fundraising market right now. Everyone is raising money. This is in addition to the challenging economic environment. The competitive environment is hotter now than usual but competitive market will not change even as economy improves."
3. "They are surrounded by great institutions such as UC Berkeley. The district and colleges have not told their story well enough to attract students who could benefit from their preparation for a four-year institution. This would help students to be more successful at four-year schools instead of stopping out or failing."

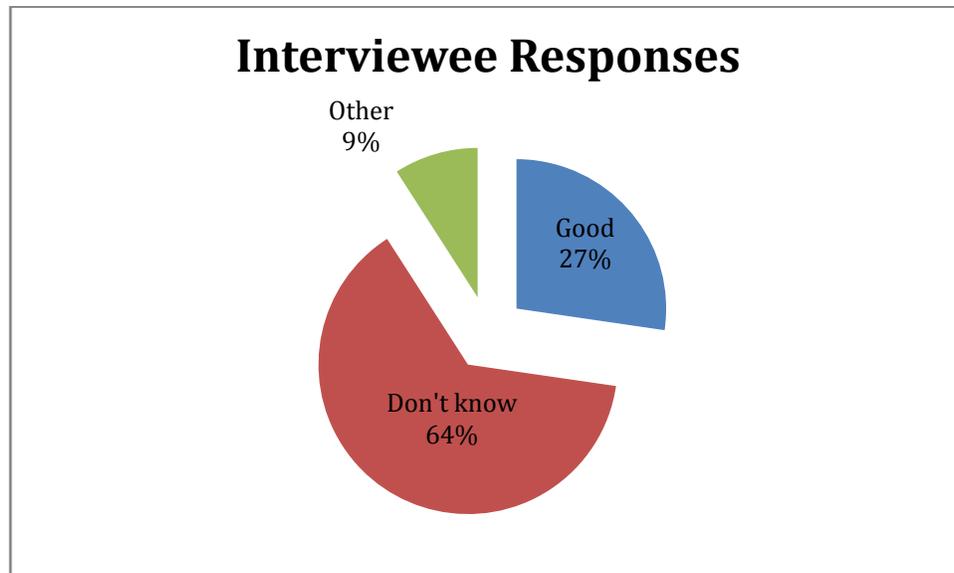
4. "Very young foundation especially when compared to Cal State East Bay. Formalities and structures are not there yet. Needs more organization. Needs more procedures and a more methodical approach to its mission. Policies and procedures need to be put in place."
5. "Visibility – people don't know about the colleges, the students who attend and the district's contributions to the community. Lack of knowledge about the role and niche of community colleges."
6. "We don't yet maximize our potential."

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11. Leadership Assessment

What is your assessment of the leadership at Peralta Community College District?

a. Board of Trustees



Twenty-two out of 25 interviewees responded to this question.

Summary: Most of the individuals interviewed do not know them.

Sample Comments:

1. "Don't hear much, but the good side is that there is no bad news coming out about the district."
2. "Don't know them personally. As a political body they are more focused on management than strategic longer term goals."
3. "Far more politically focused than rooted in higher education. They don't have the business expertise or management expertise required to manage the budget and to develop new approaches to education. They can follow policy that has already been set, but not sure they can set innovative policy."
4. "Not sure about what role they should play."
5. "Their intentions are good but they don't appear to either understand or support the Chancellor, as they don't readily accept his recommendations. Have a tendency to micro-manage. Are not necessarily qualified to address all the issues before them while the Chancellor is."
6. "They have come a long way. Four years ago there was a major transformation

with an infusion of more sophisticated board members with skills who had done homework on the district and who were understanding of their policy-making role. They have made a strong effort to understand the District's needs and have held listening sessions on the campuses. They would like to see change and can be frustrated about the rate of change in a higher-education bureaucracy where change is slow."

7. "They have experience running things."
8. "Well intentioned and knowledgeable."

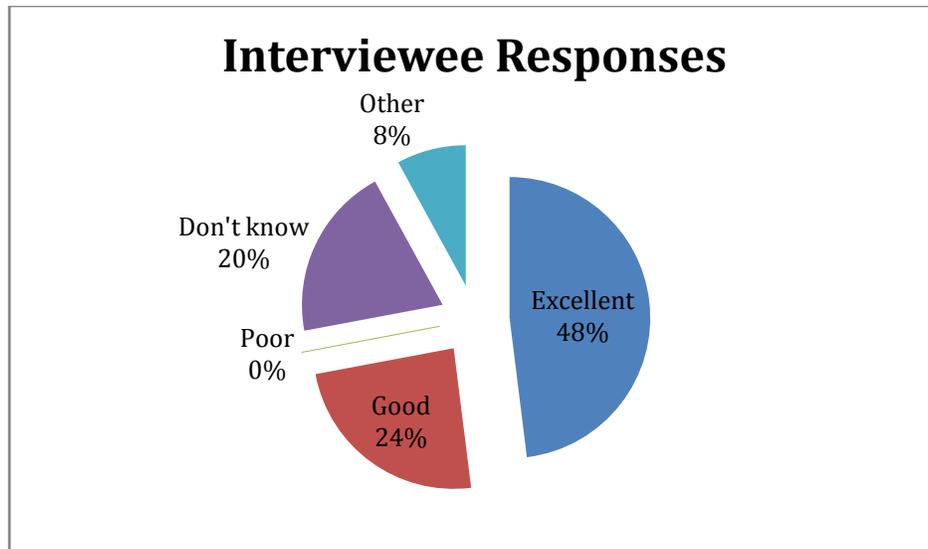
b. Foundation

Summary: The image of the Foundation is improving.

Sample Comments:

1. "Cleaned up 'seat sitters' or dead wood. Bringing in individuals with the skills required to run a campaign and manage a Foundation. One third have influence and power that can make a difference."
2. "Improving. Not comprised of people who are used to endowment type giving. They are used to annual giving \$10,000 - \$15,000. Endowment is not part of their experience or their resources."
3. "Leadership knows what to do but needs resources to drive the development."
4. "Young, growing, needs infrastructure. Not sure the board is the right size for the campaign they are pursuing. Have met one member."

c. Chancellor Harris



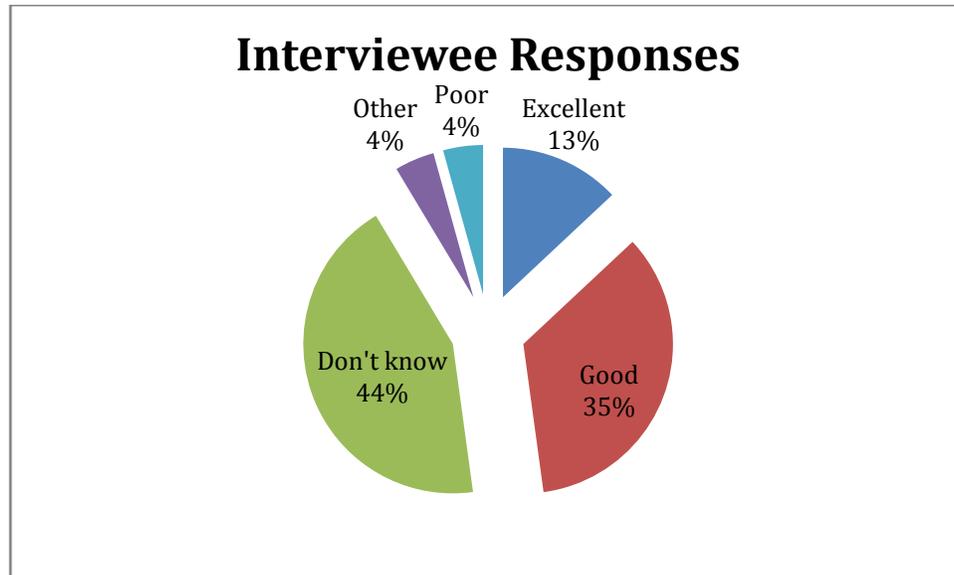
Twenty-four out of 25 interviewees responded to this question.

Summary: The majority of people think Chancellor Harris is excellent or good. They clearly have a lot of respect for him. Some of the criticisms noted were that people do not hear about the District and so they do not know what Chancellor Harris is doing or if he is effective, and that he is a politician rather than an educator. However, some also mentioned that his political background and experience can be a benefit because he has strong connections to business, leaders and people who can contribute to the success of the Campaign.

Sample Comments:

1. "Full of ideas. With the right people to lead the execution his ideas will get done. An astute politician with good inroads in the political community in California."
2. "Has high name recognition, but not sure about what he is producing."
3. "Has the best interest of stakeholders at heart in general."
4. "He has raised the visibility of the District, the District office and the District's potential. He is very resourceful and has hired people specifically for the purpose of partnering and increasing resources."
5. "Only know him as Mayor of Oakland and as an Assemblyman. I like him a lot. Good ideas. Don't hear about Peralta so I don't know how he is doing."

d. Administration



Twenty-three out of 25 interviewees responded to this question.

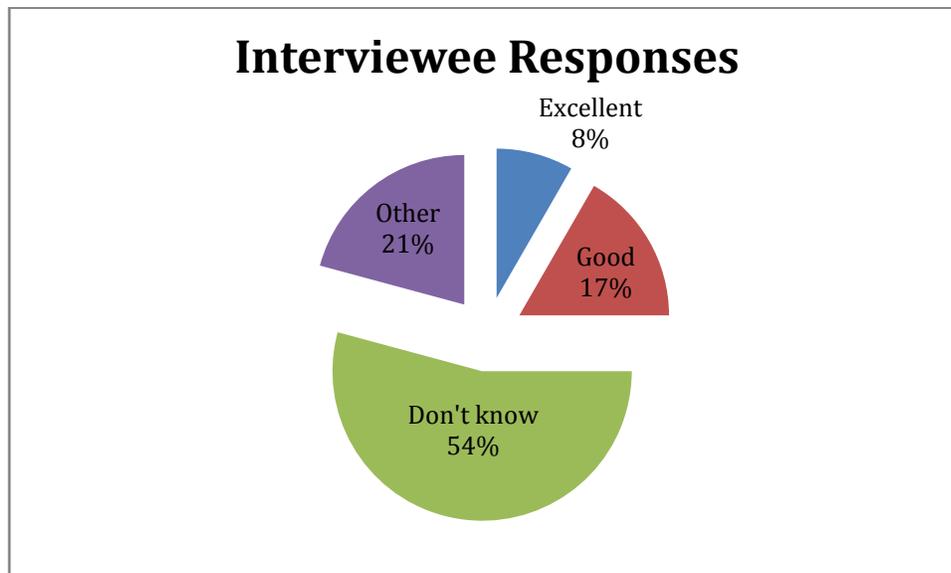
Summary: The answer was split between positive and don't know. The people who do know the administration are impressed by the presidents.

Sample Comments:

1. "Administration needs to know what is going on with the Foundation. Securing their buy-in is not easy. Want to see them develop a team so everyone can be on point."
2. "District administration roles and responsibilities need to be defined and then people need to be allowed to do their job. No one has a real charge for fundraising within the system."
3. "Energetic and supportive but fundraising is not their task."
4. "I was never given a fundraising goal."
5. "No one has a real charge for fundraising within the system. Very impressed by the presidents. They are easy to work with. They have vision for the colleges and the community that they are moving forward."
6. "They are still developing. Some holes still in our team."
7. "They could be better positioned and more responsive to needs of the District."
8. "Uneven image for the administrators, not consistent across colleges. There should be stronger ties with four-year institutions and private sector especially in

the area of health care.”

e. Faculty



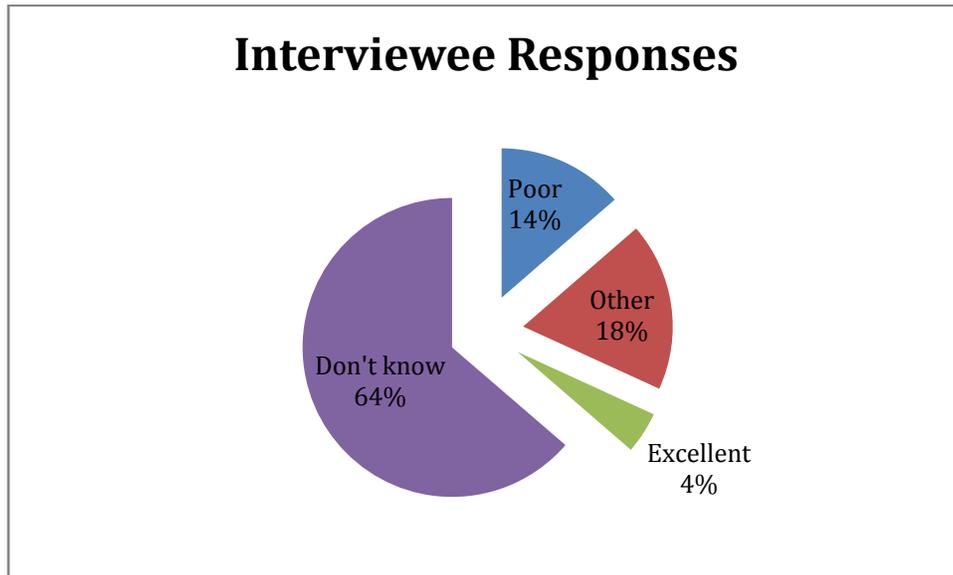
Twenty-four out of 25 interviewees responded to this question.

Summary: Most people are not familiar with the faculty.

Sample Comments:

1. "Courses appear impressive from reading of course catalog."
2. "Department chairs and individual faculty have great potential to move their programs forward if they had access to funding."
3. "Extremely committed. They contribute over-and-above the time they are paid for."
4. "It is like herding cats. Not necessarily willing to fall in line."
5. "Not representative of the population it serves. Most tenured faculty is old and white and protected by bargaining agreements. Young relevant people who meet the ethnic diversity that our communities demand are part time non-tenured. We need faculty that people rave about."
6. "Those I know are very good. Students have complained that some faculty are tougher than expected. People sometimes think that going to a community college is not really going to college."
7. "Will need to show how they will benefit from the campaign. There is a great divide between District and faculty."

f. Alumni



Twenty-two out of 25 interviewees responded to this question.

Summary: People don't know the alumni, who they are, or anything about them.

Sample Comments:

1. "Attended Masters Program with Peralta alumni."
2. "I am sure that a lot of people in Oakland have gone through one of the Peralta Colleges and many of them are in pretty good places."
3. "I suspect that I have met many alumni from the District, but they have not identified themselves as such."
4. "It is hard to define alumni definition for a community college. Two members of the foundation have taken the lead on creating an alumni base. Who are the alumni?"
5. "No sense of alumni. Shocked that average student age is 32 years old. Who are their students and alumni?"
6. "They are an untapped resource."
7. "They should create an alumni program to raise support. Other community colleges in the area are receiving support from alumni and parents of students."

12. Volunteer Leadership for an Endowment Campaign

Which individuals might the District look to for volunteer leadership to support the Endowment Campaign? Name at least three.

Summary: *Seventeen of the 25 interviewed provided names of individuals or categories of individuals who could provide volunteer leadership for the campaign. Saad & Shaw recommends that the Foundation meet again with those interviewed to learn who specifically each believes could provide volunteer leadership and what would be the appropriate strategy for engaging each person. The following is a list of categories of suggested by those interviewed. Names of individuals while provided are not included due to the confidential nature of the interviews and the pledge of confidentiality.*

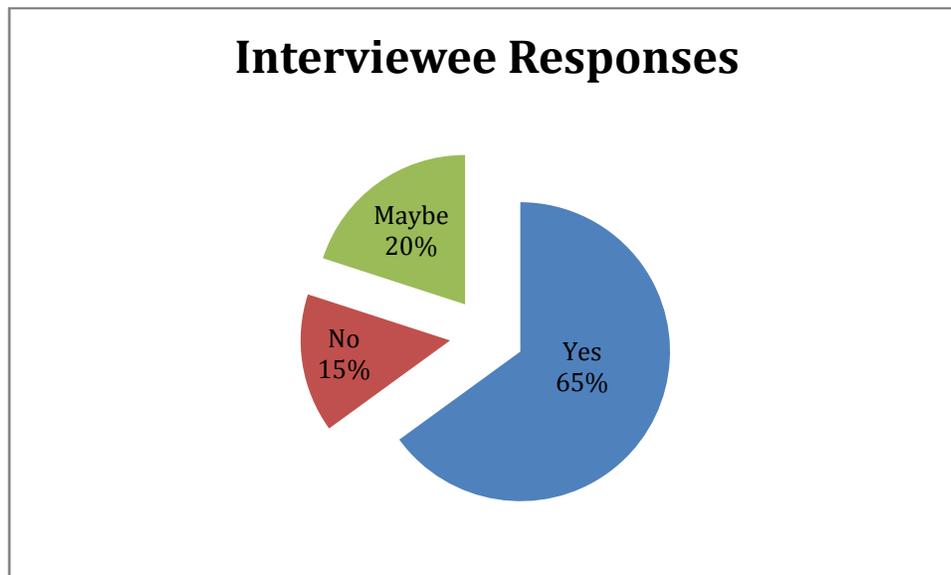
1. Banks operating in the service area such as Wells Fargo, California One, Bank of Alameda, Citibank
2. CEOs of major businesses/corporations such as Bayer, Clorox, Kaiser, Pixar, Novartis, PG&E
3. City managers for cities within service area
4. Developers engaged in major projects within the service area
5. Directors of Economic Development for cities within the service area
6. Elected officials, particularly Barbara Lee, Ron Dellums, Sheila Jordan, Tom Bates, Larry Ried, Nancy Nadel, Wilma Chan, Loni Hancock, Nora Davis, members of the city councils within the district's service area
7. High level representatives (chancellors and presidents) from local colleges and universities such as UC Berkeley, California State University East Bay, St. Mary's College, Mills College, Holy Names College
8. Leaders of locally-based non-profits committed to workforce development
9. Leadership of local unions
10. Leadership of the Oakland Unified School District
11. Local and regional business associations
12. Local and regional major real estate brokers
13. Local foundations committed to education and economic development
14. Locally based musicians and entertainers
15. Major athletes that live in the service area

16. Presidents of local chambers including African American, Hispanic and Asian chambers
17. Social, business and faith organizations that provide scholarships

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13. Willingness to get Involved

In any campaign, there are a variety of essential roles for volunteers to play. Would you be willing to get involved?



Twenty out of 25 interviewees responded to this question.

Summary: Over half said yes. Factors that would affect their decision include the type of role, how much commitment is required, who asked, and if the Endowment Campaign is a viable one.

Sample Comments:

1. "Gladly! I must! Everyone in the District needs to be engaged and on the same page."
2. "I am looking forward to helping them but it depends upon their ability to deliver over the next year. There are things they need to do."
3. "If Elihu asked, I would say yes."
4. "It depends upon the outcome of the feasibility study and the feasibility of conducting an endowment campaign at this time. I am not sure this is the right thing at this time."
5. "Most corporations and foundations do not give to endowment. We are interested in workforce development and creating partnerships and creating job development programs for business clusters. There may be small grants and in-kind to help develop programs that support work force development."

6. "We could help make the case for a science program at the community college."
7. "Will be willing to publicize."
8. "Willing to be involved on a tangential basis rather than on a day-to-day basis. It could not be my #1 priority given the demands of this position."

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14. Prospective Major Donors

Who are the District's best prospects for a lead gift or major gift support in the proposed campaign? Name at least three.

Summary: Fourteen of the 25 interviewed provided an extensive list of prospective major donors. The extent to which these individuals are qualified prospective major donors for the proposed endowment campaign will need to be explored by the campaign's leadership. Names provided were similar to those provided when asked about volunteer leadership. Other responses include those listed below.

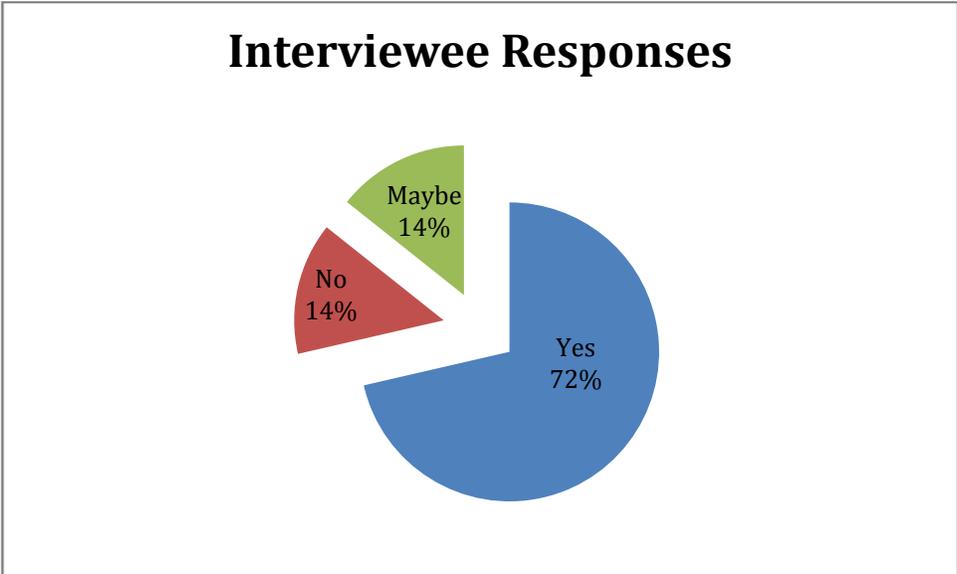
1. "Airlines that hire from us"
2. "AT&T"
3. "Biotech companies in Emeryville and the east bay"
4. "Chevron"
5. "Children's Hospital"
6. "Clint Eastwood is from Oakland. (Went to Castlemont. His name was Harry Eastwood.)"
7. "Comcast"
8. "Employers who hire students from major Peralta programs"
9. "Former CEO of Chiron"
10. "IKEA"
11. "Joe Morgan (went to Merritt College)"
12. "Leadership of the City of Oakland"
13. "Lowell Berry Foundation"
14. "Men's Wearhouse"
15. "Need to identify high profile alumni who have attended the Colleges to engage their support."
16. "People we have relationships with. Large gifts follow relationships."
17. "Port of Oakland and the businesses that do business with the Port."
18. "Ron Cowan"
19. "Shorenstein Foundation, Osher Foundation, Rogers Family Foundation, East Bay Community Foundation, East Bay Community Foundation"

20. "Talk with the leadership of the East Bay Community Foundation. They can tell you who in this community would be interested in this"
21. "There are individuals with high wealth but it may be difficult to attract their gifts. We are not #1 so it is hard to attract major gifts from individuals."
22. "This community has not had a lot of endowment or capital contributions."
23. "Tom Hanks (went to Skyline)"
24. "Waste Management of Alameda"
25. "Wayne and Gladys Valley Foundation – people look to them and will follow their lead"
26. "Wind River Software Company – has a new president"

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15. Business and Organizational support of the District

Would you encourage your business or organization to support and invest in the District?



Fourteen out of 25 interviewees responded to this question.

Summary: The majority of those interviewed said that they would support the District. However no one interviewed indicated that their business or organization would provide a major gift to the campaign (over \$100,000). One individual indicated the potential of a gift that could range from \$50,000 to \$100,000.

Sample Comments:

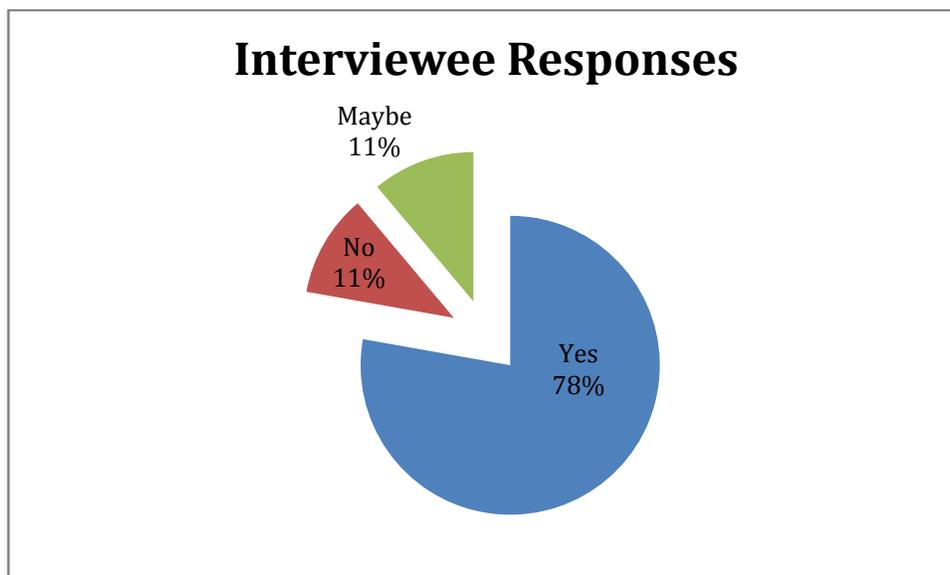
1. "\$50,000 -\$100,000. It depends upon business and decision making in family re: family foundation."
2. "\$50,000 or more over three to five years."
3. "Already giving \$20,000 per year. Willing to give to the campaign as long as we remain involved with the District."
4. "Giving would depend upon discussions regarding partnerships and construction training programs. Need to be consistent when building partnerships – partners need to be included at all levels. Don't know at this point."
5. "We don't support endowment campaigns with the exception of organizational development grants for hiring of a major gifts officer for example. Would

support a campaign critical position that would build capacity and help the District be successful in reaching the campaign goal.”

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16. Personal Campaign Giving

Would you and/or your family consider making a pledge to the proposed endowment campaign?



Eighteen out of 25 interviewees responded to this question.

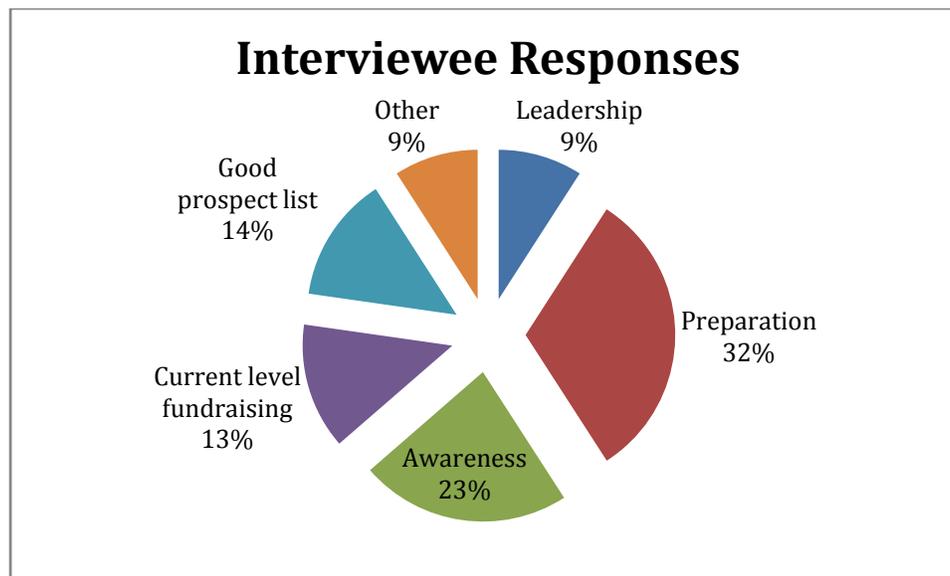
Summary: The majority of those interviewed indicated that they would give to the proposed campaign. The gift amount varied. **No individual major gifts were identified amongst those interviewed.** The largest potential gift identified from an individual was \$2,000.

Sample Comments:

1. "\$500 - \$1,000"
2. "Large gifts are between \$2,000 and \$5,000 – these go to my *alma mater*. I could give \$1,000 to \$2,000/year"
3. "No. Already made personal commitments. *Alma mater* and church."
4. "Payroll deduction at \$1,000 level."
5. "Proportionate to my income."
6. "We (foundation) don't give to endowments. We would be interested in talking about a program that would support Oakland youth K-12. We give \$10,000 - \$25,000."

17. Factors affecting campaign success

What will be the most important factors affecting the District's success in conducting an Endowment Campaign?



Eleven out of 25 interviewees responded to this question.

Summary: The most important factors affecting the District's success are preparation, including developing the requisite fundraising capacity and infrastructure. Other factors include marketing and communication of the case for support, the current level of fundraising, the campaign's list of prospective major donors and the campaign's leadership.

Sample Comments:

1. "Campaign needs to be well coordinated."
2. "Case for support. Accountability Stewardship."
3. "Leadership. Putting together a broad steering committee that brings together current stakeholders as well as those who have not been involved."
4. "Need to build capacity and infrastructure."
5. "Need to identify prospective individual donors who can give at the highest levels. Determining who can best secure gifts from identified prospects. Staying focused on the timetable to meet the goal."
6. "Need to improve PR. You need to do a better job of selling the colleges."
7. "Strategy: first deliver on a promise to the community around a particular program. If they deliver on the promise they will secure visibility and reputation amongst individuals who can make a difference. If you can deliver a base of

nurses to Kaiser they will love you and they will tell everyone how great you are.”

8. “The college presidents need to take a lead in the campaign – they should use their positions to identify and secure contributions. They are the ambassadors for their colleges. People identify with the major colleges and see them as instrumental in their education.”
9. “This is a tough, tough time. Get out and talk about Peralta and all the good things it does. Do so in a natural way that connects with people – not prepared speeches that are heavy on statistics. Make it plain.”
10. “We all have to be united – District, colleges, trustees, foundation, faculty.”
11. “You have to start with achieving specific successes before going to an endowment campaign.”

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18. Comments, thoughts and observations

Do you have any last thoughts, observations, or comments?

Twenty-one out of 25 interviewees responded to this question.

1. "Be bold. Don't be timid. These are vital institutions that combat cycles of poverty. These are life-blood organizations for the community. Don't be afraid to ask major donors for big gifts."
2. "Bringing partners to the table – asset development, workforce development, early childhood development, small business development. We could help bring partners to the table to help them grow in these areas. Community foundations are now trying to figure out how to work with community colleges to support their role in the community with economic development. Create partnerships that link community colleges to four-year colleges."
3. "Come with a positive message that shows the college's assets and student successes. We are the entry point for the future workforce. We are in your backyard. We are friendly and available. Add third line to case – for the 21st century. We are at the heart of digital technology. Biotechnology, computer technology. Stress partnerships. Emphasize long relationship between Berkeley City College and Emeryville. Do not mention prop 13 or the state legislature. Those are turn-offs. Be positive, be confident. Mention the future."
4. "Does the Foundation have an investment policy for the endowment? You have to make the case. Profile the students and show why their students need this money. You need to show the transformation that occurs through the process of a student receiving an education. You need alumni spokespeople – and at the table making decisions for the campaign."
5. "Educate the Oakland public that this education is highly critical. Half of our high school students drop out of high school. It will be the Peralta colleges that will be the option to help give that population a second chance. People need to know this. It is a critical message that could engage community support. Need to open the college facilities up to the public more – have the facilities used by other organizations – football fields, conferences.... show that they are a vital part of our community. Need to overcome perception that the district's needs are met through state funding. It's just not true. It will be a culture change."
6. "Expect the unexpected. Make sure the presidents and the chancellor really know what the community feels about them. Are our schools meeting the needs of the community in the most efficient terms – meeting needs of business, students, taking advantage of opportunities?"

7. "Identify opportunities that are an alternative to standard donors.... make the foundation entrepreneurial."
8. "It will be important to relate personal stories to the Peralta district. The people who are in a position to give have most likely not experienced the community college. It isn't real to them – you need to make it real to potential donors. Create a WOW factor. You cannot sell the campaign with what you have outlined in the document."
9. "Major donors have to feel that the college district is real – make it personal and compelling. Use personal success stories of students who have succeeded against the odds. Need to connect the individual stories to the campaign goals."
10. "Look at how much you have raised with your current team. Then look at what it will take to raise \$10 million. Current team has gotten you where you are but you will need a new team to get you to the next level. You need an impact player to build an impact team that will impact this district. You need higher quality people. Board president needs to be an impact player who makes an immediate statement of impact to funders. Elihu is looking for how to bring the college's fundraising to the next level. There are a lot of untapped markets in the Bay Area especially within the ethnic communities."
11. "Need accountability and transparency and stewardship."
12. "Need to define a campaign goal, methods, leadership, roles and responsibilities and incentives for the participation of the member colleges. Member colleges will need to know what their share of the pie will be. \$100,000 will make a difference to the member colleges."
13. "Need to make a strong and compelling case. Current case is not compelling – there are 106 community colleges for me to give to in CA – why should I give to Peralta?"
14. "Need to push our image out into the community. We need communicate what's happening at Peralta. It needs to be in newspapers, the Post, the Globe and the Tribune on a regular basis. People need to know what Peralta has to offer to them. Peralta needs to advertise in the ways that private vocational colleges do. We need to communicate what we have to offer in a way that engages young audiences. The message is "Start Here!" Let's get serious about the business of who we are and what we have to offer."
15. "Stress what they have done for the Asian community as a whole and the ways that individual students have benefitted."

16. "Tell people who you are. No one knows who the trustees or presidents are. No one knows WHO Peralta is and what they are about. Show why the leadership is qualified. People know Elihu but that is it. You have to show the results of where your money goes."
17. "The business community has a lot at stake – it is very hard to hire good people and businesses are starting to recognize in the additional training that Peralta offers in terms of academics and job training. Community colleges help employees increase education and training. PACE programs help accelerate the process of going from two-year to four-year schools. Community colleges help businesses grow their talent – employees can achieve education required for advancement. Employer benefits through employee retention at a low cost."
18. "They need more exposure. That is the biggest thing. They see themselves as a stepchild and they present themselves that way."
19. "They need to get the facts out about Peralta – students, graduates, revenue produced by Peralta as a result of being in the City. Need to answer the question "Why should I give to this campaign? – What is it that I will get back that will drive me to do this? – It should be a compelling message – not because we need it, because education is good..... The District is one of the most important drivers in the Bay Area. Campaigns are very healthy for a college as it makes an institution get its leadership and message together."
20. "You have to have a strong board before you start moving in this direction. You need to engage people with individual wealth who are associated with the District. Need to look to wealthy individuals and business owners who have a tie to Oakland/Berkeley and/or the district. You need to engage in cultivation."

APPENDIX A – ENDOWMENT CAMPAIGN CASE FOR SUPPORT

The following is the case for support that was tested with interviewees as part of this study.

Confidential - Produced by Saad & Shaw

APPENDIX B – CALIFORNIA COMMUNITY COLLEGES SCHOLARSHIP ENDOWMENT

The following is an overview of the California Community Colleges Scholarship Endowment that is being supported with an initial grant of \$25 million from the Bernard Osher Foundation.

Confidential - Produced by Saad & Shaw

APPENDIX A – ENDOWMENT CAMPAIGN CASE FOR SUPPORT

The following is the case for support that was tested with interviewees as part of this study.



PERALTA COMMUNITY COLLEGE DISTRICT

**CHANGING LIVES.
CHANGING COMMUNITIES.**



**THE CASE FOR SUPPORT
\$10,000,000
PROPOSED
ENDOWMENT CAMPAIGN**



**• BERKELEY CITY COLLEGE • COLLEGE OF ALAMEDA •
• LANEY COLLEGE • MERRITT COLLEGE •**

WHY YOUR SUPPORT IS NEEDED

THE MISSION of the Peralta Community College District:
To provide accessible, high-quality adult learning opportunities to meet the educational needs
of the multicultural East Bay community.

The Peralta Community College District trains students in over 45 disciplines, from traditional areas, such as aviation and welding to new high demand and emerging fields such as green technology, computer science and health care. Many of these careers are in well paying fields with immediate job openings.



Teaching hand-in-hand with the Bay Area Economy

The four colleges of the District stay abreast of emerging markets and careers by developing new courses in emerging career fields such as Green Technology and Energy, Allied Health, Multi-media, Bio-science, and Public Safety, among others.

The Peralta Community College District has expanded its efforts to recruit students from underserved constituencies, such as Spanish-speaking individuals to ensure that enrollment numbers reflect that of the population. The District is also working closely with local school districts to help students stay in school and attend community college classes either during or after they graduate from High School.



Donated funds are used effectively.

When contributed funds are secured by Peralta, they are put to use in areas that instructors say will most help their students. Examples of recent gifts and their impact include:

Nursing

\$100,000 high-tech mannequin to teach patient procedures.
\$300,000 grant to launch a Respiratory Therapy program.
\$150,000 for tutoring nursing students with basic skills.

Wood Technology

\$25,000 to purchase saws that stop when touched by human flesh.
\$10,000 to launch a Spanish-speaking cabinetry course.

Bio-Science

\$1,000,000 in equipment to enable students to conduct original research in genomics.

Green Technology

\$50,000 grants to develop installation training for green industries.
\$25,000 to host an East Bay Green conference to focus on critical environmental issues for students and educators.



Supporters see tremendous results at PCCD.

The completion rate for nursing has shot up to over 90% since grant support for basic skills tutoring has been implemented. Graduates are quickly employed by Highland Hospital, Alta Bates Hospital and Kaiser Hospital.

The first Spanish language cabinetry class is full and additional classes are being developed to meet the high demand of the home improvement market. Berkeley Mills, a successful local furniture making company, has hired several graduates of the cabinet-making classes, and many others go on to launch their own business.

Every student who completes auto and airline mechanics is offered a well-paying job. Southwest and United Airlines are major employers of our graduates.

PROPOSED \$10 MILLION ENDOWMENT CAMPAIGN

The goal of the \$10 million drive is to build a fund that will allow annual allocation of funds to support these traditionally underfunded components of community college education.

PURPOSE OF THE ENDOWMENT DRIVE

Community Colleges do not receive extra funding to assist students with items that can severely impact their ability to succeed in school. Support must be raised from non-state sources. The goal of the Foundation's \$10,000,000 drive is to develop a base that will allow the four colleges of the District to respond to the needs of students in several critical areas (assumes an annual return on investment of 5%).



I STUDENT SUPPORT

\$300,000 OR 60%

Students, particularly low-income students, need assistance with costly books and class materials. One science or nursing text, for example, can cost over \$150. Students often need assistance with transportation costs as well.

(Cost of books and lack of transportation are often the primary reasons students drop out of school.)

Tutoring is another area where the District needs to provide additional resources. Students frequently leave high school with poor reading and math skills, and tutoring produces solid results.



II CLASS EQUIPMENT

\$100,000 OR 20%

With technology moving so quickly, education suffers if the Peralta Colleges lack appropriate equipment and classroom materials. Many technical training classes use equipment that is, in some cases, over forty years old. Replacing or repairing equipment is an acute need, one that the Foundation will respond to.



III INNOVATIVE CLASSROOM CURRICULUM

\$100,000 OR 20%

Everything the Peralta colleges do comes down to the quality of instruction in the classroom. Instructors need to plan and develop new materials and courses. This sometimes involves release time for faculty to conduct research, market analysis, and search for best practices and existing models. No one knows their discipline like the instructors, and working closely with Community Advisory Committees, they often see the trends and changes first. Staying fresh in a rapidly moving environment is a high priority, and since public institutions do not have Research and Development funds, support for this undertaking must come from non-state sources.

The District was founded in 1964. It consists of four colleges:

BERKELEY CITY COLLEGE
2050 Center St
Berkeley, California 94704
510-981-2800
Dr. Betty Inclan, President

COLLEGE OF ALAMEDA
555 Ralph Appezato Memorial Parkway
Alameda, CA. 94501
(510) 522-7221
Dr. Cecilia Cervantes, President

LANEY COLLEGE
900 Fallon Street
Oakland, California 94607
510-834-5740
Dr. Frank Chong, President

MERRITT COLLEGE
12500 Campus Drive
Oakland, California 94619
510-531-4911
Dr. Robert Adams, President

PERALTA COMMUNITY COLLEGE DISTRICT

PERALTA COLLEGES FOUNDATION

BRIEF OVERVIEW

BOARD OF TRUSTEES

A seven-member Board of Trustees governs the Peralta Community College District.

President - Cy Gulassa, Area 6

Vice President - Nicky González Yuen, Area 4

Members:

Bill Withrow Area 1

Marcie Hodge Area 2

Linda Handy Area 3

Dr. William Riley Area 5

Abel Guillen Area 7

Marlene Hurd Student Trustee

Reginald James Student Trustee

Chancellor - Elihu M. Harris

PERALTA COLLEGES FOUNDATION

The Peralta Colleges Foundation is an independent 501 (c) (3) nonprofit organization founded in 1971 for the purpose of raising funds in support of the mission of the four colleges. Its main purpose is to provide scholarships to students through the various funds established as part of the Foundation.

Two events, the annual golf tournament held in the spring, and the annual banquet held in the fall, have grossed over \$550,000 since 2004.

Fund as of 2/28/08 **\$1.1 million**
Number of Funds **70**
Awards 2006-2007 **\$95,318**

DISTRICT UNRESTRICTED

GENERAL FUND FY '07-'08

State Apportionment	\$68,330,935
Local Taxes	\$27,125,920
Enrollment Fees	\$ 4,346,677
Total	\$99,803,532

Lottery	\$2,398,220
Part-time parity	789,302
2% Fees	94,403
Apprenticeship	68,087
Basic Skills	474,464
State-Office Hours/Health	105,000
Prior Year Prog. Based Fund	86,940
Total	4,016,416

Other Local	
Community Services	\$ 80,000
Non-resident tuition fees	3,090,240
Other Fees	70,000
Miscellaneous	1,081,340
Total	4,322,380

Transfer in (Book Store) 300,000

Total Revenue Sources **108,442,328**

STUDENTS

- Average student age 32 years old
- Average student load 6.2 units

Ethnicity, Fall 2006

Asian	25%
African Am	29%
Filipino	3%
Hisp/Lat	13%
Native Am	1%
Other	2%
White	20%
Unknown	7%
Total Students	100%

FACULTY & STAFF

Full-time faculty	340	14.68%
Part-time faculty	744	31.12%
Classified staff	494	27.82%
Student workers	560	24.43%
Administrators	58	02.00%
Total employees	2,196	100.00%

Discipline offered by the Peralta Colleges

Administration of Justice	Health Education
African-American Studies	Health Professions and Occupations
American Sign Language	History
Anthropology	Human Services
Apparel Design and Merchandising	Humanities
Apprenticeship	International Trade
Architectural and Engineering Technology	Japanese
Art	Journalism
Asian and Asian-American Studies	Labor Studies
Astronomy	Landscape Horticulture
Auto Body and Paint	Learning Resources
Automotive Technology	Library Information Studies
Aviation Maintenance Technology	Machine Shop
Aviation Operations	Management and Supervision
Banking and Finance	Mathematics
Biology	Media Communications
Business	Medical Assistant
Carpentry	Mexican and Latin American Studies
Chemistry	Multimedia Arts
Child Development	Music
Chinese	Native American Studies
Community Social Service	Nurse Aide
Computer Information Systems	Nursing
Construction Management	Nutrition and Dietetics
Cooperative Work Experience Education	Paralegal Studies
Cosmetology	Philosophy
Counseling	Photography
Culinary Arts	Physical Education
Dance	Physical Science
Dental Assisting	Physics
Diesel Mechanics	Political Science
Economics	Psychology
Education	Radiologic Technology
Electricity Electronics Technology	Real Estate
Emergency Medical Technician	Recreation and Leisure Services
Engineering	Social Science
English	Sociology
English as a Second Language	Spanish
Environmental Control Technology	Speech
Environmental Design and Energy Technology	Theatre Arts
Environmental Management & Restoration Technology	Travel Industry
Environmental Studies	Vietnamese
Fire Science	Vocational Nursing
French	Welding
Geography	Women's Studies
Geology	Wood Technology
German	
Graphic Arts	



COMMUNITY COLLEGE FUNDING IS LOWEST IN STATE.

STATE FUNDING LEVELS:

- UC System \$19,000 per student
- State University System..... \$14,500 per student
- Oakland Unified School Dist..... \$ 7,000 per student
- Peralta Comm. College Dist..... \$ 4,500 per student

THIS LEAVES NO FUNDS FOR SUPPORT TO ENHANCE STUDENT RETENTION AND CLASSROOM SUCCESS.

APPENDIX B – CALIFORNIA COMMUNITY COLLEGES SCHOLARSHIP ENDOWMENT

The following is an overview of the California Community Colleges Scholarship Endowment that is being supported with an initial grant of \$25 million from the Bernard Osher Foundation.

CALIFORNIA COMMUNITY COLLEGES SCHOLARSHIP ENDOWMENT

www.SUPPORTtheENDOWMENT.org

OVERVIEW FOR COLLEGES

The California Community Colleges Scholarship Endowment is being launched with a \$25 million gift from The Bernard Osher Foundation. Over the next three years, the California Community Colleges and the Foundation for California Community Colleges will raise an additional \$50 million, for which the Osher Foundation will provide a 50 percent match, up to \$25 million. To reach the \$100 million campaign goal and ensure lasting support for our students, the involvement of each college is crucial.

I. HOW DOES THE ENDOWMENT WORK?

The Endowment is a fund that remains in an investment account permanently. Each year, investment earnings will be used to provide student scholarships. The principal remains in the investment account to continue earning. Unlike a scholarship fund, the Endowment will continue to provide student scholarships each year in perpetuity.

Each year, funds will continue to be added to the Endowment, as colleges and their foundations fundraise at the local level for additional scholarships at their institution. These funds will remain the college or foundation's assets, but will be invested alongside the Endowment as part of a pooled income fund. As the investment principal grows, so will each year's earnings, increasing the number of scholarships awarded and amount of each scholarship.

The Endowment contains two main components: (1) The \$25 million donated by the Osher Foundation is being used to establish the scholarship fund. It is already earning interest and will begin funding scholarships by fall 2009. (2) The match campaign will bring additional funds to the Endowment. The California Community Colleges, working in collaboration with the Foundation for California Community Colleges, must meet the challenge of raising \$50 million to earn a corresponding match of up to \$25 million from the Osher Foundation. The result will be a \$100 million permanent endowment to provide scholarships for students at every Community College in our state.

\$100 MILLION SCHOLARSHIP ENDOWMENT CAMPAIGN



II. HOW DO THE SCHOLARSHIPS WORK?

Scholarships will be distributed annually from both components of the Endowment. Scholarships from the initial \$25 million scholarship fund will be distributed based on proportional enrollment, calculated by full-time equivalent students (FTES) and adjusted annually. See the table in this packet titled “Allocations and Fundraising Targets by College.” A minimum of five students per college will receive scholarships each year. This process will ensure that scholarships go to qualified students at every Community College in the system.

Scholarships from the match campaign will be awarded based on funds raised by the college, capped at their proportion of FTES. Scholarships from both funds are to be used on textbooks, equipment, uniforms, and other instructional supplies.

In the first year of the Endowment, 1,250 scholarships will be disbursed for the school year beginning fall 2009. By the end of the three-year match campaign, if the \$50 million fundraising goal is reached, up to 5,000 scholarships will be awarded annually, a number that will continue to increase as funds grow.

Scholarship recipients will receive \$500 per semester for a total of \$1,000 per year. Part-time students will receive prorated scholarships. The scholarship amount will also be adjusted for inflation annually, ensuring that students will reap the same benefit in the future economy.

How will scholarship recipients be chosen?

To be considered for a scholarship, students will undergo an application process. Applications will be made available each spring for fall scholarship disbursement, and colleges will choose scholarship recipients for the Osher funds based on pre-established criteria. Those with the greatest financial need will receive top priority. To be eligible, students will have completed 24 units of degree-applicable study, be enrolled in at least six units, and qualify for the Board of Governors fee waiver. Applicants must be making satisfactory progress toward a degree, but academic performance, such as grades or test scores, shall not be considered by the selection committee. Donors may suggest additional criteria, such as an area of study, for scholarships that are awarded from their gift as long as they are consistent with Osher criteria.

Recipients will be designated “Osher Scholars,” joining thousands nationwide who have benefited from Osher support and given back to their communities, creating a cycle of support and education.

SAMPLE TIMELINE FOR SCHOLARSHIPS: FALL 2009					
Tentative minimum number of awards and requirements/criteria published	Deadline to submit applications	Application review and award selection and notification. Final determination of number of scholarships available	Fall award disbursement	Reconciliation for supplemental award and interim reporting	Spring award disbursement
FEBRUARY 2009	APRIL 2009	JULY 2009	SEPTEMBER 2009	DECEMBER 2009	JANUARY 2010

The number of scholarships available for a given year will be determined each July based on Endowment earnings for the prior fiscal year.

How will scholarship payout be determined?

A minimum of 50 percent of the investment earnings per annum will be used for scholarships, with a minimum floor of 5 percent of the invested principal. Unlike the approach used by some large universities, which base the payout on the original investment or on other fixed rates or lower numbers, we use a growing 5 percent minimum floor that increases award payouts for students as we help grow the corpus. This method means an ever increasing number of students will receive support in the future.

How will scholarships be adjusted for inflation?

Each year, the Foundation for California Community Colleges will adjust the scholarship amounts based on inflation as prescribed by the Osher Foundation. Scholarship amounts will be increased by the same percentage as the increase, if any, shown by the All Items Consumer Price Index for Urban Wage Earners and Clerical Workers published by the US Department of Labor, Bureau of Labor Statistics, for the Los Angeles-Long Beach-Anaheim area beginning with December 31 of the calendar year in which the scholarship amount was first calculated.

III. HOW DOES THE MATCH CAMPAIGN WORK?

The Osher Foundation has challenged the California Community Colleges to raise \$50 million over three years, for which they will provide a one-to-two match, up to \$25 million. The Foundation for California Community Colleges will be leading the statewide effort and collaborating with all Community Colleges to raise these funds.

The Osher Foundation will provide matching funds on a yearly basis during the campaign. The Foundation for California Community Colleges will report the previous year's fundraising activities to the Osher Foundation. The maximum match provided by the Osher Foundation is \$25 million total over all three years.

What role does each college play in the campaign?

Colleges and their foundations will play a major role in the fundraising campaign on the local level. Each college will be given a fundraising target based on their proportion of FTES for 2007-08, which was calculated by the System Office in January 2008. This target is the amount a college can raise and have matched by the Osher Foundation. For specific targets, see the table in this packet titled "Allocations and Fundraising Targets by College." If all colleges meet their targets in three years, we will have collectively reached our \$100 million campaign goal.

How much does each college need to raise to receive their maximum match funds?

The maximum amount that a college can have matched by the Osher Foundation is their proportion of \$50 million based on proportion of FTES in the system. See the table in this packet titled "Allocations and Fundraising Targets by College."

What happens to the funds raised by each college?

Funds raised by local colleges and foundations in the matching campaign will remain the college or foundation's assets and be invested in the Endowment in a pooled equity fund. Funds added by a college before June 30, 2011, up to that college's target, will receive the 50 percent match from the Osher Foundation and be set aside for scholarships for students at that college. Although they will not be match-eligible, additional funds exceeding a college's share of systemwide FTES may be contributed to the Endowment and may be used for additional scholarships.

Why should a college add the funds they raise to the Endowment?

The Endowment enables colleges to make the most of fundraising efforts by providing a 50 percent match, up to each college's fundraising target. This means that funds added to the Endowment will support 50 percent more scholarships and 50 percent more students than if the funds were held elsewhere. Even after meeting the target amount for the match, colleges may continue to invest funds in order to take advantage of the investment potential and increased earnings of a larger fund.

How do colleges accept donations to the Endowment?

When a donor is ready to give, colleges may fill out and submit the Information Request Form included in this packet. The form may be reproduced as needed. A contact at the Foundation for California Community Colleges will then walk interested parties through the process of receiving funds and ensure that each donation is properly recorded and successfully transferred to the Endowment.

Can a donor specify how their gift is used within the Endowment?

A donor may impose additional selection criteria as long as the criteria are not inconsistent with the Osher-established criteria. For example, a donor can designate their gift to a particular geographic region or a specific area of study. Please contact the Foundation for California Community Colleges to discuss specific options.

How do colleges account for assets and revenue on the financial statement (income statement) by gift category?

Matching gifts received by colleges or college foundations should be recognized as contribution revenue by the college or foundation. The asset (i.e., the contribution toward the Endowment) should be recognized on the balance sheet as "Interest in the California Community Colleges Scholarship Endowment Fund" and recognized on their income statements as part of contribution revenue. The contribution revenue should be tracked as Osher Endowment Matching Funds and included in the donor database of the college foundation.

The cash or securities should be sent to the Foundation for California Community Colleges, per the terms of the Endowment agreement. The Foundation will reconcile the gifts received with each college or foundation on an annual basis. Appreciation and earnings will be proportionally allocated to each associated college or foundation.

What is the role of the Foundation for California Community Colleges in the match campaign?

To help raise the \$50 million, the Foundation for California Community Colleges will take the lead in the statewide campaign and help local colleges make the most of local resources. The Foundation will lead fundraising efforts at the statewide level, approaching community foundations throughout California, major California-based philanthropic foundations, and major California employers and philanthropists. An effort to reach out to community college alumni at the system level is also underway.

What happens to the funds raised by the Foundation for California Community Colleges?

The Foundation for California Community Colleges is committed to the entire system. Funds raised by the Foundation will be added to the Endowment principal and spread out among all 109 colleges based on their proportion of FTES. Funds raised by the Foundation will be eligible for the 50 percent match as long as the \$50 million goal has not been reached, and count toward the overall goal of \$50 million.

How will the Foundation for California Community Colleges help each college?

The Foundation for California Community Colleges will serve as the custodian of the Endowment. In this role, the Foundation, along with the Investment Committee, will manage the Endowment using sound investment practices. The Investment Committee is comprised of experienced financial and community college professionals and will provide guidance on investment strategies. The Foundation will also write and present an annual report to the Osher Foundation on the Endowment's progress and impact. The Foundation will adjust the number of scholarships for each college and amount of each scholarship annually based on FTES and inflation, respectively.

Working with the Network for California Community College Foundations (NCCCCF), the Foundation will provide tools and training, as well as campaign media relations resources, to colleges and college foundations. The Foundation will create campaign-branded collateral for colleges, which will not only enhance fundraising efforts but also reinforce the campaign identity. This year, the Foundation is co-sponsoring the NCCCCF's 2008 symposium, which will focus on fundraising. In addition, the Foundation and NCCCCF are partnering to provide tools for colleges to strengthen their relationships with alumni and to create a statewide community college alumni network.

The Foundation will also work closely with any college in cases where there is a potential duplication of donors. Because fundraising is built on established relationships, the Foundation works under the philosophy that the most meaningful and appropriate approach to the donor is always the top priority. If you are aware of any potential duplicate donors, please contact Kerry Wood at the Foundation for California Community Colleges to initiate planning the best approach. See contact information below.

IV. WHO SHOULD COLLEGES OR DONORS CONTACT IF THERE ARE ADDITIONAL QUESTIONS?

For additional questions about the Endowment, please contact the Foundation for California Community Colleges.

Kerry Wood

Vice President of Resource Development

916.498.6701

kwood@foundationccc.org

SAAD&SHAW

Comprehensive Fund Development Services

About Saad & Shaw

www.saadandshaw.com

Saad & Shaw provides clients with a unique brand of fundraising that combines marketing, corporate partnerships and the best of business leadership with fundraising fundamentals. The firm is known for designing innovative fundraising programs that increase revenue, strengthen partnerships and provide value to all parties. Core services include campaign research, planning, design and implementation. Clients include colleges and universities, health care institutions, grass roots groups and philanthropy organizations. The concepts and strategies employed by Saad & Shaw are based on the combined 50 years experience of principals Melvin and Pearl Shaw. Mel and Pearl are the authors of the book *How To Solicit a Gift: Turning Prospects into Donors*. They also write a FUNdraising Good Times a bi-weekly column focused on fundraising and fund development.

Melvin B. Shaw offers 40 years experience in fund development and marketing. Formerly the Vice President of Marketing for the United Negro College Fund (UNCF), he created and produced the Lou Rawls Telethon, raising \$4 million annually in corporate sponsorships and over \$500 million in annual gifts to date. Mel also served as the Executive Director of the Texas Association of Developing Colleges, facilitating joint programs and fundraising.

Prior to forming Saad & Shaw he headed his own firm *Shaw & Company*, which specialized in capital campaigns, annual giving, development assessments, feasibility studies, board development, campaign designs and planning, and major donors. Mel holds a Bachelor of Science from Lane College in Tennessee; a Masters in Business Education from the University of Memphis; and was a fellow at Harvard University's Institute of Educational Management. In 1991 Mr. Shaw received an honorary Doctor of Humanities degree from Lane College in recognition of his unique brand of fundraising that engages diverse communities.

Pearl D. Shaw CFRE (formerly Pearl Saad) is a development professional with management experience in the private and non-profit sectors. She has served as Development Director of the Women's Funding Network, an association of 100+ women and girls' foundations; and as a major gifts officer for Mills College. Her private sector experience includes business development and marketing. Prior to forming Saad &

Shaw, she headed her own firm, *Phrased Write*, providing nonprofit organizations with proposal writing, executive coaching, and strategic fund development services including major gifts.

Pearl has written proposals securing millions of dollars for her clients. These include the Omega Boys Club; Regional Technical Training Center; Centro de Servicios; Bay Area Black United Fund; and the American-Arab Anti-Discrimination Committee, San Francisco. She serves on the Board of Directors of the Development Executives Roundtable and of Lincoln Child Center. She is a member of the Association of the Fundraising Professionals and a Certified Fund Raising Executive (CFRE). She holds a Bachelor of Arts degree from UC Berkeley, and a Masters in Public Administration from Cal State University East Bay.

Partial Client List

- Allen Temple Baptist Church, Oakland
- Allen University, Columbia, SC
- Alameda County Healthcare Foundation, Oakland, CA
- American Land Conservancy, San Francisco, CA
- Bay Area Black United Fund, Oakland
- Bayview Hunters Point Multipurpose Senior Services, Inc., SF, CA
- Bowie State University, Bowie, MD
- Cedar Valley College, Lancaster, TX
- Centro de Servicios Resource Center, Union City, CA
- Charles R. Drew University of Medicine and Science, Los Angeles, CA
- Covenant House California, Oakland
- Dillard University, New Orleans, LA
- Elizabeth City State University, NC
- Ford Foundation, New York, NY
- Huston-Tillotson University, Austin, TX
- International Civil Rights Museum, Greensboro, NC
- Jarvis Christian College, Hawkins, TX
- Kaiser Permanente Department of Research, Oakland, CA
- Lane College, Jackson, TN
- LeMoyne-Owen College, Memphis, TN
- National Museum of African-American History and Culture, Washington, DC
- North Carolina A&T University, Greensboro, NC
- Paine College, Augusta, GA
- Regional Technical Training Center, Oakland, CA
- Rubicon Programs, Inc., Richmond, CA
- South Carolina State University, Orangeburg, SC
- State Center Community College District, Fresno, CA
- Texas Association of Developing College, Dallas, TX
- The National Higher Education Recruitment Consortium, San Francisco
- United Negro College Fund, Fairfax, VA