

PERALTA COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES AGENDA REPORT  
For the Trustee Meeting Date of September 28, 2010

ITEM# 13

**ITEM TITLE:**

The First Amendment to the Master Agreement between Peralta Community College District and Peralta Colleges Foundation, an auxiliary to the PCCD

**SPECIFIC BOARD ACTION REQUESTED:**

Approve the First Amendment to the Master Agreement between Peralta Community College District and Peralta Colleges Foundation, an auxiliary to the PCCD.

**ITEM SUMMARY:**

The Master Agreement has been amended to reflect staffing and operational changes within the Foundation and the way in which the PCCD will support the Foundation during the next three years as it becomes more self-sufficient. The support noted in the First Amendment includes \$100,000 per year for fiscal years 2010-11 and 2011-12 and \$50,000 in fiscal year 2012-13 to assist in the Foundation's operations. Other support includes office space in a renovated trailer, telephones, and IT support, for which the Foundation is very grateful.

**BACKGROUND/ANALYSIS:**

Under the previous Chancellor's leadership, most of the staffing and operational expenses were absorbed through the Chancellor's Office budget. This included a full-time administrative assistant, 50 percent of a staff assistant's time, and about one-third of Associate Vice Chancellor Alton Jelks's time. In addition, an accounting technician from the Finance Department assisted with preparation of the Foundation's financial reports, estimated at 30 percent of his time. Salaries and benefits for these various individuals exceeded \$300,000 per year.

Last winter, steps were taken by the Peralta Colleges Foundation Board of Directors and the sitting Chancellor to ensure that the Foundation would continue to operate after the Chancellor, administrative assistant, and Mr. Jelks retired. Foundation operations moved out of the Chancellor's office into a space of its own, and the Board of Directors used uncommitted funds to hire a professional, full-time executive director, an administrative assistant, and a part-time bookkeeper/accountant, the latter position eliminating the need for the Finance Department employee time. Again, this saves PCCD more than \$300,000 in salaries and benefits for FY 2010-11 alone.

According to the Network of California Community College Foundations, roughly 59 percent of its membership is classified as an auxiliary organization, meaning the foundations receive financial support (e.g., salaries, office space, and basic operational needs), have a Master Agreement with their community college or district, and also have at least one trustee on their foundation Board of Directors. Thus, PCCD is consistent with the majority of its peer institutions that have functional foundations.

The most successful community college foundations have full-time executive directors and staff, which the Peralta Colleges Foundation wanted to follow this model. The Board of Directors conducted an extensive and highly professional search over several months in the first quarter of 2010. A committee was appointed to spearhead the effort, comprised of Heather Tunis, Committee Chair, Karen Friedman, Board President; Michael Mills, Board Vice President; and Gary Foss, Director. Bill Withrow, Peralta Trustee, and Suzanne Kunkel of the Chancellor's Office joined as well. The job description, developed by the Foundation board members over the course of several meetings, was posted on approximately six websites, including that of the Peralta Community College District. There were 38 resumes received and carefully reviewed, with 20 singled out for their qualifications.

The search committee met several times, and ultimately each committee member presented his/her top four to six candidates and notes were taken to determine synchronicity. In one case, all committee members ranked one candidate highly with a few others receiving two votes. After a lengthy discussion, five candidates were invited for in-person interviews to be held on one day in April. Each candidate was asked the same interview questions with committee members in attendance rotating which questions were asked. The following day, the committee discussed its impressions and conclusions, unanimously choosing Stephanie Casenza as the candidate for Executive Director. Once Ms. Casenza accepted the position on terms mutually agreeable, the other 19 candidates received emails thanking them for their interest and informing them that another person was selected. The original group of 18 who were eliminated initially had already received emails notifying them of the decision.

Ms. Casenza assumed her role on June 14, 2010. She hired support staff, an administrative assistant and part-time accountant/bookkeeper in August after a thorough search process. Job descriptions were developed using examples from the PCCD and similar positions posted on Craigslist, then reviewed by a Foundation board member who is an attorney and career human resources professional. The positions were advertised via word-of-mouth to board members and selected PCCD staff and, at the suggestion of the PCCD Human Resources Department, through Craigslist. Of the five executive assistant candidates interviewed from a pool of 100-plus applicants, two had been or were affiliated with PCCD. However, the Foundation cannot offer a PERS benefit package, so its total benefits package was not competitive with that of the PCCD.

Listed below, please find the members of the Board of Directors. In addition, Ron Gerhard, the PCCD Chief Financial Officer, attends board meetings and co-signs *all* checks issued by the Foundation.

Karen Friedman, President  
Michael Mills, Vice President  
Wise E. Allen, Executive Secretary  
Richard Raya, Treasurer

Diana Bell  
Gary Bell  
Joseph Echelberry  
Gary Foss  
Linda Handy, PCCD Trustee  
Robert Harris

Betty Inclan, Ph.D., President of Berkeley  
City College  
Mark Lindquist  
William Patterson  
Dr. William Riley, PCCD Trustee  
Heather Tunis

Attached please find the Operations Plan and Resource Development Plan, which will guide the Foundation's actions in conjunction with the Board of Directors' strategic and business planning in the spring. Tasks summarized for the summer months have been accomplished, and staff is well on its way to meeting our goals for the fall.

**ALTERNATIVES/OPTIONS:**

Return to the former model by placing financial, administrative support, and management of the Foundation under the Chancellor's Office, along with assistance from the Finance to maintain the financial reports.

**EVALUATION AND RECOMMENDED ACTION:**

California community college districts with outstanding reputations have well-established and effective foundations that engage alumni and the community in advancing the mission and vision of the district. A short-term investment in the Foundation will provide long-term benefits to the students, faculty, and staff of PCCD by focusing on student achievement and faculty excellence, areas long overlooked by community leaders. A high-performing foundation can help more students pursue their educational aspirations while assisting the District in its role as a community leader and assuming responsibility for ambitious projects, such as the proposed Henry J. Kaiser Convention Center, that can advance the mission of PCCD.

**SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):**

The Chancellor's Office budget seems the logical source of funds as described in the First Amendment to the Master Agreement. The PCCD previously spent some \$300,000 per year in salary and benefits to operate the Foundation, for which approval of the First Amendment to the Master Agreement would provide a significant fiscal/budgetary savings.

**OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G., INFORMATION TECHNOLOGY):**

YES  NO

**COMMENTS:** The IT Department does provide occasional software and hardware support to the Foundation.

**WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING:**

Karen Friedman, President, Board of Directors, Peralta Colleges Foundation  
Stephanie Casenza, Executive Director, Peralta Colleges Foundation

**DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM?**

YES NO

**DOCUMENT PREPARED BY:**

Prepared by: Stephanie Casenza Date: 9-21-10  
[Stephanie Casenza, Executive Director, Peralta Colleges Foundation]

**DOCUMENT PRESENTED AND APPROVED BY:**

Presented and approved by: [Signature]  
Date: 9/21/10  
[Karen Friedman, President, Board of Directors, Peralta Colleges Foundation]

**FINANCE DEPARTMENT REVIEW**

Finance review required  Finance review not required  
If Finance review is required, determination is:  Approved  Not Approved  
If not approved, please give reason: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Ronald Gerhard, Vice Chancellor for Finance and Administration

**GENERAL COUNSEL (Legality and Format/adherence to Education Codes):**

Legal review required  Legal review not required  
If Legal review is required, determination is:  Approved  Not Approved

Signature: Thuy T. Nguyen by re electronically Date: 9/22/10  
Thuy T. Nguyen, General Counsel received

**CHANCELLOR'S OFFICE APPROVAL**

Approved, and Place on Agenda  Not Approved, but Place on Agenda

Signature: Wise E. Allen Date: 9/27/10  
Wise E. Allen, Chancellor



## Operations Plan Outline

### The Big Picture

The overarching goal of this Operations Plan is to create a framework during fiscal year 2010-11 in which the PCF staff and its Board of Directors can begin to achieve its mission in the most efficient and effective manner possible.

### Goals

*This is what we hope to achieve, and much more, during the coming year.*

- ✓ Create a culture of accountability and transparency within the PCF
- ✓ Enhance the relationship with the Peralta Community Colleges District Governing Board of Trustees and District employees
- ✓ Build positive relationships with key constituencies essential to the success of the PCF
  - Current and retired Peralta faculty
  - Staff
  - Student leaders
  - Communities supporting the PCCD, especially those in which the four colleges are located
  - Elected and appointed officials of the six cities supporting PCCD with tax dollars
- ✓ Draft and implement a fundraising and development plan
- ✓ Develop foundation infrastructure – accounting, human resources, etc.

### Objectives

*Here are some key measures that will be used to evaluate our success at the end of the fiscal year.*

- ✓ To obtain 100 percent Trustee satisfaction with the Peralta Colleges Foundation's progress by June 30, 2011.
- ✓ To achieve 75 percent awareness of PCF, its mission, and goals among Peralta faculty (current and retired), staff, and student leaders by June 30, 2011.
- ✓ To establish and introduce advisory committees in each of the six cities supporting PCCD by June 30, 2011.
- ✓ To have representation at the 2011 Golf Tournament from each of the six supporting cities and the County of Alameda.

✓ To raise \$200,000

**Action Items and Time Frames (by quarter in the new fiscal year)**

*In order to achieve the above goals and objectives, the following steps will need to occur.*

<b>Action Item</b>	<b>Time Frame</b>
Establish relationships with PCCD marketing and communications staff	Summer 2010
Meet with East Bay Community Foundation executive	Summer 2010
Meet with PCCD Friends of Peralta committee	Summer 2010
Meet with Student Affairs and other administrative departments throughout PCCD	Summer 2010
Identify opportunities for Peralta Day	Summer 2010
Prepare a detailed draft operations budget	Summer 2010
Review of marketing material and letterhead, including website and social media, and graphic standard	Summer 2010
Create a calendar of fundraising and friend-raising events for FY 2010-11	Summer 2010
Hire administrative associate and contract bookkeeper	Summer 2010
Review existing grantmaking policy and communicate throughout PCCD and on campuses	Summer 2010
Meet with community and grassroots leaders in cities that support PCCD	Summer 2010
Finalize database needs and select product or upgrade existing one	Summer 2010
Quarterly Update to PCCD Trustees	Fall 2010
Hold one-on-one meetings with each college president, including tours, meetings specific deliverable with faculty, key staff and student leaders	Fall 2010
Review current PCF policies and procedures	Fall 2010

Implement new committee and governance committee structure for PCF	Fall 2010
Continue meeting with community and grassroots leaders in cities supporting PCCD	Fall 2010
Begin meeting with key elected and appointed officials (will continue into early Spring months)	Fall 2010
Publish and distribute first of three times per year newsletter/direct mail fundraising appeal to update alumni and community members, plus begin recruiting process for alumni advisory committee	Fall 2010
Finalize an 18 month fundraising and development plan	Fall 2010
Quarterly Update to PCCD Trustees	Winter 2011
Review scholarship guidelines and revise as necessary	Winter 2011
Introduce community advisory committees	Winter 2011 (Spring?)
Launch alumni advisory committee to develop outreach plan for an alumni group or organization	Winter 2011
Conduct PCF board planning retreat	Winter 2011
Prepare three-year strategic plan for PCF	Winter 2011
Survey trustees, faculty, staff and student leaders regarding awareness of and satisfaction with PCF using Survey Monkey or similar tool	Spring 2011
Quarterly update to PCCD Trustees	Spring 2011
Prepare 2011-12 operations plan for PCD	Spring 2011



## **2010-11 Resource Development Plan**

### ***Introduction***

For the first time since its establishment in 1971, the Peralta Colleges Foundation must raise its operating budget in addition to fulfilling its mission of enhancing the intellectual, cultural, and educational needs of our students, faculty, and staff and the communities in which they work. Fundraising activities during the past seven years have focused exclusively on special events (a dinner and a golf tournament) that rely on sponsorships from consultants and other firms that obtain contracts from Measure A bonds, which allow for the construction and improvement of facilities throughout the Peralta Community College District. These events have netted an average of \$100,000 - \$120,000 per year, which the Foundation has used to fund some scholarships to students, along with discretionary grants to students, faculty, and staff.

Given the narrow focus of these recent fundraising efforts, the Foundation has virtually no database of existing donors, which makes it difficult to implement a direct mail, online, planned giving program. Staff and the Board of Directors must develop relationships with individuals and business and community leaders who have limited, if any, affiliation with the District. This includes the region's philanthropic community.

The Foundation has many challenges ahead but also many opportunities to create a fundraising program that can evolve and grow as the needs of the Peralta Colleges – its students, faculty, and staff – evolve and grow. Presented here is a practical and realistic plan that will guide the Foundation's fundraising efforts over the next year as the Board of Directors tackles a three-year strategic plan and also develops a business plan to realize its financial needs and goals.

### ***Overall Goal of this Plan***

Provide the basis for a well-rounded, comprehensive fundraising plan that can produce an estimated \$145,000 in contributed funds, a modest increase over the previous six years.

### ***Target Audiences***

- Existing donors
- Lapsed donors (two or more years)
- Current PCF board members
- Past PCF board members
- Current faculty and staff
- Retired faculty and staff
- Current and past corporate donors
- Private and family foundations

## *Strategies and Tactics to Achieve Goal*

- Develop a communications platform
  - Write a case for support
  - Develop a standard package that can be modified for individual, corporate or foundation use.
  - Create a pocket “cheat sheet” for board and staff to use with key messages.
  
- Establish a donor database
  - Upgrade existing product (purchased in 2006 and never used)
  - Enter existing individuals and corporate donors
  - Conduct peer review sessions with board members and others to identify prospects
  
- Use direct mail to identify prospects and alumni
  - Purchase an appropriate mailing list (e.g., registered voters) for initial mailing (fall 2010) with a call-to-action for contacting the Foundation with their interest in future mailings, providing email information, and any relationship to the District (alumnus, volunteer, donor). Include lapsed and existing donors if they do not appear on the list.
  - Spring 2011 mailing should use the same list (updated through NCOA) and leverage fall 2010 mailing response by highlighting specific donors.
  - Investigate options for an email marketing system (e.g., Constant Contact) once email list reaches 200.
  
- Create a sense of urgency to donate by establishing a donor challenge
  - Provide a fundraising challenge around the Osher endowed scholarship initiative to name a \$10,000 or \$20,000 scholarship named after a District leader or alumnus, such as Wise E. Allen.
  - Contact other restricted fund donors/families to explore challenge opportunities.
  - Investigate activity/disbursements of restricted accounts during past two-three years and approach those with no activity about pooling funds through the Osher initiative to produce an endowed scholarship of \$10,000 or \$20,000.
  
- Utilize Board of Directors, current and past members, more effectively in fundraising efforts
  - Have board members send year-end letters to targeted lists of friends and colleagues regarding PCF, why they are involved and encourage joining them in supporting the organization.
  - Establish a fundraising committee and include non-board members in the membership.
    - This standing committee will participate in special event fundraising activities by assigning a representative to the Friends of Peralta Colleges Committee.
    - Conduct donor prospect brainstorming and peer review sessions with committee, board members and community and business leaders.
  - Develop a more specific board giving policy, e.g., give or get, give what’s meaningful to you to encourage 200 percent board giving.

- Host two-three small receptions either at a board member's offices, home, or other venue, inviting prospective donors to meet with college presidents, selected administrators, faculty and students. These events can help develop interest in president's advisory/giving circles.
- Establish basic planned giving opportunities
  - Work with investment advisor and bank to offer stock and IRA transfer forms on website and upon request.
  - Develop basic bequest language for use in wills and place on website.
  - With investment advisor, prepare a brochure on annuities and also place verbiage on line.
  - Begin creating a network of allied professionals (accountants, attorneys, financial planners) to provide as referrals.
  - Compile a packet of information on all of the above.
- Continue to develop special events as a source of revenue, donor cultivation, and awareness for the Foundation
  - Expand the potential sponsor list for annual dinner and golf tournament to businesses and individuals not already working with PCCD.
  - Contact existing donors in November with dates of dinner and golf tournament.
  - Issue official sponsorship requests at least nine months in advance of events to secure funding earlier.
  - Work with each college to develop a signature event that can raise funds and friends.
    - Explore opportunity for a Jazz@Merritt concert.
- Practice good stewardship to maintain and upgrade existing donors
  - Develop customized letters and rotate so that donors do not receive the same letter for multiple gifts during the year.
  - Ensure every donor is thanked by the Foundation and by the appropriate college president.
  - Develop a donor recognition plan for implementation in 2011-12.
  - Send account bi-annual updates quarterly, beginning November 2010 and again in May or June, to all restrict account contacts. These will include any donors that have contributed to that account since last report.
  - Hold a district-wide scholarship reception for all donors to meet their recipients.
  - Call donors once per year to thank them, if phone numbers are available.
- Explore grant opportunities for capacity building
  - Establish relationship with East Bay Community Foundation.
  - Search Council on Foundations database for national opportunities and develop a calendar.
  - Meet with PCCD Vice Chancellor of Institutional Advancement about local grant opportunities through foundations.
  - Great a grants calendar