Managing Legislative and Local Budget Cuts: Strategies used by Community Colleges

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MANAGING LEGISLATIVE AND LOCAL BUDGET CUTS: STRATEGIES USED
BY COMMUNITY COLLEGES

By
Brian Anthony Stokes

A DISSERTATION

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of the University of Miami
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MANAGING LEGISLATIVE AND LOCAL BUDGET CUTS: STRATEGIES USED
BY COMMUNITY COLLEGES

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Research Problem Statement: This dissertation examined strategies that community colleges have been using to manage legislative and local budget cuts since the downturn of the economy in 2008. The study examined three key research questions: (1) What types of non-traditional revenue sources have community colleges turned to since the 2008 economic crisis?, (2) Which strategy has been the most effective in securing different non-traditional revenue sources?, and (3) What institutional characteristics (i.e., diversity, size, location, and longevity of president) are associated with the success in securing non-traditional revenue sources?

Methodology: The population of the current study is 986 public, not-for-profit, two-year community colleges in the United States. An on-line survey instrument was designed using the application software Qualtrics and pilot-tested with ten experts, five of which were institutional leaders and the rest of which were faculty who is considered as content expert in higher education or community college leadership programs. Institutional leaders were defined as College or Campus Presidents, Foundation Presidents or Executive Directors, and Vice Provosts or Vice Presidents of Institutional Effectiveness. The survey questionnaire was tailored to capture information regarding (1) what specific steps community colleges have taken to address the legislative and local budget cuts, (2) what
strategies they have used to handle the legislative and local budget cuts, (3) whether or not these are working, (4) whether or not community colleges have the correct structure and personnel in place to affect sustainable change, and more. The final survey was sent directly by the Council for Advancement and Support of Education (CASE) to the member of CASE. IBM SPSS (IBM Corp, 2016) was used to analyze the collected survey responses. In order to answer three research questions, the survey responses were first summarized by a series of frequency tables. Second, the relationships between variables were examined using either a chi-square test of association or correlation coefficient. Lastly, a hierarchical regression model with four blocks predicting the effectiveness of the implementation of the strategies used to generate revenue using a number of independent variables was performed.

**Results:** Regarding research question 1, results from data analysis show that colleges are involved in a host of fundraising opportunities that would allow them to attract dollars from non-traditional revenue sources. And, all of the colleges responded that they are doing at least one activity aimed at increasing revenues. Regarding research question 2, results from data analysis showed that there was a statistical significance between state legislative budget cuts and adverse effects of community colleges budgets as it relates to Capital Campaigns. Regarding research question 3, results from data analysis did not show statistically significant relationship between various factors and the perceived effectiveness of implementing non-traditional funding as a dependent variable. One exception was found, showing that colleges with capital campaign perceived significantly higher
effectiveness of implementing non-traditional funding when compared to those without capital campaign.

**Discussion:** The foundation of this study supports the idea that community colleges have more to gain than to lose if they shared fundraising strategies. Building an endowment, cultivating relationships with alumni that lead to donations, identifying corporate sponsorships, securing building-naming opportunities, engaging capital campaigns are critical to the future of community colleges. The untold challenges that lie ahead vis-à-vis the continued budget cuts by state legislative bodies and local entities can devastate these institutions that, in many cases, are the only option for millions of students. And, although this particular study only showed a statistically significant relationship between the perceived effectiveness of implementing non-traditional funding and whether colleges involve in capital campaigns or not, it would behoove community colleges to share strategies. The more they collaborate the greater their chances of self-sustainability. Stopping the current practice of withholding information, refusing to respond to survey requests, or otherwise thwarting data-gathering opportunities – I fear – will not serve community colleges well.

Limitations to the study included (1) It was not possible to do a statistical analysis for respondents in regards to which local government budget cuts had adversely affected their budgets because of the low sample size and, as a result, low statistical power; (2) The issue of survey fatigue. The study is limited by the scope and length of the questionnaire. There are any number of questions that could have been asked to gather more data that may help in understanding all of the challenges faced by the community colleges completing
the survey; (3) Deciding to do a quantitative and not a qualitative study limits the amount of detailed narrative that can be gathered. A qualitative study would have provided much more detailed and would have answered many “why” questions; and (4) The potential survey participants’ bias. The survey results rely on participant responses. Historically, colleges and universities have not been as willing to divulge information regarding their financial resources, especially their privately funded revenues and institutional resources. As such, the information must be taken on face value.

Future research should be combined with qualitative analysis so that more in-depth knowledge related to college presidents and foundation leaders’ activities could help interpret results from quantitative analyses. This would make future studies more impactful and will allow researchers to examine the many complicated factors of community college fundraising in greater detail. Future research should also include in-depth analyses of state legislative funding cuts and the exact dollar impact on all community colleges. State legislators should also be interviewed to chronicle their roles in supporting the community college mission. Legislators support for higher education increases or cuts are not only impactful to community colleges but to the long-term viability of the states themselves.
DEDICATION

I dedicate this dissertation to my grandmother, Ethel Mathilda Hodge (1904-1980); to my mother, Antonia Emilia Hodge-Stokes (1933 - ); and to my three daughters, Breannah Antonia Stokes, Ciomarah Belle Stokes, and Jasmynh Aliette Stokes.

My grandmother, Ms. Mathilda, was a prideful woman who worked hard selling fruits and vegetables on the island of Aruba. She lived a simple life but one that was filled with joy and purpose. As a boy, she consistently stressed the importance of getting a good education. I am certain that she would be beaming with pride knowing that her grandson has earned a doctoral degree from one of America’s premier institutions of higher learning.

My mother, “Ms. Tonia”, is a strong and determined woman. I have been lucky to have inherited those traits from her. Over the years of my studies, she has offered the kind of encouragement and support that only a mother could. She no doubt understands the significance of this achievement to me, to our family, and to her future descendants. This body of work, is dedicated to her. This accomplishment is her accomplishment! It is a testament of her guidance and support, her tenacity and strong will, her values and convictions. My mother remains, to this day, the smartest and cleverest person I know.

My daughters, Bree, Cio, and JAS have watched me work tirelessly on completing this doctoral degree. There were countless nights when they entered my home office to kiss me good night and then again several hours later to tell me good morning. This was an opportunity for me to show them what it means to be dedicated to accomplishing a goal. My only hope is that they will look back at my time working to complete this degree and find inspiration in the future as they pursue goals of their own.
ACKNOWLEDGMENTS

This journey, from start to finish, has been a rollercoaster ride. There was never a mention by the fine people that I have encountered at the University of Miami – or anyone else for that matter – of the fact that life’s ups and downs would continue during the course of completing a doctoral program. And if ever those sentiments were shared in passing, I neither understood nor internalized them. It would not have been possible to overcome the challenges of this journey without the support and understanding of Dr. Carol-Anne Phekoo, Program Director/ Clinical Assistant Professor, Higher Education Program. She is simply amazing and gives selflessly to students in the program. I am extremely lucky to have been the beneficiary of her never-ending support from day one.

I am also eternally grateful to Dr. Soyeon Ahn. As my dissertation committee chair, she has invested countless hours guiding me through the dissertation process and has committed herself to getting me past the finish line. She has been insightful, determined, instructive, and constructive. I could not have gotten past the finish line without Dr. Ahn’s assertiveness and constant reassurance. I thank her for all of her efforts and for her stick-to-itiveness. I will be forever in her debt.

Completing this journey could never have been possible without the dedicated support of my dissertation committee members. Dr. Scott Ingold has provided guidance and direction since my very first semester in this program. Dr. Susan Mullane has been unwavering in her support of my getting this dissertation completed. And Dr. Robert Moore has always known just what to say when he sensed my frustration with the process. My heart is filled with joy and a lifetime of appreciation due to the generosity of your hearts. Thank you so very much!
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Chapter 1: Introduction

The American Association of Community Colleges (AACC) reported in 2013 that there are 1,132 community colleges (including branch campuses) in the nation and that they have provided more than half of all undergraduate education to our nation’s students. Of this total, 986 are public institutions, 115 are independent colleges, and 31 are Tribal colleges (AACC, 2013). These community colleges have long played a central role in providing high-quality post-secondary education to many students from various backgrounds at the lower cost since the first community college was founded in 1901.

In recent years, however, these community colleges have had to deal with many changes, one of which was particularly due to the substantial shift from state and local funding to a growing reliance on tuition and fees (Katsinas & Palmer, 2005). As described by Dowd and Shieh (2014), the character of community colleges has been changing and that the damage from years of state disinvestment may have been beyond repair. Specific changes included the physical changes of infrastructure and building façade due to decades of neglect. These are often manifested by way of building envelope issues, water intrusion, roofing neglects, internal and underground piping, and other similar issues.

As a result, generating funding beyond the dwindling amounts from state and local allocations has become the primary focus of most community colleges and thus greater emphasis has been placed on fundraising (Boyd, 2010). The Council for Aid to Education (2014) reported that over $200 million private fundraising dollars were added to community college revenue funds in fiscal year of 2013. The Council for Higher Education Accreditation (2014) reported that overall fundraising revenues for community
colleges increased across the board by 37.5% from fiscal year of 2009 to fiscal year of 2013, from close to $600,000 to nearly $900,000 per college. However, fundraising at the level where millions of dollars are expected to be raised has been considered costly and difficult for many community colleges.

Community colleges have neither the expertise nor the staff who could handle the various complexities that come along with raising millions of dollars needed for self-sustainment. In addition, the foundation structures that would manage and would be held accountable for safe-guarding charitable funds are also non-existent. Since community colleges first opened their doors, state legislatures and governors were readily appropriating operating dollars sufficient to allow these institutions in their respective states to provide needed educational services to the communities that they serve. Funding for these institutions had since been appropriated from tuition, local taxes, and state revenues (Cohen, Brawer, & Kisker, 2014).

As community colleges contemplated their futures and as their boards of trustees searched for individuals to lead these institutions, they are forced to consider the economic plight that lies ahead. As a result, they are choosing a different kind of leader than had been chosen in the past. Community college leaders’ roles have been changed from that of educator in chief to that of fundraiser in chief. Many leaders in community colleges have become responsible for raising funds by way of capital campaigns, public/private business ventures, alumni contributions and more.

Under the financial challenges that community colleges are currently going through, the present study aimed to describe how the legislative and local appropriations to community colleges have affected these institutions. In particular, the current study
summarized different strategies used by community colleges so as to sustain themselves given legislative and local budget cuts in their respective states and communities, with a hope to identify the most effective strategy to yield success in dealing with the fiscal challenge.

**Community Colleges in the 20th Century**

Community colleges have played major roles in strengthening the earnings potential and the economic viability of the nation. Studies on economic impact of community colleges have continued to grow in popularity, supporting that community colleges have had a profound impact on their respective local and state economies (Economic Modeling Specialists Intl., 2014). A multitude of colleges in every state have taken on the task of conducting impact studies and are informing their respective communities of the long- and short-term financial benefits of the community college.

The Chronicle of Higher Education (2014) reported that community colleges nourish both students and society and that “community college graduates receive nearly $5 in benefits for every dollar spent on their education (page #1)”. Another study examining the impact of community colleges conducted by the Economic Modeling Specialists International (2014) described community colleges as “beekeepers” and that “Society receives $1.1-trillion in added income, in present-day dollars, over the course of the students' careers (page #8)”.

Ashburn (2008) believed that community colleges were key to shoring up the economy of the United States. Augustine P. Gallego, the chancellor emeritus of the San Diego Community College District, during an interview in the Ashburn (2008)’s argued, "We have to win the skills race, and we have to rely on the nation's 1,200 community
colleges to do that…” (p.1). The United States winning “the skills race” is critical to the continued survival of the U.S. economy and to what many leaders around the world perceive as our status as the most powerful nation on the planet. Improving the competitiveness of the American workforce in today's global economy is critical to the challenging tasks of winning the skills race.

Since they became popular in the 1950’s and 1960’s, community colleges have been supported financially by the legislatures in their respective states. Cooper (2013) argued that community colleges were gateways for students who might not otherwise experience higher education in their lives. Cooper contended that the numbers are staggering: Community colleges enrolled 13 million students in the fall of 2009 with more than 60 percent being credit students and about seven and a half million students attending part-time. One would assume – given these large enrollments – that legislators would rubber-stamp state appropriations that assured the smooth operation of the community college within their districts and county lines.

However, over the past decade and a half, public funding of community colleges had waned, bond issues had become harder to lobby for and to pass, and institutions have found themselves in somewhat of a quandary. Phillippe and Sullivan (2005) discussed the paramount challenge of community colleges is how to fund a broad range of services for a growing student body when financial resources continue to be limited. They argued that funding to community colleges has been severely reduced because of the depressed economy. This was particularly true in states that collect the greatest proportion of revenues through income and sales taxes. The revenue sources had been heavily affected during this economic downturn started in 2008.
Andrews and Fonseca (1998) indicated that in the distribution of enrollment by state, the numbers of community college students were closely related to population size. Eight of the states with the largest numbers of two-year college students were among the ten largest states in size of population. According to Andrews and Fonseca (1998), California leads with 1,100,000 students, followed by Texas \((n = 419,000)\), Illinois \((n = 351,000)\) and Florida \((n = 327,000)\). The legislative appropriations [or lack thereof] of the nation’s largest states, the fiscal conditions of the community colleges in these states, and the ways in which these economic shortfalls were addressed stood to threaten the very existence of community colleges. Likewise, how community colleges responded to this challenge, individually and collectively, would have a large impact on how well they will be able to continue meeting the educational, training, and workforce needs of their students.

**Financial Challenges Facing Community Colleges**

The economic downturn over the past three decades resulted in serious capital budget constrains for public higher education institutions (Hovey, 1999). These capital constraints have caused state legislators to shift critical resources to other needy state programs including K-12 education, corrections, transportation, and Medicare (Jones, 2003). The need for financial resources extended beyond the need to provide scholarships to cash-strapped students and their parents and/or guardians. Capital facilities, new construction, remodeling and renovations, and deferred maintenance projects represented critical needs for community colleges. O’Duor (2008) argued that there is a direct correlation between modernization of campuses and enrollment growth. This enrollment
growth may be particularly true for community colleges that are more than half of a century old (O’Duor, 2008.)

Until recently, public institutions had been supported almost exclusively by government resources. While four-year institutions are dealing with the impact of dwindling state appropriations, community colleges, which have enjoyed substantial financial support from federal and state government during the 1950 to the 1970, are beginning to feel the brunt of the impact of the nation’s economic woes. Cohen and Brawer (2003) argued that recent economic downturns and shifts in state appropriations have moved from public colleges and universities to impact community college budgets as well.

Mullin and Phillippe (2009) contended that most states had very difficult budget years in 2009, 2010, and 2011, which affected their appropriations to community colleges at the same time enrollments were increasing. National data on community colleges reveal that enrollments in credit-bearing courses surged 11.4% from the fall of 2008 to the fall of 2009 and 16.9% from the fall of 2007 to the fall of 2009. At the same time, state and local appropriations for higher education per full-time equivalent (FTE) student (in constant dollars) declined by 5.1% in 2009 and 7.1% in 2010 (State Higher Education Executive Officers [SHEEO], 2011).

**Fiscal Context of Community Colleges – Revenues**

According to Cohen, Brawar, and Kisker (2014), community colleges came under increased scrutiny by legislative bodies as their budgets ballooned and as inflation and increased-enrollment refocused the funding debate. Table 1 below shows the percent of income for community colleges from 1918 to 2010 by its source. It indicates that funding
for community colleges was constantly dropping from 94% in 1918, 85% in 1930 and 1942, 75% in 1950, to 48% in 2010. Since 1950, combined state and local funding has been fluctuated between 65% in 2000 and 75% in 1950 with the lowest around an abysmal 48% since community colleges first opened their doors in 1901. In particular, state allocation in 2010 (30%) was a half of the 1980’s highest level of funding support for community colleges.

Table 1.
Percentage of income from various sources for public two-year colleges, 1918-2010

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<td>5</td>
<td>5</td>
<td>6</td>
<td>23²</td>
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<tr>
<td>State funds</td>
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<td>85</td>
<td>57</td>
<td>49</td>
<td>44</td>
<td>24</td>
<td>13</td>
<td>18</td>
<td>20</td>
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<td>60</td>
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<td>8</td>
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<td>N/A</td>
<td>N/A</td>
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<td>6</td>
<td>3</td>
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<td>4</td>
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<td>1</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>8</td>
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</table>

¹Includes local junior colleges only.
²Eighty-two percent of federal funds to community colleges in 2010 consisted of nonrecurring, nonoperating economic stimulus grants. The remainder (4 percent of total revenues) came in the form of traditional federal grants, contracts, and appropriations.

Sources: Starrak and Hughes, 1954; Medsker and Tillery, 1971; NCES Digests, 1990-2011.

The American Association of Community Colleges (AACC) reported in 2015 that the revenue sources for community colleges during the fiscal year of 2014 totaled $63.4 billion. State funding (29%) represented the largest revenue source for community colleges at $18.4 billion. Local government revenue was the second largest source of funding at 26% ($16.2 billion). The funding sources were capped-off by the federal government at $10.5 billion (17%), tuition and Fees at $10.2 billion (16%), and other revenue sources (13%) at $8.3 billion. Despite these large revenue amounts, community colleges were not funded adequately enough to support the 11 million students, which represent 44% of the U.S. college population (The Century Foundation Task Force, 2013).
One recommendation of the Century Foundation Task Force (2013) was to create new outcomes-based funding for higher education with a greater emphasis on providing additional public supports based on student needs. Community colleges have spent about $5,000 per person in 2009, compared to $10,000 at public research universities and $20,000 at private research universities (The Century Foundation Task Force, 2013). In 2009, the Brookings Policy Brief noted that direct federal support for community colleges stood at $2 billion annually, compared to the $20 billion a year allocated to public four-year universities and $60 billion a year spent on K–12 education. These figures show that community colleges are in financial needs in order to support their students with a greater amount of services aimed at degree completion.

Community Colleges’ Responses to Funding Gaps

Community colleges have had little choice but turn to different types of development activities as a way of raising resources that would supplement the reduced expenditures that they are receiving from their respective state legislatures. The most common way that community colleges raised funds was through non-profit foundations (White, 2007). These tax-deductible private funds allow institutions to operate [primarily] under section 501(c)(3) of the Internal Revenue Service Code. Through these non-profit foundations, community colleges can raise money for special programs uninhibited by restrictions imposed by legislative bodies that provide appropriations and other types of state or local funding. There is no limit to the amount of money that can be raised through a well-managed foundation. Likewise, the U.S. Department of Education reported in 2006 that endowments for the top 20 community colleges nationwide ranged between $9 million and $274.5 million (Sunderman, 2007).
However, the issue is that community colleges traditionally had weak ties with their alumni and had alumni populations that tended to be less affluent (Ryan, 2003). Consequently, community colleges have lagged behind in institutional development and fundraising. Community colleges have a need for new sources of revenue. Without these new sources of revenue community colleges have struggled to afford the additional expenditures that generally accompany increases in enrollment and the rising per-student cost of attending the institution.

**The Current Study**

Major shifts in funding for higher education, for community colleges in particular, have placed a considerable amount of stress on community college presidents and administrators. These leaders have been charged with providing quality education to those who can ill-afford to pay the cost of upper-division public or private college tuition as well as to those who are ill-prepared to tackle the rigors associated with upper division courses at many four-year institutions. In other words, they have been in charge of educating students who, overwhelmingly, have little options but to attend a community college. Meeting these needs, because of the economic downturn and the budgetary priority shifts of state legislators, has left community colleges scrambling to adequately continue serving the needs of students in their communities.

If state legislatures continue to reduce funding appropriations, community colleges are more likely to face with massive lay-offs in their respective communities and will not be able to continue providing associate degrees at affordable costs to students. For instance, the Florida College System Annual Report (2011) indicated that from a fiscal year of 2006 - 2007 through that of 2010 - 2011, the colleges added over 96,000
additional full-time equivalent (FTE) enrollees, an increase of 34%, while state funding has declined 25% per FTE. For example, this report further indicated that Florida community colleges are now receiving 0.44 cents on the dollar for every student enrolled. This means that 0.56 cents of every dollar spent for educating students at community colleges in the State of Florida comes from sources other than state appropriations.

While a substantial amount of this differential now comes from tuition and fees, a significant amount of operational funds should come from endowment and other reserves, as well as state and federal grants. Continuing to spend funds that are reserved for emergencies is unsustainable without having some potential negative effects on these institutions. Consequently, community colleges have been forced to pursue other forms of funding to bridge the gap and looking for non-traditional sources of funding such as philanthropic means, capital campaigns, and other options designed to get donors and alumni to give money to the institutions. These new funding sources would affect these institutions’ ability to operate and to provide educational services to students with likely limited alternatives to earning college degrees.

However, little has been systematically studied regarding what new funding sources community colleges have sought and how successful they have been in dealing with financial difficulties. This is partly due to the fact the community colleges and their associated foundations are usually reluctant to divulge information about their fiscal status. As a response, the current study was designed to describe the current status related to any financial shifts that community colleges have made, whether or not these shifts to non-traditional sources of funding were working, and whether or not they were effective tools for preventing these institutions from fiscal despair and disrepair.
**Research Questions**

The main purpose of the current study was addressed by answering three main research questions that would help identify the strategies used by community colleges and the types of institutional responses to the financial context since the economic recession in United States started in 2008.

First, research question 1 (RQ1) is “what types of non-traditional revenue sources have community colleges turned to since the 2008 economic crisis?”. RQ1 addresses how institutions are responding to the financial climate by using alternative sources of revenue streams, if any. Specific research questions related to RQ1 include (a) What proportion of community colleges has shifted to non-traditional sources of funding?; (b) What types of non-traditional sources of funding do they rely upon?; and (c) Are community colleges successful in getting funding?

Second, research question 2 (RQ2) is “which strategy has been the most effective in securing different non-traditional revenue sources?”. RQ2 evaluates the effectiveness of different non-traditional strategies that community colleges implemented if any have had in increasing the available amount of institutional resources. Specific questions being asked include (a) What strategies are community colleges using to adjust the recent financial challenges?; and (b) How effective are different strategies used to tackle the financial downturn facing community colleges?.

Third, research question 3 (RQ3) is “what institutional characteristics (i.e., diversity, size, location, and longevity of president) are associated with the success in securing non-traditional revenue sources?”. RQ3 is used to identify different institutional
factors that are related to community colleges’ success in raising funds to deal with financial difficulties.

**Significance of the Current Study**

Given that no body of work has systematically studied the sustainability of community colleges, especially from an economic perspective. The current study was expected to lay out a pathway that allows institutions to avoid the pitfalls from an economic point of view. Specifically, RQ1 would be useful for providing context for understanding how institutions have addressed the decreasing levels of state funding. In addition, RQ1 addresses how well community colleges have evaluated their current financial predicament or situation and what specific steps they have taken to address current and future needs. The answer to RQ1 will further provide practical information or guidance useful to community colleges facing financial uncertainty. Also, of interest is the extent to which community colleges have identified and implemented strategies that have not already proven successful.

Answering RQ2 is important because it summarizes the types of strategies considered most effective by these institutions, particularly during periods of economic recession. RQ3 offers evidence of any relationship between specific institutional characteristics and the institutions’ ability to raise money for the institution. Smaller community colleges, for example, with no foundation office, are likely less able to raise substantial donor dollars than larger colleges. Rural institutions may find it harder, for example, than city-based colleges to attract donors. This may be true because rural colleges tend to be small and as a result have fewer alumni interested in contributing financially to the institution. Another example is that the length of time a community
college president has in office may affect whether or not donors provide major gifts to the college or to the college’s foundation.

Likewise, answers to the posited research questions will assist educators and researchers who study higher education leadership and development to better understand how community colleges might best meet their fiscal needs and best serve the needs of their students without the assurance of state legislative and local funding. In addition, the current research would guide individual institutions in that each institution will have comparative data to be able to (1) evaluate the state of community colleges across the nation, (2) identify the extent to which their current conditions and courses of actions are sustainable, and (3) allow community college leaders and their respective boards of trustees to chart a course of action that best meet the needs of their specific institution and their particular economic challenges in their community and state.
Community Colleges in the United States

The Morrill Acts of 1862 and 1890 ushered in the era of rapid college growth and development. Phillippe, Sullivan, and American Association of Community Colleges (2005) contended that these two legislative acts set the stage for anyone, not just the privileged few, to have access to higher education. In 1901, Joliet Junior College became the first public two-year college to open its doors. The founders of Joliet Junior College, William Rainey Harper (President of the University of Chicago) and J. Stanley Brown (Principal of the Public High School in Joliet, Illinois), believed that providing high school graduates with a 5th and 6th year of study would be comparable to the first two years in college and would serve the underprivileged as well as those who were less academically prepared for the rigors of upper-level institutions (Phillippe, Sullivan, & American Association of Community Colleges, 2005). Access to higher education was thus provided to students who could not afford the cost of a traditional four-year institution, or could not academically gain access to these colleges and to those who fell in both categories.

The popularity of this two-year college model grew quickly. Less than a decade later, Joliet had established itself as a viable option and several states had already begun following the Joliet model. By 1921, the State of California had established 21 community colleges and had created the nation’s largest and fastest-growing two-year school system. Illinois and California were followed by Missouri and Minnesota. Phillippe, Sullivan, and American Association of Community Colleges (2005) reported that by 1930 there were more than 200 public and 300 private two-year colleges.
In 1947, the Truman Commission called for post-secondary education for all Americans. The commission recommended the establishment of a national network of community colleges to provide universal access to students. This changed the course of higher education in the United States. By the 1960, community colleges had grown to over 700 in number and became the system of choice for more than a million students nation-wide. Many of the students who were enrolling were the children of veterans returning from World War II. These parents recognized that a college education was rapidly becoming a necessity, rather than a luxury for their children. When draft deferments were being issued for students attending college full-time, enrollment soared as many seeking to avoid being shipped off to Vietnam entered community colleges.

The 1970’s and 1980’s ushered in an era of entrepreneurial and workforce developments at community colleges. These programs defined the relationships between community colleges and business and industry as specific programs and service-needs were developed to address employment gaps in business and industry (Jurgens, 2010). These relationships were further bolstered during the 1990’s when community college leaders and major corporations hosted a number of forums, including the first Workforce 2000 conference in 2000, focusing on community college and business training and development. In addition, partnerships between community colleges and their respective local school districts grew tremendously over in the 1990’s, consequently preparing students to complete technical and vocational 2-year programs (Jurgens, 2010).

Community colleges today are competing, at various levels, and are preparing students to enter 4-year institutions. Dual-enrollment programs have become popular programs for high school students who are seeking an edge by enrolling in college-level
credit courses, which increases their chance of admission into a college of their choice (Jurgens, 2010). A total of 47 states and the District of Columbia have official Dual-enrollment Programs with their respective community colleges. Only Alaska, New Hampshire and New York do not have Dual-enrollment Programs (Education Commission of the States, 2015).

**Popularity and Growth of Community Colleges**

The impact of community colleges on their respective communities has become more and more profound over the past nine decades. The American Association of Community Colleges was spawned in 1921, under the name of “The American Association of Junior Colleges.” Its main purpose was to serve as a place for where two-year college presidents could congregate, share ideas, and formulate policy and more. Phillippe, Sullivan, and American Association of Community Colleges (2005) maintained that two-year colleges were the lifelines for people who were unemployed during the Great Depression.

After World War II, community colleges began providing a series of vocational programs to accommodate returning soldiers who were using the GI Bill for retraining and job preparation. Community colleges in the 1960s were extremely impactful when they answered the call by sponsors to expand their academic offerings. As a result, they began offering a range of programs: Transfer education, vocational training, non-credit courses, customized training for businesses and industry, cultural enrichment opportunities, and more (Phillippe, Sullivan, & American Association of Community Colleges, 2005). These two-year programs provided three types of degrees: Associates in Arts, Associates in Science, and Associates in Applied Science. The Associates in Arts
and Science prepare students to transfer to upper division institutions to complete the baccalaureate degrees while the Associates in Applied Science prepare students for the world of work. Of many, the major role of the community colleges can be characterized as a means to provide post-secondary education in its quality to many students from diverse backgrounds at a lower cost.

**Enrollment boom.** Cohen, Brawer, and Kisker (2014) described a tremendous leap in student enrollment since the 1960. They noted that student enrollment increased from roughly five hundred thousand in 1960 to more than two million by 1970, to four million by 1980, to six million by the turn of the century, to over 7.5 million by 2010. The data show that the total number of students enrolled at community colleges is staggering. According to the AACC’s Community College Fact Sheet published in 2013, nearly half of all students enrolled in higher education are attending community colleges.

The report contended that roughly thirteen million students enrolled at community colleges in 2013. Eight million (62%) of these students are taking credit courses. Nearly 3.3 million (41%) of the thirteen million students attended community colleges on a full-time basis, while 4.76 (59%) million students enrolled part-time. The reasons for such a boom in enrollment are attributed in large part to include much broader population including older students’ participation, students with financial aid, part-time students, the reclassification of institutions, the redefinition of students and courses, and the high attendance of women, minorities, and less academically prepared students (Cohen, Brawer, & Kisker, 2014).

The AACC (2013) further showed that community colleges awarded 734,154 Associate degrees and 429,676 certificates in the academic year of 2012 - 2013. In
addition, 48 public community colleges and 82 independent community colleges awarded baccalaureate degrees to graduating students. The average tuition at community colleges is almost 64% lower than that of 4-year colleges. The report indicated that for the academic year of 2012-2013, average tuition and fees in the community colleges (public, in district) stood at $3,130, while 4-year colleges (public, in state) average tuition and fees was more than double at $8,660.

**College education opportunities to students with diverse backgrounds.** The AACC (2013) indicated that the average age of community college students is 28, while the median age is 23. A sizable percentage of community college students (45%) are between the ages of 22 and 39, while 39% of them are 21 years of age or younger. The population of students who are 40 years of age and older was approximately 15% of the total 13 million. Female outnumber male students, showing 57% to 43% of the total enrolled. White students are 52% of the overall student-body population, followed by Hispanics (18%), Blacks (15%), Asian/Pacific Islanders (6%), Native American (1%), and Other/Unknown (9%). The number of students who are first generation college students stands at 40% (5.2 million), 16% come from single family homes, 7% are Non-citizen, 3% are Veterans of the United States Armed Forces, and 12% are students with disabilities.

Community college students represent a sizable percentage of the total number of college students (4-year and 2-year institutions). The AACC report in 2013 indicated that for the fall of 2012 (Undergraduate Segment) 45% of all undergraduates in the United States were community college students; 45% of all undergraduates were first-time freshmen students at community colleges in the United States; 56% were Hispanic
students at community colleges; 49% were Black students at community colleges; 44% Asian/Pacific Islander at community colleges; and 42% Native American at community colleges.

**Quality post-secondary education at lower cost.** The federal and state governments have played a significant role in underwriting the costs of attendance for all college students. For community college students in particular, the total amounts allocated to students in terms of grants and loans have increased exponentially according to Cohen, Brawer, and Kisker (2014). By the mid-1980’s, federal and state funding became the main sources of support to community colleges. In 1993, $34.5 billion in grants and loans were awarded to students from middle- and low-income families. In 2011, student Pell and other Grants amounts reached $2.1 billion and $564 million in state aid. According to Cohen, Brawer, and Kisker (2014), these figures had increased by 5% per year over the previous ten years after adjusting for inflation. Figures illustrated in 2007-2008 that over two-thirds of full-time students and 45% or part-time of community college students receive federal aid. Approximately, 54% of students attending community colleges full-time received grant funding and one quarter received loans. When compared to students attending upper-level institutions, community college students work long hours at low-wage jobs instead of borrowing money.

**Recent Challenges Confronted by Community Colleges**

State funding for higher education between 2008 and 2015 remains far below pre-recession levels (Chen, 2016). In the State of Virginia, funding for community colleges was cut by 27% between 2008 and 2012; this amounted to a 41% reduction in state funding per student over those five years (Williamson, 2013). California, the nation’s
largest community college system, has had $1.5 billion in budget cuts since 2007
(Williamson, 2013). Forty-seven of the fifty States have seen sizable cuts in legislative
funding since 2008. Only Alaska, Wyoming, and North Dakota has seen growth in
funding to community colleges between 2008 and 2015 (Chen, 2016).

Therefore, for example, community college systems such as Maricopa
Community Colleges in Arizona have lost more than $60 million in state aid and $100
million between fiscal years 2008-2009 and 2011-2012 (Bethea, 2014). The Center on
Budget and Policy Priorities reported in February, 2011 that 43 states had implemented
cuts to public colleges and universities and/or made large increases in college tuition to
make up for insufficient state funding. A report in 2013 by the same policy group
indicated that states are spending $2,353 or 28 percent less per student on higher
education, nationwide, in the fiscal year of 2013 than they did in 2008, when the
recession hit. The report further sums up the severity of the problem nation-wide where
39 states have cut their higher education spending by 25% or more with Arizona and
New Hampshire cutting higher education spending by 50.4% and 49.9% respectively.
Seventeen of the remaining twenty states cut funding by more than 14%; one state
(Alaska) cut funding by 3.2%; and the remaining two states, Wyoming and North Dakota,
increased state funding for higher education by 7.5% and 16.5% respectively.

The Arizona State Legislature in 2015 voted to defund higher education,
including Pima and Maricopa Community College Districts (Chen, 2016). Kentucky
Community and Technical College System has lost more than $39 million in State
funding since 2008 (Blackford, 2016). This year alone, the Kentucky Community College
System has cut 506 positions due to budget shortfalls while at the same time raising their tuition by 6.1% to help offset the cost of educating their students (Blackford, 2016).

Likewise, the nation’s governors have proposed major cuts in funding for higher education that have affected community colleges’ abilities to provide optimal educational services to students. Some states have cut the funding for operating expenses, while others have severely gutted major scholarship programs. In the heart of the recession, the Center on Budget and Policy Priorities (2011) indicated that the governor of the State of Arizona proposed cutting half of all state support for community colleges while the governor of the State of California proposed increasing fees at community colleges by 38%, and the governor of Georgia proposed cutting funding to technical colleges by 10%. Additionally, the governor of Oregon proposed cutting state funding for community colleges per full-time student by 11%; and the governor of New York proposed reduction in state aid and other cuts that would amount to tuition increase of 14%. These are just a few of the states that are cutting funding for higher education that is leading to a reduction of academic program offerings, high tuition for students, and/or massive layoffs at many institutions.

Community colleges have been affected by the fiscal austerity that has devastated legislative bodies across the nation. Betts and McFarland (1995) found that enrollments are found to be related to the unemployment rate, after controlling for other factors that affect demand. That is, as the economy contracts and unemployment rises, so does enrollment. From a national perspective, Betts and McFarland (1995) found that a 1% increase in the unemployment of recent high school graduates is associated with a 0.5% increase in full-time college enrollment. For older workers, a 1% rise in unemployment
increases community college enrollments by 4% as these workers seek retraining opportunities. Not surprisingly, national data on community colleges revealed enrollments spikes of 11.4% from the fall of 2008 to the fall of 2009 and 16.9% from the fall of 2007 to the fall of 2009 (Mullin & Phillippe, 2009). Exact numbers are not easy to obtain but most states had very difficult budget years in 2009, 2010, and 2011, that affected their appropriations to community colleges at the same time enrollments were increasing substantially (Romano, 2012). On the other hand, Betts and McFarland (1995) found that state and local appropriations are procyclical. That is, during periods of rising unemployment, appropriations fall as state and local government budgets are strained.

Rizzo (2004) and Ehrenberg (2006) conducted studies of public funding of higher education over the business cycle that covered the period from 1976 to 2001. These studies concluded that, as a percentage of budget shares, public funding of higher education has not kept pace with the business cycle. As a result, there has been a steady decline in support for public higher education over three decades. After an increase in the early 1970s, the share of states' general fund expenditures for all levels of education fell from 39.9% in 1972 to 36.1% in 2001. This decline in funding was true in all but 11 states. More importantly, within the state budget for education, the proportion of funding going to higher education fell from 22.6% to 16.4% in the same period. These revenue cuts to higher education were transferred to K-12 education. Rizzo (2004)’s analyses of the data on public funding on higher education led him to conclude that the relative decline in state funding for education did not result only from a crowding out by spending on other programs, such as health care and corrections, but also from a general decline in political preference for education and "that public higher education has steadily
fallen out of favor as a budgetary priority - even during robust economic times" (Rizzo, 2004, p. 14).

Though these figures represent revenue cuts in higher education in general, the community college portion of revenue allocation from the legislature has seen even more drastic levels of decline. Roessler (2006) found that the percentage of operating budget revenues coming from state appropriations declined from 47.1% in 1981 to 34% in 2001, in constant dollars. Just three states saw increases during this 20-year period. While state appropriations declined sharply the local funding share of the budget also fell from 17.4% to 14.7%. As a result, revenue from tuition and fees as a share of community college budgets increased from 15.6% in 1981 to 19.2% in 2001. Vermont, for example, contributed 44.6% of the budget in 1981 but only 10.9% in 2001. Katsinas and Friedel (2010) found that in 1980-1981, 16 states contributed at least 60% or more of total revenues for their community colleges; in 2000-2001 not a single one of these states did.

Need for More Funding

Lanning (2008) stated that the Council for Aid to Education report on private giving to higher education showed that voluntary gifts to colleges and universities are at an all-time high, at $29.8-billion per year. Lanning (2008) further offered that community colleges, despite the fact that they enroll almost half of the nation’s college students, receive a disproportionately small fraction of the private dollars given to higher education. In fact, so few community colleges responded to the Council for Aid to Education's survey that the council was not able to compile any valid statistics on gifts to those colleges.
There is, however, limited data procured by the State of California that provides a good indication of what is taking place on a larger, national level. According to Lanning (2008), six out of every ten students enrolled in the California State system are enrolled at community colleges. This figure reflects the largest proportion of any community college system in the nation. Despite these numbers, the total combined endowment of the 110 California Community Colleges was roughly $300 million. Comparatively, four-year institutions in California raised record amounts of money through capital campaigns in recent years. Many, like the University of California, Berkeley have raised well over a billion dollars.

There are other factors that have contributed for community colleges to go and seek funding besides the reduction in state and local funding. These include the decline in enrollment and the prospect of fewer students in the future because of the decrease in kindergarten enrollment projections; unsustained fiscal initiatives and state unfunded mandates; and President Obama’s push to see 50% increase in the number of students completions by the year 2020 (Phelan, 2015). These factors place an enormous amount of stress on community college leaders as they grapple with way to offset the resources that are no longer provided through State appropriations.

**Funding Resources for Higher Education Institutions**

John Harvard, after whom Harvard University was named, bequeathed half of his fortune and library collection to the establishment of Harvard College (Stovall, 2004). There is also a story of reputable dispute regarding the founding of Stanford University. Fisher described the story of a fundraising lesson to all college presidents. The story speaks of a middle-aged couple who approached Harvard University’s President, Charles
Eliot regarding their desire to establish a rather large living memorial in honor of their deceased son. Eliot’s patronizing and less than receptive demeanor caused the couple to depart unhappily. The following year, President Eliot of Harvard learned that the plain, unpretentious couple had contributed $26 million for a memorial to their son. The memorial was to be named Leland Stanford, Jr. University.

Though this story is very intriguing, it is not the typical way in which funds are raised at higher education institutions. Even today, the tale of how Stanford University was founded represents an aberration and not the norm. It was Texas Christian University (TCU), however, that first organized a planned fundraising effort. Since TCU’s efforts in 1908, fundraising came of age with the development of the capital campaign and its accompanying fundraising techniques (Cook & Lasher, 1996). “A handful of universities employed development officers beginning in the 1920’s, but most fundraising was still done by the president and a variety of assistants (p. 6)” stated Cook and Lasher (1996). Johns Hopkins University made history in 1984 when it announced the largest campaign goal ($450 million) ever attempted (Farrell, 2005; Worth, 1993). Stanford University later followed by announcing, just three years after Johns Hopkins, a billion-dollar campaign (Farrell, 2005; Worth, 1993). Since the Stanford University billion-dollar announcement, several universities have announced their intentions to raise even larger amounts of funds over the several years; notably, Cornell University ($4 billion) in 2006 and Stanford ($4.3 billion) months later.

The 1990’s saw a rise in the need for colleges and universities to appoint leaders who either had fundraising expertise, or to retain incumbents who were willing to obtain those skill-sets as a way of off-setting the growing needs of their respective institutions.
According to Bornstein (2003), this need was due to challenges of a weak economy, unstable funding patterns, changing student demographics and markets, and an assault on the legitimacy of the higher education enterprise. Bornstein (2003) also found that aggressive college presidents became institution builders during this period. As a result, contributions to colleges and universities doubled between 1990 and 2000. Overley (2006) contended that enormous amounts of funds were gifted between 1990 and 2003. The figures she describes are as follows:

By the end of the 1990s, twenty-seven gifts of $100 million or more were reported and twenty-two campaigns of $1 billion were announced or completed. During 1999-2000 American colleges and universities raised a record $19.4 billion. Of the money raised, 30.5% came from alumni, 21.2% from friends of the institution, 21.5% from foundations, 17.8% from corporations, 5.7% from other organizations, 1.8% from parents, 1% from religious organizations, and 0.5% from fundraising consortia. Further, in 2003, charitable giving to higher education in the United States exceeded $31 billion.... (p. 18)

Overley (2006) made a distinction between fundraising and development. Overley (2006) argued that “fundraising is episodic, development is continuous” (p. 21). The episodic and more goal-oriented task, that is, the business of fundraising is likely to live-out its shelf-life once the goals have been accomplished since it represents only one aspect of the entire development process. The more continuous and permanent endeavors prevalent in development offices allow development campaign managers to incessantly chase funding by applying strategies that are more long-term in nature and that offer colleges and universities competitive advantages over peer institutions. Despite the distinction in terms, the success or failure of any fundraising endeavor depends on a number of factors and features specific to each institution. Dunlop (2002, p. 89-90) lists the seven factors that influence an institution’s fundraising success:
1. Wealth of its constituency
2. State of the economy
3. Significance of the institution’s mission
4. Quality of the strategic plans for accomplishing that mission
5. Constituents’ confidence in the leadership implementing those plans
6. Dedication of those who represent the institution
7. The spirit and culture of the institution

Gose (2006) stated that Harvard University, the wealthiest university in the country, earned $4.3-billion on its $29-billion endowment in the fiscal year of 2006. That one-year return alone is nearly 13 times the combined total endowments at the 10 wealthiest community colleges in the United States ($336-million).

**Funding Resources for Community Colleges**

Community colleges, relative newcomers to the fund-raising game, have lagged way behind upper divisional colleges and universities in building endowments that can assure their continued existence. Babitz (2003) stated that almost all of the nation’s community colleges begun fundraising activities around 1993. Ten years later, fundraising remained a relatively new and untested phenomenon.

According to Babitz (2003), the challenge is to get community colleges and their foundations to develop a case for support. And once developed, how community colleges convince corporations and others to give to institutions that traditionally receive operational funding from state and local governments is a question. Kent (2012) noted “how to gather greater resources for cash-strapped colleges (p. 4)” was a key focus when trustees and presidents met in Washington, D.C., in February of 2011 for the Community College National Legislative Summit. According to Kent (2012), community colleges simply cannot compete.
In addition, alumni giving at these institutions are extremely limited, and as few as 25 percent have the kind of active alumni programs that make a difference in the scale of donations that are taken in. Most community colleges do not even have an alumni database. LaGuardia Community College, for example, only recently received a $2 million gift from one of its alumni. This was only possible because it has one of the largest databases in the State with nearly 700,000 names (Suchecki, 2016). And, though LaGuardia has been keeping an alumni database that dates back to 1940, it had never before put together a program that would go after alumni donations to the college. Many community colleges do not develop an alumni database even though they know that up-to-date contact information for alumni is pure gold (Suchecki, 2016). Besides not asking, the most obvious reasons why community colleges do not receive major gifts from their alumni is simply because there is no base of well-off alumni from which to draw (Bellafante, 2014).

Despite the challenges, many community colleges have seen limited success in raising funds through various means to offset the ever-dwindling state and local appropriations. Table 2 is a list of the top 15 community colleges and the total amount of their endowments as recorded in the fiscal years 2012 and 2013.

Table 2.
*Top 15 community colleges with the largest endowments*

<table>
<thead>
<tr>
<th>Institutions</th>
<th>2013 Endowment</th>
<th>2012 Endowment</th>
<th>One-year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miami Dade College and Foundation</td>
<td>$382,446</td>
<td>$336,106</td>
<td>+13.79%</td>
</tr>
<tr>
<td>Valencia Community College and Foundation</td>
<td>$70,494</td>
<td>$64,981</td>
<td>+ 8.48%</td>
</tr>
<tr>
<td>Broward College Foundation</td>
<td>$66,799</td>
<td>$63,731</td>
<td>+12.20%</td>
</tr>
<tr>
<td>Kentucky Community &amp; Technical College</td>
<td>$41,618</td>
<td>$35,712</td>
<td>+16.54%</td>
</tr>
<tr>
<td>Florida State College at Jacksonville</td>
<td>$37,103</td>
<td>$35,810</td>
<td>+ 3.61%</td>
</tr>
</tbody>
</table>
Despite how well the fundraising amounts appear, community colleges pale in comparison to the amounts raised by upper-divisional institutions throughout academe. It is also difficult to conduct meaningful studies that give higher education professionals a complete picture of how community colleges are faring since many do not readily release fundraising information or respond to inquiries.

**How Community Colleges Handle Fiscal Challenges**

Although limited, few researchers discussed how community colleges have handled fiscal challenges. Bethea (2014) spotlighted the challenges faced by many community colleges. Among other things, Bethea emphasized that community college leaders across the country are beginning to use unprecedented measures to help make ends meet and that fundraising is becoming a necessity, rather than an option, for community colleges struggling to continue the mission (Bethea, 2014). A single strategy is insufficient to combat the challenges that community colleges are facing. Many community colleges have taken to employing a number of approaches to help address
their varied and growing financial needs including Alumni donations, Naming Opportunities, Development, Public/Private Partnerships, Acquisition of State and Federal Grants, Increased Tuition, Silent/Anonymous donors, Capital Campaigns, Endowments, and Local Options (tax).

Bakhit (2011) examined the ways in which the responses of the community college presidents in the state of California to the declining state funding reflect an understanding of the constructs of the resource dependency theory (RDT) and to assess the level of implementation of the strategies proposed by RDT to manage the colleges’ dependency on the declining state funding. This study is critical to California since its 112 community colleges educate 2.9 million students. In this research, Bakhit piggybacked on the work of Phelan (2005), who earlier verified that many states reported that, even in a positive national economy, state support for community college operating budgets still wanes. As long as community colleges are funded through the states’ discretionary budgets, and as long as there is increased competition for these funds, college fiscal leaders should expect instability in state funding streams. As is the case with most states, operational support of community colleges comes primarily from state and local governments, with considerable federal support or grants and subsidized loans to students. Tollefson (2009) confirmed that in 2000-2001, the largest proportional funding sources for community colleges were: State governments (44.6%), local governments (19.5%), tuition and fees (19.5%), and the federal government (5.4%). These figures have shown a steady decrease from 1980 to 2003 going from 44% to 32% of state support for higher education (Selingo, 2003).
Community colleges had been making tough choices as a means of solving their budget problems by adopting a number of different strategies to raise money in support of student programs, services, and capital improvement projects. Some of the most difficult choices involved instituting hiring freezes, cutting personnel, reducing services, mixing-up scheduling patterns, reducing the number of low-enrollment classes, curtailing staff leave and travel, and making more effective use of physical facilities (Cohen, Brawer, & Kisker, 2014). More recently, community colleges have utilized strategies that involve instituting coordinated financial planning processes; providing on-line distance-learning classes; and more ardent involvement in revenue diversification. One community college president stated the following: “College leaders and boards must rethink how colleges are funded, how they can operate more efficiently and how they will thrive in the future…Colleges don’t sacrifice educational quality by becoming entrepreneurial, they ensure it” (Cohen, Brawer, & Kisker, 2014, p. 170).

As part of the revenue diversification strategy, colleges were becoming creative and had been engaging in a host of partnerships and relationships that allowed them to take advantage of various revenue streams. For instance, Cerritos College in California had signed a forty-year lease with a developer to build and managed an assisted living facility adjacent to the college. Besides the revenue the college receives from this public/private venture, students enrolled in the college’s nursing, physical therapy, cosmetology, and culinary arts programs use the facility for training and to gain practical work-experience.

Cohen, Brawer, and Kisker (2014) argued that community colleges augment their budgets by establishing their own foundations, while many others build endowments that
would establish a solid foundation for the future of those institutions that aggressively fundraise. In addition, even though the majority of colleges use foundation funds to provide for student scholarships, student services, and faculty support, many such as Pasadena Community College have used these resources to cover basic operating costs (Gordon, 2012). Gordon indicated that Pasadena Community College was soliciting $100,000 donations from alumni and others to restore 570 classes slated to be cut. Without raising these funds, students would be relegated to fewer course choices that would slow the process of degree-attainment.

In addition, local tax appropriations provided the funding base for many community colleges in a number of states. The State Higher Education Executive Officers (2004) reported that nationally, about one-fifth of community college revenue derives from local tax appropriations. More than 50% (29 in total) allowed some form of local taxation for postsecondary education. These included bond issues, property taxation, and sales taxation (Miller & Holt, 2005). Local taxation for community colleges is not a new concept. What is new is the challenge that wealthy communities with higher property values generate larger amounts of dollars for the colleges and institutions in their communities. In addition, many colleges such as Miami Dade College are considering local sales tax options to generate revenues that will cover operational costs. Leaders seeking resources by these means must prepare effectively for campaigns to increase and sustain funding, which often included developing strategies for working with legislators (Miller & Holt, 2005).

On a smaller scale, some community colleges are beginning to entertain the idea of differential tuition. Cohen, Brawer, and Kisker (2014) argued that some academic
programs such as those in the health field have for many years charged a premium. The idea of giving students priority access for registration or charging premiums for some classes might be a way of generating revenue. Supporters argued that higher tuition as well as the infusion of more need-based financial aid is one way to provide colleges with greater economic security. There is, however, a considerable amount of controversy surrounding the idea of differential tuition. These differential tuition plans can deter particular students from enrolling.

Likewise, no comprehensive study has been found that systematically addresses how community colleges are sustaining themselves given the legislative and local budget cuts that are at historic highs. The results of the current study may influence the growing number of students entering community colleges annually and the institutions at which they chose to complete associate degrees and [increasingly] baccalaureate degrees. In addition, the current study would fill in the gaps in literature regarding the strategies that community college took to deal with the current financial challenges.

**Theoretical Bases for the Study**

The current study was developed based on the theory related to operations management in the private sector and not in higher education given that, today’s colleges are being forced to operate in a strikingly similar manner to businesses. Sampson (2012) described how college boards are turning to business practices in pursuit of fiscal stability. Sampson referenced three examples of colleges using business practices to address funding challenges. These include (1) the resignation of the University of Virginia’s president in response to her inability to quickly redress the university’s funding woes, (2) Purdue University’s hiring of a former governor who lacks academic
experience but is adept at raising money and cutting education spending, and (3) the 

president of the University of Texas enlisting a committee of high-profile corporate 

executives to examine the school's budget and operations.

Also, Knapp and Siegel (2009) argued that people are demanding that higher 
education apply more business practices and that it is now time to examine the impact of 
business models on higher education. Knapp and Siegel further maintained that they are 
perplexed by the fact that there is little research on management in the applied context 
where the scholars themselves are employed. As a result, financial challenge in running 
institutions had not been widely studied by scholars and thus limited the development of 
future managers and leaders in the profession.

Of the different theories related to operations management, the current study was 
framed based upon House of Sustainability Model, which is a holistic system aimed at 
economic sustainability. The model, developed by Found and Cardiff Business School 
(2006), predicts that economic sustainability can be attained if a system of five lenses is 
applied in conjunction with the operational management of the business. This model, 
developed for the private sector, can be easily adopted and applied in higher education 
since it takes a business and financial approach to solving management problems in the 
workplace. The five lenses of the model are: People, Technology, Processes, Leadership, 
and Strategy and Alignment.

The house of sustainability model is relevant since higher educational institutions, 
particularly community colleges, have traditionally not applied business management 
models to address fiscal austerity. Sydow and Alfred (2013) argue that “success in 
implementing breakthrough innovations require that community colleges adopt a
business model that is suitable for innovation” (p. 120). Sydow and Alfred (2013) further made a strong claim that community colleges need to be innovative in the delivery of core functions by adopting business models that capable of encouraging and supporting innovation. The House of Sustainability Model was selected precisely because the model is holistic in its approach to addressing all facets of the organization, which are five lenses of the model.

**The House of Sustainability Model**

Found and Cardiff Business School (2006) developed a theoretical framework for economic sustainability in manufacturing that will be applied to higher education in this research study. Bossel and Balaton Group (1999) defined sustainability as a dynamic concept. Societies and their environments change, technologies and cultures change, values and aspirations change, and a sustainable society must allow and sustain such change, i.e., it must allow continuous, viable, and vigorous development. This definition is indeed applicable to higher education. Found and Cardiff Business School (2006) offered an economic definition that more precisely depicts the challenges higher education in general and community colleges in particular face:

Economic sustainability is the ability to extract, in some time period, revenues that outweigh the costs of operating the firm and thereby securing the future of the firm. Economic sustainability, as a concept, is inextricably linked to the central tenets of ‘systems theory’ (Rich, 2001). As such, economic sustainability is based upon the rudimentary input-process-output cycle and the flow of revenues and absorption of costs within a business (Pasmore, 1988). The point where these flows match is that of ‘viability’ and it is this basic measure which determines ‘economic sustainability’ (Emery, 1969). Economic Sustainability concerns the concepts of efficiency and effectiveness of business management in extracting a profit and investing it wisely in maintaining improvement efforts within and beyond the firm (p. 3).
Found and Cardiff Business School (2006) maintained that a more holistic systems approach to sustainability in manufacturing leads to greater success than the business improvement models (operational models) aimed at enhancing the productivity and economic longevity of organizations. Some of the more popular models applied by businesses to measure and affect organizational productivity are Total Quality Management (TQM); Business Process Reengineering (BPR); Just In Time (JIT); and Lean Thinking (LT).

The theoretical framework for the House of Sustainability Model is based on the application of a five-lens approach for sustainability that includes people, technology, processes, leadership, and strategy and alignment (Found and Cardiff Business School, 2006): (1) **People**, defined as change and improvement initiatives, which gain employee buy-in by addressing the motivations, needs, and aspirations of workers frequently led to long-term economic benefits; (2) **Technology**, defined as economic sustainable change that is achieved by aligning the appropriate technology with strategy and process and then training employees so that they have the correct technical skills to use and maintain the equipment and/or IT systems. Misaligned, or inappropriate, technology leads to inefficiencies in the system and can result in expensive failures. Having technology without the skills to operate and maintain it leads to sub-optimal performance; (3) **Processes**, defined as changing one or more business processes and adopting new ways of doing business including the use of new tools and techniques; (4) **Leadership**, defined as more about controlling and problem solving and producing the short-term results expected by the various stakeholders than it is about management. Management is not leadership. Leadership is about establishing direction, developing a vision of the future
and setting strategies for making the changes needed to achieve that vision. Leadership is about aligning people, communicating the direction by words and deeds to all whose cooperation may be needed. It is about influencing the creation of teams and coalitions that understand the vision and accept their roles in the implementation of strategy; and (5) *Strategy and Alignment*, defined as a detailed plan for achieving success in situations such as war, politics, business, industry or sport, or the skill for planning for such situations” and “an agreement between a group of countries, political parties or people who want to work together because of shared interests or aims. Only through the application of each of these lenses will a truly sustainable business be created.

![Image of House of Sustainability Model](image)

*Comparison of The 5 lenses Approach with Recent Change Management Frameworks*

*Figure 1.* House of Sustainability Model

Found and Cardiff Business School (2006) referred to this as the five lenses “house of sustainability.” In essence, businesses can only undertake an appropriate strategy when they fully understand their customer base and what their customers value. Each of the five lenses is discussed below.
People. Lovik (2014) argued that community colleges generally see a rise in enrollment during an economic recession. Once the economy stabilizes, as is now the case, community colleges are experiencing enrollment decreases that requires strategic planning in order to avoid revenue losses, staff terminations, and program interruptions or outright closures (Lovik, 2014). The planning process must include people working together strategically to affect the levels of change and improvements that lead to long-term economic benefits. The steps in the strategic planning process that make good business sense and yield tremendous success in the corporate environment should be applied equally in the community college setting - making the “People” lens of the House of Sustainability entirely applicable in higher education. According to Rowley, Lujan, and Dolence (1997), strategic planning steps include formulating key performance indicators (KPIs), assessing external and internal environments, identifying and analyzing strengths, weaknesses, opportunities, and threats (SWOT), developing strategies, goals, measuring the cross impact of KPIs, and constant revision of the plan.

Employee satisfaction and employee morale can be measured by the Engagement theory. Tafao-Helsham (2001) indicated that James Marcum’s Engagement Theory implies that involvement may be a replacement to motivation because motivation relies on manipulation and control while engagement of individuals is built on self-determination, interest, enjoyment, participation, and challenge. People who are thus engaged not only become part of the change and improvement initiatives, but are themselves part to the buy-in process as defined by Found and Cardiff Business School (2006).
In 2012, President Barack Obama issued a 10-year challenge to community colleges and the nation to increase the number of students completing community college. In order to realize this challenge, educators must build on and expand program initiatives and practices that reduce barriers to student success (Boggs, 2012). These types of community college improvement initiatives require careful planning (strategic) and personnel with proven higher education experience to lead these institutions to financial, programmatic, and academic success.

**Technology.** Curtis (2001) affirmed that community colleges must be redefined in a world that is being transformed almost daily by technology. It is technology that brings educational content to students in ways that is changing higher education. On-line content and distant learning programs are good examples of the impact of technology in higher education. Found, Beale, Hines, Naim, Rich, Sarmiento, and Thomas (2006) maintains that misaligned, or inappropriate, technology leads to inefficiencies in the system and can result in expensive failures. If technology is not part of the House of Sustainability, it stands to reason that the likelihood of success is marginal, at best.

**Processes.** Structures and processes changes in a business, whether or not it is on the brink of failure, could be lifesavers for the organization. Community colleges grappling with state and local legislative budget cuts, falling enrollments, and deferred maintenance projects amounting to hundreds of millions of dollars must consider change. Leaders who develop a well-thought-out strategic plan will shift structures and process in ways that offer maximum output and yield strategic and tangible results. Dooris, Kelley, and Trainer (2004) believed that the “Strategic planning is now increasingly about learning and creativity, with the recognition that college and university leaders need to
challenge assumptions and consider radically changing existing structures and processes” (p. 8). Found et al. (2006) argued that changing one or more business processes and adopting new ways of doing business, including the use of new tools and techniques, will increase the chances of success. This is why processes is one of the five lenses in the House of Sustainability.

**Leadership.** The literature review uncovered a number of key and necessary elements for fundraising success at institutions of higher education. A number of researchers (i.e., Brittingham & Pezzullo, 1990; Duronio & Loessin 1990;1991) argued that institutional leadership, institutional commitment, institutional image and reputation, and effective communications were among the key factors necessary for fundraising success. While institutional commitment, institutional image and reputation, and effective communications are all elements of achieving success, leadership is about establishing direction, developing a vision of the future and setting strategies for making the changes needed to achieve that vision according to Found and his colleagues (2006). Clagett (2004) found that leadership, specifically senior leadership, is key in overseeing institution-wide programs and activities established through the strategic planning process.

Fullan (2006) maintained that evidence-based inquiry, decisions that are driven by supportive data, and specific guidelines from leadership are critical to turning around sick educational systems. The focus on the critical role of leadership and specific actions leaders take in order to affect sustainable change in the way institutions and educational systems operated and grow serves as affirmation that leadership does belong as one of the lenses of the House of Sustainability. Thus, choosing the right leader can be pivotal for
community colleges faced with dwindling state and local funding, drops in student enrollment, and other fiscal and infrastructure challenges.

**Strategy and alignment.** Setting a strategy and aligning key stakeholders within an organization can lead to many successes in higher education. Enrollment Management (EM), as a unit of the strategic planning process, brings strategic thinking and divisional operational areas together for the greater good of the institution. Building a team of talented individuals and bringing together common interests and goals serve to engage the leadership and employees in the entire (re)building process outlined by the strategic plan. Hutt, Bray, Jones, Leach, and Ward (2010) discussed the newly hired University of Alabama President as he went about setting new enrollment priorities for the institution. They indicated that “The president’s message spread rapidly; with a clear and universally shared vision, a team mentality developed among the major players in enrollment management. The pervasive attitude became one of considerable pride and ambition. And because the vision became so pervasive throughout the institution, enrollment management targets were reached ahead of schedule” (p.12).

According to Found, Beale, Hines, Naim, Rich, Sarmiento, and Thomas (2006), a detailed plan for achieving success in situations (sustaining community colleges, for example) involves bringing people who want to work together because of shared interests or aims. Board members, personnel at every level of the institution as well as students all have shared interest in making sure that their respective community colleges can survive through lean financial times and dwindling enrollment. How EM strategies are aligned with the overall strategic plan and these with management training and divisional
reorganization could mean the difference between [continued] success or failure at many community colleges.

It is clear that “house of sustainability” (p.4) strategy proposed by Found, Beale, Hines, Naim, Rich, Sarmiento, and Thomas (2006) needs to be used to align the entire organization and create, in effect, the roof of the organization. The next tier needed is leadership. Effective leadership, from the CEO (College President) down to personal leadership is critical for there to be success. The next layer is a set of processes (the pillars) that are necessary to deliver the strategy the organization will use to meet their customers’ needs. The two remaining sections of the house (the platform) involve the people and the technology who will support and facilitate change. People and technology are considered the foundation because improvements will occur through having employees with the necessary skills, competencies, and commitment to enact the change, and by designing the appropriate technology to deliver the connectivity, visibility, and collaboration.

The five components of this economic sustainability model are essential for success. Found et al. (2006) submitted that there is a dynamic process that exists between each of the five components and it highlights people as the core foundation of change. They also stated that this model, in term of the academic community, allows for research into how to go about implementing sustainable change in terms of contingency and scale.
Chapter 3: Methodology

Community colleges have been under considerable financial duress, since economic crisis in 2008 that has restricted each institution’s financial well-being. As federal and state governments have been strained financially from lower tax revenues, state legislatures have been forced to balance their state budgets by decreasing funding to higher education including community colleges. These annual decreases in state funding to community colleges have been of concern to academics, policymakers, institutional leaders, and taxpayers alike. As a response to the current financial state that community colleges have been facing, this study was designed to understand what strategies community colleges have implemented and further to identify factors that help community colleges efficiently handle the decreasing level of state appropriations. Below are the details regarding population and sample, data collection, and data analysis employed in the current study.

Research Design

Given the lack of previously collected data on legislative and local appropriations to community colleges, the current study employing survey research design method collected primary data on institutions (Groves, Fowler, Couper, Lepkowski, Singer, & Tourangeau, 2013). To date, the Integrated Postsecondary Educational Data System (IPEDS) is the largest source of data available on community colleges. However, the IPEDS has never collected data on the lengths of tenure served by institutional presidents, newer strategies implemented by the institution in raising additional revenues, or on the level of effectiveness these recently adopted strategies have on generating additional revenues. While the survey was sent to individuals at the institutions, the data collected
concerned the information regarding institutional-level information, which was
determined as a research without involving human participants by the Institutional
Review Board (IRB).

**Population and Sample**

The population of the current study is community colleges in the U. S. that have
received funding from their respective state legislative bodies. In particular, the
population for the current study consists of institutions within the sector of public, not-
for-profit two-years community colleges \( N = 986 \) in the United States. Target
community colleges had the following characteristics: (1) community college must have
an on-campus student population, (2) community college must grant primarily two-year
degrees or certificates, (3) community college should not be tribal colleges, (4)
community college should not be private community colleges, and (5) community college
should not be for-profit community colleges.

Thus, the population of inference from the current study consists of all
community colleges listed as two-year associate degree granting institutions in
accordance with the American Association of Community Colleges (2015). This
delimitation excludes 137 private, tribal, and for-profit community colleges that make up
a total 1,123 community colleges in the United States. While a number of community
colleges may offer four-year degrees, the operationalization of community colleges also
includes institutions that largely grant two-year but may also grant a few specialized
bachelor degrees. The sample for the current study was institutions whose responses on at
least half of questions in the survey were provided.
Survey Instrument

The survey questionnaire was self-created. All of the questions were developed based on my years of experience in fundraising and as a result of numerous discussions with college and foundation personnel and executive leadership. The survey, which comprises of 40 questions (see Appendix A), was developed to answer the research questions for the current study. The survey questionnaire was to capture information regarding (1) what specific steps community colleges have taken to address the legislative and local budget cuts, (2) what strategies they have used to handle the legislative and local budget cuts, (3) whether or not these are working, (4) whether or not community colleges have the correct structure and personnel in place to affect sustainable change, and more.

Survey questionnaires are categorized in terms of response formats and constructs being measured. First, nine are open-ended questions that were designed to gather a number of qualitative information regarding the institution and the institution’s approach and response to legislative and local budget cuts. Second, eleven questions were on a 4-points Likert scale varying their response options. The response options for seven questions were “Very Important”, “Moderately Important”, “Somewhat Important”, and “Not at all Important”. The questions measured the importance of staff, student, and faculty diversity; and the importance of the institution’s size, geographic location, and the longevity of the college president and the most senior foundation staff member. The response options for two questions that measure were “Involved at All Levels”, “Involved at Most Levels”, “Involved at Some Levels”, and “Not Involved at All”. These questions measured the levels of the College’s and the Foundation’s Board of Trustees involvement
in advancement activities. The response options for two questions were “Significant”, “Moderate”, “Minimal”, and “None”. These questions measured the extent to which state legislative and local budget cuts adversely affected the institutions budget. And, the response options for the remaining question were “Continuously”, “Frequently”, “Occasionally”, and “Not at all”. This question measured the extent to which the college engaged in particular revenue-generating strategies since 2008.

Third, one question, on a 5-point Likert scale, measured the effectiveness of strategies implemented to secure non-tuition revenue. The response options for one question were “Significant”, “Moderate”, “Minimal”, and “None”, and “N/A” (Institution does not receive local funds). This question measured the effects of local budget cuts on the institution’s operating budget. The response options for the remaining question were “Highly Effective”, “Very Effective”, “Moderately Effective”, “Effective”, and “Not Effective”. This question measured the effectiveness of strategies used to secure funds.

All of these questions on the Likert scale were aimed at gathering information about the significance effects of the budget cuts, the strategies employed and the role that institution’s demographics played in the process.

Forth, one was a multiple-choice question asking when the institutions would have started its capital campaign. Fifth, six questions were dichotomous items (Yes/No) that ask if the college has an endowment, if the institutions has a College Foundation, if the institution has plan of creating a foundation, and whether or not the institution was engaged in a Capital Campaign since 2008. Sixth, seven questions were to collect demographic data about the survey respondents including the name of the institution, the college’s official classification, the name of the President, the number of years that the
Presidents has been in office, and name and contact information of the person completing the survey.

Related to the specific research questions, sixteen questions were related for RQ1, ten were related for RQ2, and thirteen were related for RQ3. The last question merely asked for the name and the contact information of the individual completing the survey. In addition, in terms of who is responsible for specific strategies, eight questions focused on the strategies employed by and roles of staff, students, and faculty; seven on college foundation and development staff; five on capital campaigns; three on Boards of Trustees and foundation development activities; three on budgets; three on endowments; two on the geographic location and the size of the institution. Eight questions all revolved around the institutions’ fiscal needs, critical needs, and other general information. And, the final question asked the name and contact information of the respondent who complete the survey.

**Pilot Testing**

The newly developed survey instrument was first pilot-tested between June 15th and June 30th, 2016 in advance of launching the survey. Ten experts were chosen, of which five were institutional leaders and five were faculty who are considered as content experts in higher education or community college leadership programs. Institutional leaders were defined as College or Campus Presidents, Foundation Presidents or Executive Directors, and Vice Provosts or Vice Presidents of Institutional Effectiveness. These individuals were selected for pilot-testing of the survey since they either held positions of considerable authority at their respective institution and/or would be sufficiently familiar with college development activities to be able to provide sound
critique of the questions and content of the survey. Content experts were chosen to establish the content and construct validity of the survey instrument. And, institutional leaders were selected in order to establish the readability and face validity of the questionnaire. Likewise, the pilot test was used to ascertain the validity of the questions on the survey instrument. Additionally, participants provided feedback on the amount of time the respondent would take to complete the survey. Finally, participants provided feedback on the readability, difficulties in interpretation, and pertinence of the questions.

From June 15, 2016 to June 23, 2016, the survey was emailed to ten participants with a survey link to the Qualtrics website where the survey was created. It included a cover letter with a short summary of the survey purpose and the detailed instruction. A reminder of the survey was sent on June 22, 2016 to those participants from whom a response had not yet been received. The reminder indicated that the pilot access would be closed at 12:01 AM on June 24, 2016. Separate from the written responses, each individual was contacted via telephone to gather qualitative feedback regarding the survey and participants’ experiences while completing the survey.

Once the pilot test results had been returned and the recommendations for improvements had been assessed, the following ten revisions were made to the survey based on the feedback received from the pilot survey participants:

1. Some institutions may not yet have 2015-2016 data requested – question 5
2. Clarify State or Federal cuts in question 6
3. Add “Major Gifts Program to question and define Major 8
4. Eliminate multiple responses. Rank-order party responsible in questions 9 and 10
5. Consider defining diversity in questions 12, 13, and 14
6. Add part-time to question 23
7. Rank-order the titles from most senior to least senior in question 24a
8. Ask how long the most senior development officer has been at the foundation in question 24b
9. Ask how involved the Foundation Board is in question 33
10. Add several major fundraising programs in question 34

The final survey instrument appears as Appendix A.

Data Collection

On-line survey tool have made it far less cumbersome to gather research data. Collecting, analyzing, and using data through on-line mechanisms offer researchers the opportunity to design better models, establish and/or adjust strategies for success, and publish data in a timely manner. On-line survey research offers the promise of speed, economy, and improved data quality (Sue & Ritter, 2007). Advantages to on-line surveys included effectiveness in cost, data collection, convenience, sample size, and candid responses. The financial cost for implementing on-line surveys can be substantially less than traditional mailed surveys. The data collection occurs immediately once participants complete the survey allowing for immediate data analysis. On-line surveys can be convenient; thereby creating a process that increases the probability of a higher rate of return and, in effect, increasing the sample size of a research project. Therefore, the current study employed on-line survey to collect data that can be used to answer the research questions. In particular, the Qualtrics Survey Software was used to prepare for
the questionnaire, distribute the survey to participants, and to view and generate simple analyses on response rates.

Data collection was done by reaching out to community college foundation presidents and/or college presidents (i.e., for colleges that do not have an established foundation). Contact information of target community college foundations and presidents was secured through a master-list maintained by the Council for Advancement and Support of Education (CASE). The survey was sent by CASE directly to the target participants. The personal contact with CASE required that a copy of the survey be sent for review prior to final approval.

The survey was sent to CASE on July 5, 2016 and final approval was received from CASE on July 7, 2016. A number of documents exchanged with CASE before survey launch appears in Appendix B. A link to the survey instrument was sent to participants on July 19, 2016 through email by CASE. The email included a cover page that briefly described the research project, listed that IRB approval had been received, and included information about the University of Miami and the supervision of this project. The consent form was attached. The form reiterated in brief the main reason for the survey, explained that participation in the survey was completely voluntary, and that the identity of the survey respondents will be kept confidential. Also included in the consent form was a statement regarding how the data gathered by the project may assist in learning more about and understanding, the process that community colleges used for identifying and creating strategies to address legislative and local budget cuts; the mechanisms used to implement these strategies; the effectiveness of these strategies; and the role that diversity, size, location, and longevity of president has on the success of
these strategies. All the documents sent to target participants by CASE appears in Appendix C.

The survey was initially sent to 1,218 potential respondents through CASE. A follow-up email was sent as a reminder on July 27, 2016 and a third on Tuesday, August 9, 2016. The survey was closed on August 31, 2016. No incentive was provided for participation. The survey was sent out for a second time on August 26, 2016 to a total of 215 potential respondents. This was needed because of the lethargic, almost non-responsiveness of the first group. The original list was used and randomly sent to every tenth institution on the mailing list. Follow-up messages were sent on August 30th, September 2nd, and September 7th with the hope of boosting the overall response rate. As a result, there were a total of 196 respondents to the survey. A total of 70 respondents completed every question in the survey. The remaining 126 completed more than two-thirds of the survey.

Variables

Variables used in the current study include (1) the effectiveness of implementation of non-traditional funding, (2) variables related to budget cuts, (3) measures representing leadership involvement at the college and foundation levels, (4) measures that involve and affect fundraising activities, and (5) variables related to foundation staff, college diversity, college size and college location.

Dependent variable. The dependent variable of this study was the perceived effectiveness of implementation of non-traditional funding, which was measured by a single item related to “amount of monies raised.” Non-traditional funding was defined as monies raised through alumni donations, capital campaigns, community foundation
grants, corporate giving, federal grants, major gifts, planned giving private and family foundation grants, corporate foundations, and student donations. Responses were on a five-point Likert scale ranging from 1 (“Highly Effective”) to 5 (“Not Effective”), which was reverse-coded for the hierarchical linear regression model such that higher score indicates being perceived to be more effective in implementing non-traditional funding in community colleges.

**Independent variables.** The independent variables being used in the current study were summarized in four distinct categories. The first set of independent variables was related to budget cuts. This was broken down by (1) how community college perceives the impacts of state legislative budget cuts and (2) how community college perceives the impacts of local budget cuts. Each of them was measured by a four-point Likert scale ranging from 1 (“Significant”) to 4 (“None”), which was reverse-coded for the hierarchical linear such that a higher score indicates being perceived to be more significant.

The second set of independent variables is related to leadership involvement at community college. How involved were (1) the colleges’ boards of trustees members, (2) foundation board members, and (3) college presidents. Each of them was measured by a four-point Likert scale ranged from 1 (“Involved at all levels”) to 4 (“Not involved at all”), which was reverse-coded for the hierarchical linear such that a higher score indicates being involved at all levels.

The third set of independent variables covers the fundraising arms. These include (1) whether or not colleges had endowments (i.e., Yes vs. No), (2) whether they were
involved in capital campaigns (i.e., Yes vs. No), and (3) whether they had a foundation associated with the college (i.e., Yes vs. No).

Finally, different contextual factors were used to link to the dependent variable. This included the makeup of the foundation staff, the colleges’ diversity, the colleges’ size, and the colleges’ location and the roles that these variables played in fundraising. These were also measured by a four-points Likert scale ranged from 1 (“Very Important”) to 4 (“Not at all Important”), which were first reverse-coded for the hierarchical linear such that higher score indicates being perceived to be very important. In addition, a composite score was created by averaging out the responses on three items that measure the importance of colleges’ diversity.

Data Analyses

IBM SPSS (IBM Corp, 2016) was used to analyze survey responses so as to answer research questions posited to the current research. Section 1 first summarizes survey responses by creating a series of frequency tables, in which the distribution of survey responses was displayed by each of categorical variables. Section 2 displays the relationship between variables using either chi-square analysis for two categorical variables or correlation analysis for two continuous variables. The last section demonstrates results of a hierarchical regression model with four blocks, in which the perceived effectiveness of the implementation of the non-traditional funding sources used to generate revenue was predicted by four different sets of independent variables.

The first research question was examined by summarizing data that enables to provide a numerical representation of the various strategies used by community colleges. Since no research has fully examined the types of new or recent strategies employed by
community colleges, numerical and graphical summaries demonstrate different strategies that community colleges employed since the 2008 economic recession. In addition, the level of perceived effectiveness of these types of strategies or mechanisms was summarized in numerical and graphical way. Such summaries would provide contextual understanding of the perceived level of effectiveness these strategies have had during the economic crisis and since.

The final research question was examined by performing a hierarchical regression model in which four sets of independent variables were related to the perceived effectiveness of the implementation of the non-traditional funding strategies used to generate revenue. Independent variables were entered into the model in a sequential manner in order to disentangle the unique contribution of the added predictors in predicting the outcome of the variable.

The hierarchical regression linear model with four blocks was performed as shown in Figure 2. Block 1: Impact of budget cuts related to state legislative budget cuts and local budget cuts. Block 2: Leadership – whether college boards of trustees, foundation board members, and college presidents were actively involved in advancement activities and the extent to which these they were successful in securing sizable contributions to the college. Block 3: Fundraising Arms – whether community college were involved in each of the following fundraising activities including endowments, capital campaigns, and foundations. And Block 4: Contextual Factors – Foundation Staff, College Diversity, College Size, College Location. The significance of the $R^2$ change was evaluated to compare models. Once the final model was chosen, the
overall model fit (i.e., $F$ for overall model, $R^2$, $R$) and the significance of the individual regression coefficient for the final model were discussed.
Block 4

Hierarchical multiple regression analysis proposed model

Figure 2

Dependent Variable:
Effectiveness of implementation of non-traditional funding

Block 1

Budget Cuts:
• State Legislative Budget Cuts
• Local Budget Cuts

Contextual Factors:
• Foundation Staff
• College Diversity
• College Size
• College Location

Leadership:
• Board of Trustees Involvement
• Foundation Board Involvement
• College President Involvement

Fundraising Arm:
• Endowments
• Capital Campaigns
• Foundation

Block 2

Block 3

Block 4
Chapter 4: Results

IBM SPSS (IBM Corp, 2016) was used to analyze survey responses so as to answer research questions posited to the current research. The first section summarizes the survey responses using a series of frequency tables. The second section shows the bivariate relationships between relevant variables using either a chi-square test of association or a correlation coefficient. The last section involves a hierarchical regression analysis predicting the perceived effectiveness of the implementation of the strategies used to generate revenue using a number of independent variables in four distinct blocks: Model 1 using impact of budget cuts (State legislative budget cuts and local budget cuts); Model 2 using leadership (Board of Trustees, Foundation Board, and College President involvement); Model 3 using fundraising arms (Endowments, Capital Campaigns, Foundations); Model 4 using contextual factors (Foundation Staff, College Diversity, College Size, College location).

Description of Survey Responses

Survey responses are summarized using a series of frequency tables by a number of institutional factors and variables used for answering the research questions. These include (1) institutional type, (2) perception on budget cuts, (3) financial stability of institutions since 2008, (4) mandates and strategies used to generate revenue, (5) the amount of money being raised since economic recess in 2008, and (6) factors affecting the successful implementation of strategies to address legislative and local budget cuts.

Institutional type. As shown in Table 3, out of 196 respondents, 123 (62.7%) listed their designated college’s classification with 73 participants providing no information. Of 123 complete responses, 95.1% (n = 117) were from 2-year public
colleges and an additional 5 (4.1%) were from 4-year college granting primarily associates degrees.

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>n</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>2 year public colleges</td>
<td>117</td>
<td>59.7</td>
</tr>
<tr>
<td>2 year independent colleges</td>
<td>1</td>
<td>.5</td>
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<tr>
<td>4 year primarily Associates</td>
<td>5</td>
<td>2.6</td>
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<td>37.2</td>
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<tr>
<td>Total</td>
<td>196</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Perception on budget cuts.** Figure 3 below illustrates the percentage of survey responses related to one’s perception on how state legislative budgets adversely affected community colleges (Significant, Moderate, Minimal, None). 52.54% (n = 62 out of 118) indicated that their state-level legislative budget cuts had significant adverse impact on their college’s budget. 32.2% (n = 38 out 118) reported moderate level of adverse impact on their budgets. As a whole, nearly 85% of the respondents (n = 100 out of 118) believed to negatively affect their college budget status at a moderate or significant level.

*Figure 3.* State legislative budget cuts adversely affecting the college.
As shown in Figure 4 below, 34.45% \((n = 41\) of 119) indicated that their institution did not receive local funding. Similarly, 23.53% of survey respondents \((n = 28\) out of 119) indicated that the local government budget cuts had no effect on their overall college budgets. Nearly 12% and nearly 16%, however, did respond that the local government budget cuts had a significant and a moderate effect on their college budgets, respectively.

**Financial stability of institutions since 2008.** Respondents reported that their colleges have involved in different fund-raising activities as follows: First, 77.12% \((n = 91\) of 118) reported that their colleges had an endowment, while 22.03% \((n = 26\) out of 118) of the remaining respondents reported no endowment at their colleges. Second, 98.33% \((n = 118\) of 120) colleges that their institutions did have foundation office responsible for fundraising activities. Third, 51% \((n = 45\) of 89) reported that their colleges were engaged in capital campaign since 2008. Almost an equal number of
respondents (49.44%, \(n = 44\) of 89) indicated that their colleges have not been involved in a capital campaign since 2008.

The size of colleges’ operational budgets is often closely aligned with colleges’ ability to establish foundations and endowments in order to raise large(r) sums of money. The followings are the reported approximate budgets of the respondents’ colleges:

27.04% \((n = 52\) of 196) provided their approximate operational budget: 5.8% \((n = 3\) of 52) between $105 - $115 million, 9.6% \((n = 5\) of 52) between $75 - $87 million, 11.5% \((n = 6\) of 52) between $52 - $60 million, 19.2% \((n = 10\) of 52) between $27 - $43 million, 26.9% \((n = 14\) of 52) between $10 and $23.6 million, and 9.6% \((n = 5\) of 52) between $1 and $9 million. And, 17.3% \((n = 9\) of 52) of the remaining respondents reported that colleges have operational budgets at $800 thousand or less.

**Mandates and strategies used to generate revenue.** Figure 5 shows the frequency of different strategies that colleges implemented to generate revenue since the economic recess in 2008. First, engagement of getting federal grants were distributed as follows: 49% \((n = 52\) of 106) of the respondents indicated that they have “continuously” sought federal grants, while 34.9% \((n = 37\) of 106) reported that they have “frequently” sought federal grants as a way of generating revenue. 15% \((n = 16\) of 106) reported that they only sought federal grants occasionally, and less than 1% \((n = 1\) of 106) indicated that they hadn’t sought federal grants at all. Seeking for endowments was the second most frequently used strategy by colleges for revenue generation. In particularly, 47.7% \((n = 50\) of 106) indicated that they have “continuously” sought endowment funding, while 21.7% \((n = 23\) of 106) reported that they have “frequently” sought endowment funding as a way of generating revenue. 20.75% \((n = 22\) of 106) reported to have sought
endowment funding occasionally, and 10.38% \( (n = 11 \text{ of } 106) \) reported that they had not sought endowment funding at all.

Revenue Generating Strategies Since 2008

In addition to these two strategies, respondents reported to utilize different strategies. These include (1) tuition increase – 95 of 106 (89.62%) indicated that they had increased tuition at least occasionally. (2) alumni donations - 36 of 106 (33.96%) had occasionally solicited alumni donations; 24 of 106 (22.64%) frequently solicited, and 38 of 106 (35.85%) continuously solicited these donations. (3) capital campaigns - 30 of 106 (28.3%) respondents had continuously raised funds through the development of capital campaigns; 14 of 106 (13.21%) had done so frequently; 32 of 106 (30.19%) had done so occasionally; and 30 of 106 (28.3%) of respondents had not used capital campaigns to

Figure 5.
Revenue generating strategies since 2008

In addition to these two strategies, respondents reported to utilize different strategies. These include (1) tuition increase – 95 of 106 (89.62%) indicated that they had increased tuition at least occasionally. (2) alumni donations - 36 of 106 (33.96%) had occasionally solicited alumni donations; 24 of 106 (22.64%) frequently solicited, and 38 of 106 (35.85%) continuously solicited these donations. (3) capital campaigns - 30 of 106 (28.3%) respondents had continuously raised funds through the development of capital campaigns; 14 of 106 (13.21%) had done so frequently; 32 of 106 (30.19%) had done so occasionally; and 30 of 106 (28.3%) of respondents had not used capital campaigns to
raise funds at all, and (4) local tax option or referendum - 7 of 106 (6.6%) respondents had continuously raised funds through local tax options or referendums; 8 of 106 (7.55%) had done so frequently; 15 of 106 (14.15%) had done so occasionally; and 76 of 106 (71.7%) of respondents had not raised funds through local tax options or referendums at all.

45 of the 110 (40.9%) of respondents ranked the college president as the driving force behind the plans to identify and create strategies to address legislative and local budget cuts. 41 of 110 (37.3%) ranked board of trustees as the driving force. 9 of 110 (8.2%) ranked enrollment management plans as the driving force. 8 of 110 (7.3%) ranked stake-holder analysis as the driving force. The remaining perceived students ($n = 4, 3.6\%$) and college foundation ($n = 3, 2.7\%$) to be important for addressing legislative and local budget cuts.

Institutional perception of financial stability and needs determined the extent to which colleges engage in specific strategies to generate revenue since 2008. Table 4 below shows the level of college’s engagement in strategies on the following responses: “continuous,” “frequent,” “occasional,” or “not at all.” First, in terms of federal grants seeking, colleges indicated that their engagement were the highest at 49.1\% (Continuously), 34.9\% (Frequently), 15.1\% (Occasionally), and 0.9\% (Not at All). Second, endowment frequencies were 47.2\% (Continuously), 21.7\% (Frequently), 20.8\% (Occasionally) and 10.4\% (Not at all). Third, colleges indicated their alumni donation strategies engagements were 35.8\% (Continuously), 22.6\% (Frequently), 34\% (Occasionally), and 7.5\% (Not at all). And fourth, colleges indicated their engagement in
State grants activities as 34.9% (Continuously), 33% (Frequently), 27.4% (Occasionally), and 4.7% (Not at All).

Table 4 shows survey responses on the opposite end of the spectrum. Four areas stick out as being particularly important: (1) 71.1% of respondents indicated that they were not involved in any referendum activities at all. (2) 34.9% of respondents reported no major gift activities at all. (3) 28.3% of the survey participants had not established capital campaigns. And (4), 22.6% of participants were not involved in any build-naming activities.

Table 4
*Revenue-generating sources since 2008*

<table>
<thead>
<tr>
<th>Revenue-Generating Sources</th>
<th>Continuous</th>
<th>Frequently</th>
<th>Occasional</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni Donations</td>
<td>35.8</td>
<td>22.6</td>
<td>34.0</td>
<td>7.5</td>
</tr>
<tr>
<td>Building-Naming</td>
<td>21.7</td>
<td>19.8</td>
<td>35.8</td>
<td>22.6</td>
</tr>
<tr>
<td>Capital Campaigns</td>
<td>28.3</td>
<td>13.2</td>
<td>30.2</td>
<td>28.3</td>
</tr>
<tr>
<td>Endowments</td>
<td>47.2</td>
<td>21.7</td>
<td>20.8</td>
<td>10.4</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>49.1</td>
<td>34.9</td>
<td>15.1</td>
<td>0.9</td>
</tr>
<tr>
<td>State Grants</td>
<td>34.9</td>
<td>33.0</td>
<td>27.4</td>
<td>4.7</td>
</tr>
<tr>
<td>Increased Fees</td>
<td>12.3</td>
<td>30.2</td>
<td>47.2</td>
<td>10.4</td>
</tr>
<tr>
<td>Increased Tuition</td>
<td>17.9</td>
<td>31.1</td>
<td>39.6</td>
<td>11.3</td>
</tr>
<tr>
<td>Referendums</td>
<td>6.6</td>
<td>7.5</td>
<td>14.2</td>
<td>71.7</td>
</tr>
<tr>
<td>Private/Public Partnerships</td>
<td>25.5</td>
<td>36.8</td>
<td>24.5</td>
<td>13.2</td>
</tr>
<tr>
<td>Major Gifts</td>
<td>15.1</td>
<td>12.3</td>
<td>37.7</td>
<td>34.9</td>
</tr>
</tbody>
</table>

**The amount of money being raised since economic crisis in 2008.** As shown in Table 5 below, the reported amount of dollars being raised varied wildly from $100 million through major gifts to $200 through student donations. The amount of dollars being raised since 2008 were from $10,000 through student donations to $100 million through major gifts, while minimum amount of dollars raised since 2008 were $200 through in student donations to $150,000 through federal grants.
Table 5
Monies raised since economic crisis in 2008

<table>
<thead>
<tr>
<th>Sources</th>
<th>Max</th>
<th>Min</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni Donations</td>
<td>$1,000,000</td>
<td>$500</td>
</tr>
<tr>
<td>Capital Campaigns</td>
<td>$14,000,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Community Foundation Grants</td>
<td>$1,000,000</td>
<td>$900</td>
</tr>
<tr>
<td>Corporate Giving</td>
<td>$7,000,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>$4,000,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>Major Gifts</td>
<td>$100,000,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Planned Giving</td>
<td>$2,000,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Private/Family Foundation Grants</td>
<td>$10,000,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>Corporate Foundations</td>
<td>$3,000,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Students Donations</td>
<td>$10,000</td>
<td>$200</td>
</tr>
<tr>
<td>Other</td>
<td>$164,000</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

Sources of dollars raised. Respondents reported that dollars were raised from various sources including alumni donations, capital campaigns, community foundation grants, corporate giving, federal grants, major gifts, planned giving, private and family foundation grants, corporate foundations, and student donations. The responses were grouped into the following six categorical ranges for the purpose of controlling the dispersion of actual dollars raised including

1. $500 - $49,999
2. $50,000 - $99,999
3. $100,000 - $249,000
4. $250,000 - $499,999
5. $500,000 - $999,999
6. $1,000,000 +

There were only a total of 17 colleges that reported to have raised between $500,000 and $999,999 in any of the fundraising categories. 16 out of 23 respondents reported that they raised more than $1 million from capital campaigns. 10 out of 34 respondents reported that they raised more than $1 million through corporate giving. 9 out of 24 respondents reported that they raised more than $1 million from federal grants. 9 out of 28 respondents reported that they raised more than $1 million from major gifts.
**Perceived factors affecting the successful implementation of strategies.** First, in terms of institutional size, a total of 116 colleges that responded to the question about the importance of the institution’s size in the success of the strategies to secure non-tuition revenue. Figure 6 shows that respondents were 23 (19.83%) for being very important, 30 (25.86 %) for being moderately important, and 35 (30.17%) for being somewhat important. More than a quarter (28) of respondents thought that the size of the institution was not important in the successful implementation of their strategies to secure non-tuition revenue.

![Figure 6](image1)

*Figure 6*
Importance of institution’s size to successful strategies

Second in terms of geographic location as shown in Figure 7 below, 46 (39.32%) of the respondents believed that the geographic location of the institution was very important for successful implementation of strategies to secure non-tuition revenue. 31 (26.5%) of the respondents reported the geographic location as being moderately important. These all accounted for nearly two-thirds (65.82%) of the respondents who believed the geographic location to be moderately to very important.
Thirds, in terms of longevity of the college president, almost 49% of the respondents indicated that the longevity of the college president was either moderately important or very important to the success of the strategies to secure non-tuition revenue. Specifically, 22.22% thought that it was very important, while 26.5% thought that it was moderately important. Table 6 summarizes the frequency distribution of survey responses. Only 27 of 117 (23%) respondents thought that this was not important at all.

**Table 6**

*Longevity of college president*

<table>
<thead>
<tr>
<th>Responses</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Very Important</td>
<td>26</td>
<td>22.22%</td>
</tr>
<tr>
<td>2. Moderately Important</td>
<td>31</td>
<td>26.50%</td>
</tr>
<tr>
<td>3. Somewhat Important</td>
<td>33</td>
<td>28.21%</td>
</tr>
<tr>
<td>4. Not at all Important</td>
<td>27</td>
<td>23.08%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>117</td>
<td>100%</td>
</tr>
</tbody>
</table>
The data for the importance of the longevity of the most senior member of the foundation staff was similar to that of the longevity of the college president. 55% of the respondents reported that this was either very important or moderately important. While only 24% reported that this was not important at all to the strategies to secure non-tuition revenue.

**Perceived effectiveness of strategies to secure non-traditional funding.** Table 7 below shows that only 7.7% \((n = 15)\) of the respondents indicated that the strategies implemented by the college to secure non-tuition revenue sources were highly effective, while almost equal number of respondents perceived that the strategies were not effective. 12.8% \((n = 25)\) believed that non-traditional funding strategies were very effective; 21.9% \((n = 43)\) responded that they were moderately effective; and 10.2 % \((n = 20)\) thought that the strategies were effective.

<table>
<thead>
<tr>
<th>Classification</th>
<th>(n)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Effective</td>
<td>15</td>
<td>7.7</td>
</tr>
<tr>
<td>Very Effective</td>
<td>25</td>
<td>12.8</td>
</tr>
<tr>
<td>Moderately Effective</td>
<td>43</td>
<td>21.9</td>
</tr>
<tr>
<td>Effective</td>
<td>20</td>
<td>10.2</td>
</tr>
<tr>
<td>Not Effective</td>
<td>15</td>
<td>7.7</td>
</tr>
<tr>
<td>Total</td>
<td>118</td>
<td>60.2</td>
</tr>
<tr>
<td>Missing</td>
<td>78</td>
<td>39.8</td>
</tr>
<tr>
<td>Total</td>
<td>196</td>
<td>100</td>
</tr>
</tbody>
</table>
Effect of Budget Cuts

**Budget cuts and institutional type.** A contingency table of budget cuts by institutional type is displayed in Table 8. The majority of 2 year-public colleges - 59 of 112 (52.68%) - perceived that state legislative cuts had a significant effect on their respective institutions budget. Another 37 of 112 (33.04%) respondents believed that the State legislative cuts had a moderately important effect on the budgets. Results from Chi-square analysis suggests that there is no supporting evidence of a significant relationship between institution type and the adverse effects of state legislative budget cuts ($\chi^2(6) = 1.83, p = .90$).

Table 8
*State legislative budget cuts*

<table>
<thead>
<tr>
<th>College Classification</th>
<th>Significant</th>
<th>Moderately</th>
<th>Minimal</th>
<th>None</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-Year Public College</td>
<td>59</td>
<td>37</td>
<td>12</td>
<td>4</td>
<td>112</td>
</tr>
<tr>
<td>2-Year Independent College</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>4-Year Primarily Associates</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>62</td>
<td>38</td>
<td>13</td>
<td>4</td>
<td>117</td>
</tr>
</tbody>
</table>

The majority of 2 year-public colleges ($n = 14$ of 118, 11.86%) perceived that local government budget cuts had a significant effect on their respective institutions budget. 18 of 118 (15.25%) respondents believed that local government budget cuts had a moderate effect on their budgets. 17 of 118 (14.41%) respondent indicated that the local government budget cuts had a minimal effect on their budgets. 28 of 118 (23.73%) institutions reported that local governments budget cuts had no effect in their overall budgets. 35 of 118 (29.66%) of respondents reported that their college did not receive local funding. Results from a Chi-square analysis suggests no supporting evidence of a
significant relationship between institution type and the adverse effects of local
government budget cuts in this study ($\chi^2(8) = 15.35, p = .05$)

Table 9

*Local budget cuts*

<table>
<thead>
<tr>
<th>College Classification</th>
<th>Significant</th>
<th>Moderately</th>
<th>Minimal</th>
<th>None</th>
<th>No Local Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-Year Public College</td>
<td>14</td>
<td>18</td>
<td>17</td>
<td>28</td>
<td>35</td>
</tr>
<tr>
<td>2-Year Independent College</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4-Year Primarily Associates</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>19</td>
<td>17</td>
<td>28</td>
<td>40</td>
</tr>
</tbody>
</table>

*State legislative budget cuts and dollars raised.* The data show no statistically
significant relationship between the dollars raised in all of the categories (Alumni
Donations, Capital Campaigns, Community Foundation Grants, Corporate Giving,
Federal Grants, Major Gifts, Planned Giving, Private and Family Foundation Grants,
Corporate Foundations, Student Donations) and the adverse effects of State legislative
budget cuts to the responding community colleges. State legislative budget cuts were,
however, significantly related to increased fees ($r = .23, p = .02$) as opposed to all other
strategies used by the respondents to generate revenue since 2008.

*Local budget cuts and dollars raised.* The data show no statistically significant
relationship between the dollars raised in all of the categories (Alumni Donations, Capital
Campaigns, Community Foundation Grants, Corporate Giving, Federal Grants, Major
Gifts, Planned Giving, Private and Family Foundation Grants, Corporate Foundations,
Student Donations) and the adverse effects of local budget cuts to the responding
community colleges.
**Endowment and dollars raised.** Responses indicated the significant relationship between endowments and the amount of money raised from alumni donations ($r = .46, p = .03$), community foundation grants ($r = .57, p = .03$); major Gifts, ($r = .60, p = .10$); planned giving, ($r = .65, p = .02$); and private and family foundation grants, ($r = .52, p = .04$).

77.1% ($n = 91$) of the respondents reported that they had an endowment. 26.3% reported that their endowment had zero dollars. The median endowment was $2,750,000. The smallest endowment was $400,000 and the largest was $342,000,000. The next highest endowment $75 million - some $267 million dollars less. 60% ($n =118$) of the participants reported that they have a college foundation. 10% of respondents reported not to have any full-time staff members in their foundation offices, while 28.6% reported not to have any part-time staff at all. The mean full-time staff was 3.84 and the Mean part-time staff was 1.33. 51.3% reported to have two full-time staff members or fewer while 80.4% reported to 2 part-time staff of fewer. Only 10 colleges reported to have at least 4 full-time staff members working in the foundation. The top five foundation development activities reported were alumni donations ($n = 59$), major gifts ($n = 55$), corporate giving ($n = 54$), planned giving ($n = 52$), and private and family foundations ($n = 51$).

**Factors affecting Perceived Effectiveness of Non-traditional Funding Success**

The results of the hierarchal regression analysis with four blocks are summarized in Table 10. Model 1 was to predict the perceived effectiveness of implementing non-traditional funding using the impact of budget cuts (i.e. State legislative budget cuts and local budget cuts). Model 2 explores the additional contribution on the perceived
effectiveness of implementing non-traditional funding of the entity being involved in non-traditional funding raise including whether college board of trustees is involved, whether college president is involved, and whether foundation board president is involved. Model 3 explores the additional contribution of whether each of the following strategies was implemented: endowment, capital campaigns, and foundation. Finally, model 4 examines the relationship between the perceived effectiveness of implementing non-traditional funding sources and the following contextual factors: Staff, Diversity, college size and college geographic location.

As shown in Table 10, none of the four models was found to be statistically significant (Model 1: $F_{(2, 40)} = 0.18$, adjusted $R^2 = .04$; Model 2: $F_{(2, 37)} = 1.03$, adjusted $R^2 = .04$; Model 3: $F_{(2, 35)} = 2.80$, adjusted $R^2 = .06$; Model 4: $F_{(2, 31)} = 1.90$, adjusted $R^2 = .14$). Model 4 was not found to be statistically significant, which is probably due to a low statistical power to find the statistical significance. An independent variable (whether capital campaigns were implemented) was found to be statistically significant ($b = .66$, $SE = .32$, $t = 2.09$, $p = .045$). This result suggests that colleges implementing capital campaign showed significantly higher mean on the perceived effectiveness of securing non-traditional funding than those without capital campaign.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Block 1</th>
<th>Block 2</th>
<th>Block 3</th>
<th>Block 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.58</td>
<td>.68</td>
<td>2.78</td>
<td>.80</td>
</tr>
<tr>
<td>State Legislative Budget Cuts</td>
<td>-.19</td>
<td>-.23</td>
<td>-.19</td>
<td>-.16</td>
</tr>
<tr>
<td>Local Budget Cuts</td>
<td>- .06</td>
<td>.13</td>
<td>.08</td>
<td>.12</td>
</tr>
<tr>
<td>College Board Involvement</td>
<td>.08</td>
<td>.01</td>
<td>.22</td>
<td>.00</td>
</tr>
<tr>
<td>Foundation Board Involvement</td>
<td>.16</td>
<td>.14</td>
<td>.18</td>
<td>.15</td>
</tr>
<tr>
<td>College President’s Longevity</td>
<td>.16</td>
<td>.12</td>
<td>.18</td>
<td>.11</td>
</tr>
<tr>
<td>Endowment</td>
<td>.23</td>
<td>.22</td>
<td>.24</td>
<td>.25</td>
</tr>
<tr>
<td>Capital Campaign</td>
<td>.23</td>
<td>.16</td>
<td>.26</td>
<td>.24</td>
</tr>
<tr>
<td>Years at the Foundation</td>
<td>.23</td>
<td>.16</td>
<td>.15</td>
<td>.15</td>
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<tr>
<td>Staff Diversity</td>
<td>.01</td>
<td>.22</td>
<td>.08</td>
<td>.04</td>
</tr>
<tr>
<td>Institution’s Size</td>
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<td>.18</td>
<td>.18</td>
<td>.11</td>
</tr>
<tr>
<td>Geographic Location</td>
<td>.16</td>
<td>.18</td>
<td>.18</td>
<td>.11</td>
</tr>
<tr>
<td>(\Delta R^2)</td>
<td>.009</td>
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<td>.009</td>
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<tr>
<td>F((\Delta R^2))</td>
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<td>.085</td>
<td>.085</td>
<td>.085</td>
</tr>
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<td>df1</td>
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<td>2</td>
<td>2</td>
</tr>
<tr>
<td>df2</td>
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<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>F</td>
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<td>2.82</td>
<td>2.82</td>
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</tr>
<tr>
<td>df1</td>
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<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>df2</td>
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<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>df2</td>
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<td>df1</td>
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Note. * \(p < .05\), ** \(p < .01\)
Chapter 5: Discussion

There are 1,132 community colleges (including branch campuses) in the United States and they provide more than half of all undergraduate education to the nation’s students (AACC, 2013) of which 986 of these colleges are public institutions, 115 are independent colleges, and 31 are Tribal colleges (AACC, 2013). Community colleges, over the past decade, have experienced a substantial shift from state and local funding to a growing reliance on tuition and fees (Katsinas & Palmer, 2005). Dowd and Shieh (2014) argued that the character of community colleges has been changing and that the damage from years of state disinvestment may have been beyond repair. These changes included the physical changes of infrastructure and building façade (building envelope issues, water intrusion, roofing neglects, internal and underground piping, etc.) due to decades of neglect.

Generating funding beyond the dwindling amounts from state and local allocations to address their growing needs has become the primary focus of most community colleges. A greater emphasis has, therefore, been placed on fundraising (Boyd, 2010). The Council for Aid to Education (2014) reported that over $200 million private fundraising dollars were added to community college revenue funds in fiscal year of 2013. The Council for Higher Education Accreditation (2014) reported that overall fundraising revenues for community colleges increased across the board by 37.5% from fiscal year of 2009 to fiscal year of 2013, from close to $600,000 to nearly $900,000 per college. However, fundraising at the level where millions of dollars are expected to be raised has been considered costly and difficult for many community colleges.
The underlying premise of this study inferred that community colleges have neither the expertise nor the staff who could handle the various complexities that come along with raising millions of dollars needed for self-sustainment and that foundation structures that would manage and would be held accountable for safe-guarding charitable funds are also non-existent at most community colleges. In addition, community colleges traditionally have had a weak ties with their alumni and had alumni populations that tend to be less affluent (Ryan, 2003), consequently making it difficult for them to address their growing fiscal needs beyond their state and local funding.

A number of questions can be asked about what community colleges are doing to help ameliorate their financial conditions. Some of these questions, at the most basic levels, depend on the colleges’ leadership structure – from boards of trustees, to presidents, to foundation heads. Some examples of these questions are: How involved are board of trustees members in fundraising activities?; What is the national reputation of the college president? Does the college have a foundation?; What is the make-up of the foundation staff?; Does the college have an endowment?; Is the college involved in a capital campaign?; How engaged are the alumni groups?; Has the college approached its alumni for charitable donations?; How will the college address its future needs if the state and local funding continue to decrease?; and How much community has supported community college?.

The answers to aforementioned questions could determine the future success of community colleges. However, academic research in this area does not exist. Finding data for investigating the relationships between decreases in state legislative and local
funding and community colleges’ ability to effectively serve their students has been a challenge, to say the least. In order to fill the void, the current study surveyed leaders in community colleges to determine their strategies for addressing their fiscal needs in light of dwindling funding from state and local entities since the economic recess in 2008. In particular, the current study aimed to answer three questions that would help identify the strategies used by community colleges since the economic recession in United States started in 2008 and further understand the potential factors related to success in implementing non-traditional strategies..

Three research questions were addressed to accomplish the main goal of the study. The first research question (RQ1) was “what types of non-traditional revenue sources have community colleges turned to since the 2008 economic crisis?”. RQ1 addresses how institutions are responding to the financial climate by using alternative sources of revenue streams, if any. Specific research questions related to RQ1 included (a) What proportion of community colleges has shifted to non-traditional sources of funding?, (b) What types of non-traditional sources of funding do they rely upon?, and (c) Are community colleges successful in getting funding?

Second, research question 2 (RQ2) was “which strategy has been the most effective in securing different non-traditional revenue sources?”. RQ2 aimed to examine the effectiveness of different non-traditional strategies that community colleges implemented if any have had in increasing the available amount of institutional resources. Specific questions being asked include (a) What strategies are community colleges using to adjust the recent financial challenges?, and (b) How effective are different strategies used to tackle the financial downturn facing community colleges?
Third, research question 3 (RQ3) was “what institutional characteristics (i.e., diversity, size, location, and longevity of president) are associated with the success in securing non-traditional revenue sources?”. RQ3 was used to identify different institutional factors that are related to community colleges’ success in implementing non-traditional funding strategies.

Summary of Study Findings

Regarding RQ1, the data show that colleges have been involved in a host of fundraising opportunities that would allow them to raise dollars from non-traditional revenue sources. All of the colleges responded that they have been doing at least one activity aimed at increasing revenues. These activities included alumni donations, building-naming opportunities, development/capital campaigns, endowments, federal grants, public/private partnerships, major gifts and corporate foundations. Among these activities, the majority of funds were raised through major gifts, capital campaigns, and corporate giving since economic recess in 2008. Even though respondents indicated that over $100 million (combined) were raised from major gifts, only 9 community colleges actually reported to have raised money via major gifts. Examples are of colleges that raised a great deal of money through major gifts are Miami Dade College, York County Community College, and Cuyahoga Community College.

Even among the respondents who raised the most dollars, the total amounts raised were anemic compared to dollars raised by upper divisional colleges and universities. And in certain categories of fundraising, some colleges were not successful at all. For example, only 8 out of 11 respondents indicated that their colleges had raised between $500 and $49,999 from their alumni; and only nine colleges reported to have received
funds through planned giving. Even the institutions themselves (36.4%) reported that they were moderately effective in the strategies, these colleges have traditionally secured non-traditional funding. Only 17 colleges reported to have raised between $500,000 and $999,999, showing that a limited number of colleges have raised more than $1 million through any of the different activities.

Related to RQ2, the only strategy that shows a statistical significant difference on the perceived effectiveness of implementing non-traditional funding was capital campaigns. This is not surprising since capital campaigns have always allowed institutions to raise large sums of money over a predetermined, extended period of time – usually between three and five years. However, even though the other strategies such as endowment did not show statistically significant relations to the perceived effectiveness of non-traditional funding activities, some community colleges have been successful in raising monies via major gifts, and private & family foundation grants.

Lastly, regarding to RQ3, the data did not support a significant relationship between the perceived effectiveness and a number of institutional factors including diversity, size, location, and longevity of the college president. Such results were unexpected since inner-dealings with foundation professionals had always emphasized an explicit correlational relationship between raising funds and the longevity of the leaders. These leaders are the college board of trustees, the president and the foundation president or executive director. In addition, the diversity of the institution, its size, and location have long been touted by a number of foundation professionals as being legitimate and fool-proof reasons why many community colleges fail to raise large sums of money through their foundations and traditional higher educational fundraising means.
Practical Implications of the Current Study

Policy implications to states. Mitchell and Leachman (2015) argued that support to higher education remains below the financial status before 2008 in almost all states. According to Mitchell and Leachman (2015), the average state has been spending $1,805, or 20 percent less per student in 2014 than it did in the 2007-08 school year. In addition, some states (i.e., Alabama, Arizona, Louisiana, Pennsylvania, and South Carolina) are down by more than 35 percent since the recession began in prior to 2008. As a result, colleges have had to raise tuition, cut spending, and layoff faculty and staff in order to address their fiscal needs. This study showed that only one (Capital Campaigns) of non-traditional funding activities was found to be statistically related to the perceived success in its implementation. The fact that other strategies were found to be significantly related to the perceived success in its implementation might result from the lack of response to the survey. This is partly due to college’s unwillingness to release “sensitive” fundraising data that might shine a spotlight on their inability to raise funds to meet their needs.

Mitchell and Leachman (2015) asserted that states need college-educated working to fill a large and growing needs of future jobs. The fact that states continue to reduce funding to community colleges at alarming rates, and the fact that this research reveals a lack of fundraising, endowment–building, and other opportunities aimed at subsidizing or supplanting state and local funding is critical. States’ community colleges enrolled more students than usual during the recession but without appropriate increases in state funding (AACC, 2015). States’ legislatures need to rethink policy decisions that continue to have adverse effects on community college budgets, on students’ abilities to attend and graduate, and on the future of business that relay on an educated workforce.
Policy implications to higher education. There is a large gap between enrollment of students at upper-division colleges and universities and enrollment of students at community colleges. Even though there have been budget cuts to higher education as a whole, community colleges have borne the brunt of the cuts. The impact to higher education is immense. The bulk of the research in higher education has focused on upper division.

Mitchell and Leachman (2015) reported that 31 states have cut funding per student by more than 20% while 33 states have increased tuition by more than 20%. This is devastating to higher education as a whole and to community colleges in particular. This, coupled with the lack of vigorous fundraising activities, leaves community colleges at a loss that will impact higher education in untold ways. Upper division institutions rely on community college transfers to help boost their enrollment. When more funding is available to help community college students complete associates degrees, the greater opportunity for them to transfer and earn baccalaureate degrees at upper-division institutions.

Policy implications to community colleges. Community colleges stand to lose the most if they continue on the current course. There are a number of initiatives that community colleges can do to help their cause. These include (1) Sharing information so that they can learn from each other, (2) Initiating research around funding cuts, fundraising activities, and sustained resource development activities. These research initiatives would allow community colleges to contribute to the dialogue around financial sustainability in meaningful ways, and (3) Creating lobbying teams with agendas that focus on increasing legislative awareness of community college impact and community
college needs. This should include complete disclosure with respect to the fiscal condition of the institution.

Policy implications to administrators at community colleges. The implications that the current research would bring to administrators in community colleges are numerous. Among these implications are the following: (1) without successful fundraising efforts, administrators leave the faith of the institution in the hands of legislatures that have consistently made cuts to their budgets and may not have best interest of community colleges at heart, (2) administrators risk not being able to compete for talented students who might opt to attend if financial aid packages made it possible for them to stay at home, (3) administrators risk not being able to find funding to renovate or remodel older buildings or address deferred maintenance projects that will only get worse if they continue to go unaddressed, and (4) administrators risk not developing relationships with successful alumni who might be in a position to donate handsomely to the college.

Limitations of the Current Study

Some limitations to the study should be addressed. The first is that it was not possible to do a statistical analysis for respondents to a question regarding the extent to which local government budget cuts had adversely affected their budgets. This restriction was mainly due to a low sample size with less variation that result in a low statistical power. The second limitation is that no further statistical analysis related to the total amount of operating budget revenues was possible because no data were provided. Knowing the operating budget categories and line–items would have been useful to
gather specific data regarding where community college revenue actually come from and
the categories in which they are allocated and expended.

The third limitation is result from no questions being asked regarding how the
mandates by the boards of trustees, college president, and other senior members affected
the strategies identified to raise funds. The influences of the leadership, mandates, and the
pressures of keeping institutions afloat amidst decreasing state funding would have an
effect on fundraising directions.

The fourth is the issue of potential survey fatigue. The study is limited by the
scope and length of the questionnaire. There are any number of questions that could have
been asked to gather more data that may help in understanding all of the challenges faced
by the community colleges completing the survey. Particular attention was paid to
limiting the number of questions asked on the survey. Asking too many questions or
creating a lengthy survey and run the risk of turning away survey participants thereby
decreasing survey participation and completion.

The fifth limitation was that the current study was solely dependent upon
quantitative data, which further limits detailed narrative that can support quantitative
responses. Answers to questions that the reader might have pertaining to why the college
focused on one potential donor and not another would be one example. Whether or not
there have been any substantive discussions (i.e., Board of trustees and college
presidents, Presidents and Vice Presidents of Enrollment Management, etc.) regarding
what strategies to apply during the period of financial hardships limits the amount of
detailed information that can be gathered. Along with quantitative data, a qualitative data
would have provided further explanations that would help us understand many “why” questions.

The sixth is that survey participants’ bias would be potentially another limitation of this study. The survey results rely on participant responses. Historically, colleges and universities have not been as willing to divulge information regarding their financial resources, especially their privately funded revenues and institutional resources. As such, the information must be taken on face value. Perhaps the most significant limitation rests on the type of research design to be implemented. Because the current study is cross-sectional in nature, causal links between any of the institutional characteristics and the types of strategies used cannot be drawn. However, due to the limited amount of data or research on the subject, the current study could provide valuable information for the study of higher education as it relates to community colleges.

Future Research

There seems to be a great deal of mystery about how colleges and universities raise money. Presumably, divulging too much information about donors and how much they give is something that colleges keep locked in vaults. The reality is that there is much to gain by demystifying college fundraising efforts. In the case of community colleges in particular, sharing how they successfully raise funds, lobby their state legislative bodies, and grow their endowments can be key to their collective survival. This is even more obvious since, unlike private institutions, community colleges by and large do not compete among themselves for students. Students seldom attend community colleges outside of their home county lines while crossing state lines has been the norm for students attending upper division higher education institutions.
Future research should be based on mixed methods so that college presidents and foundation leaders can be interviewed. More impactful and insightful information can be drawn to allow researchers to examine a number of complicated factors related to community college fundraising in greater detail. Information about how to approach wealthy alumni who may be inclined to endow or otherwise commit major dollars to the institution can be valuable information to share. The current silent competition among those in the fundraising arena may benefit individual institutions but not community colleges as a whole.

In addition, future research should include in-depth analyses of state legislative funding cuts and the exact dollar impact on all community colleges by interviewing college presidents and foundation leaders. Another entity that can provide insights for the current issue would be state legislators such that their roles in supporting the community college mission can be understood. For instance, how legislators vote for higher education increases or cuts is not only impactful to community colleges but to the long-term viability of the states. It does not benefit states when businesses are forced to recruit across state lines because of a dearth of talented, skilled, and well-trained employees.

Finally, the aforementioned limitations can be better addressed in future research. In particular, the issue of local budget cuts need to be further examined. There are many community colleges that do not get local funding or operate under laws that do not allow them to seek local funding through local tax-options or referendums designed to raise money for their causes. Future work can be in longitudinal in its nature, where causal relationships between institutional characteristics and the types of strategies used to raise funds can be better understood.
Conclusions

In the immediate days after launching the survey, I noticed in the Qualtrics system that respondents were getting stuck at question 21 (Does your institution have a college foundation?). In a telephone conversation with one community college president it was conveyed that even though funds were being raised the community college did not have what could effectively be called a “foundation”. I gathered after this conversation with her that the reason why so many respondents were effectively stuck at that question was because they were completely unclear about whether what they were doing fit the true definition of a foundation – internal revenue designation and all. The over-all data gathered for this study was disappointingly low. This was not totally unexpected. In fact, it is extremely difficult to gather information about fundraising. Many donors give anonymously or mandate as a condition that their names not be released to the general public.

I have concluded several things from this research. The first is that community colleges should without a doubt setup foundation offices and raise funds through the establishment of capital campaigns. This provides them with the greatest possible opportunity to provide the best and most advanced products and services to the more than 11 million students enrolled at these institutions. The next is that community colleges must begin to create alumni offices with an emphasis on establishing and building relationships with their alumni near and far. This level of alumni cultivation will provide the groundwork to later solicit graduates for well-needed contributions that will help establish endowments, build scholarship programs, expand student services, and erect buildings and structures that attract the best and the brightest students. Next, the sharing
of strategies (fundraising and legislative lobbying) will serve the best interest of higher education in general but will serve community colleges in particular. Finally, the key to community colleges sustaining themselves in the wake of dwindling financial support from state legislatures and local funding sources is to continue making incremental progress by conducting research that seek to answer the most basic questions regarding how community colleges prepare to sustain themselves. Even under the best of funding conditions, community colleges have deferred maintenance costs that range in the hundreds of millions. For instance, Miami Dade College has over $400 million in deferred maintenance costs. An even though the college president has released some $150 million to address deferred maintenance at the eight campuses, it is not nearly sufficient to address the many infrastructure needs at the nearly 60-year old college. Miami Dade College is not alone in this predicament, many community colleges are poised to face serious infrastructure challenges barring serious infusion of capital investment and deferred maintenance dollars.
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Sunderman, J. A., & Illinois Univ., Champaign. Office of Community College Research and Leadership. (2007). *A broad mission, clear public image, and private funding: Can community colleges have it all? in brief* Office of Community College Research and Leadership. 51 Gerty Drive Room 129, Champaign, IL 61820. Tel: 217-244-9390; Fax: 217-244-0851; e-mail: occri@uiuc.edu; Web site: [http://occrl.ed.uiuc.edu](http://occrl.ed.uiuc.edu)


The American Association of Community Colleges (AACC) reported (2015)

The Florida College System, Annual Report 2011


Appendix A: Survey Instrument

Q1 What is the name of your institution?

Q2 Please select the college's official classification
   ☒ 2 - Year Public College (1)
   ☒ 2 - Year Independent (Private) College (2)
   ☒ 2 - Year Tribal College (3)
   ☒ 4 - Year, Primary Associates College (4)

Q3 What’s the name of your college’s president?
   First Name (1)
   Last Name (2)

Q4 Please indicate the number of years that the current President has been in office. Please round up to the nearest year.
   ☒ Click to write Choice 1 (1) _________________

Q5 In the 2015-16 academic year, your college’s annual FTE was:
   ☒ Click to write Choice 1 (1) _________________

Q6 Please indicate the extent to which State legislative budget-cuts have adversely affected your budget?
   ☒ Significant (1)
   ☒ Moderate (2)
   ☒ Minimal (3)
   ☒ None (4)

Q7 Please indicate the extent to which local government budget-cuts have adversely affected your budget?
   ☒ Significant (1)
   ☒ Moderate (2)
   ☒ Minimal (3)
   ☒ None (4)
   ☒ N/A (Institution does not receive local funding) (5)
Q8 Please indicate the extent to which your college has engaged in the following strategies to generate revenues, since 2008

<table>
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<tr>
<th>Strategy</th>
<th>Continuously (1)</th>
<th>Frequently (2)</th>
<th>Occasionally (3)</th>
<th>Not at All (4)</th>
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<tr>
<td>Alumni Donations (1)</td>
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<td>Other, Please Indicate: (12)</td>
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Q9 Please rank order which process the college used to identify and create strategies (fund-raising opportunities, public/private capital investment ventures, additional student-imposed fees, etc.) to address legislative and local budget cuts.

- Board of Trustees Mandate (1)
- College President Mandate (2)
- Enrollment Management Assumptions (3)
- Stake-holder Analysis (4)
- Student-led (5)
- Foundation-led (6)
- Consultant-led (7)
- Other, Please Explain (8)
Q10 Please rank order the area of the college that led these strategies?

- Board of Trustees-led (1)
- College President-led (2)
- Consultant-led (3)
- Enrollment Management Plan (4)
- Student-led (5)
- Strategic Planning/Management (Environmental Scanning, Strategy Formulation, Strategy Implementation, Strategy Evaluation) (6)
- Other, Please Explain (7)

Q11 How effectively has your community college implemented strategies to secure non-tuition revenue sources (Raising money through philanthropic means, capital campaigns, and other options designed to get donors and alumni to give money to the institution)?

- Highly Effective (1)
- Very Effective (2)
- Moderately Effective (3)
- Effective (4)
- Not Effective (5)

Q12 How important has staff diversity (race/ethnicity/gender/age) been in the success of these strategies?

- Very Important (1)
- Moderately Important (2)
- Somewhat Important (3)
- Not at all Important (4)

Q13 How important has student diversity (race/ethnicity/gender/age) been in the success of these strategies?

- Very Important (1)
- Moderately Important (2)
- Somewhat Important (3)
- Not at all Important (4)

Q14 How important has faculty diversity (race/ethnicity/gender/age) been in the success of these strategies?

- Very Important (1)
- Moderately Important (2)
- Somewhat Important (3)
- Not at all Important (4)
Q15 How important has the size (enrollment headcount) of the institution been in the success of these strategies?
- Very Important (1)
- Moderately Important (2)
- Somewhat Important (3)
- Not at all Important (4)

Q16 How important has the geographic location (Rural/Urban/Suburban) of the college been in the success of these strategies?
- Very Important (1)
- Moderately Important (2)
- Somewhat Important (3)
- Not at all Important (4)

Q17 How important has the longevity of the college president been in the success of these strategies?
- Very Important (1)
- Moderately Important (2)
- Somewhat Important (3)
- Not at all Important (4)

Q18 How important has the longevity of the most senior member of the Foundation staff been in the success of these strategies?
- Very important (1)
- Moderately important (2)
- Slightly important (3)
- Not at all important (4)

Q19 Does the college have an endowment?
- Yes (1)
- No (2)
- Don't Know (3)

Q20 What is the current total value of the college’s endowment?

Q21 Does your institution have a College Foundation?
- Yes (1)
- No (2)

If Yes Is Selected, Then Skip To What is the tax-status of the foundation? If No Is Selected, Then Skip To Does your institution have plans of creating a foundation within the next 3 years?
Q22 Does your institution have plans of creating a foundation within the next 3 years?
☐ Yes (1)
☐ No (2)
If Yes Is Selected, Then Skip To From its start, how many years will the Capital Campaign last? If No Is Selected, Then Skip To Please prioritize your institution’s most critical fiscal needs: Please type your preferred ranking in each box-field.

Q23 What is the tax-status of the foundation?
☐ Internal Revenue Code 170(b)(1)(A)(iv) (1)
☐ Internal Revenue Code 501(c) (3) (2)

Q24 Please indicate the number of Development Staff members at the foundation?
☐ Full-time (1) _________________
☐ Part-time (2) _________________

Q25 What is the title of the most senior staff member at the foundation?
☐ Foundation CEO (1)
☐ Executive Director, College Foundation (2)
☐ Foundation Director (3)
☐ Vice President of Development (4)
☐ Development Director (5)
☐ Development Manager (6)
☐ Planned Gift Director (7)
☐ Planned Giving Director (8)
☐ Major Gift Director (9)

Q26 How many years has the most senior staff member been at the foundation?
☐ 1 (1) _________________

Q27 What is the total amount of your operating budget revenue?

Q28 What percent of your operating budget is allocated by the State legislature and local government body?
☐ State Legislature (1) _________________
☐ Local Government (2) _________________

Q29 What percent of increase or decrease does this represent over the past 8 years?
☐ Increase (1) _________________
☐ Decrease (2) _________________
Q30 Is your institution currently engaged or has it been engaged since 2008 in a Capital Campaign?
   ❏ Yes (1)
   ❏ No (2)
   ❏ Don't Know (3)

If Yes is selected, then Skip to When was the Capital Campaign started? If No is selected, then Skip to How involved are the College’s Board ...

Q31 When was the Capital Campaign started?
   ❏ 2008 (1)
   ❏ 2009 (2)
   ❏ 2010 (3)
   ❏ 2011 (4)
   ❏ 2012 (5)
   ❏ 2013 (6)
   ❏ 2014 (7)
   ❏ 2015 (8)
   ❏ 2016 (9)

Q32 From its start, how many years will the Capital Campaign last?
   ❏ 1 (1) ________________

Q33 What is the total dollar goal of the Campaign?
   ❏ 1 (1) ________________

Q34 What will the campaign money raised be used for? Please select all that apply.
   ✧ General Operations (1)
   ✧ Expansion/Enhancement of Academic Programs (2)
   ✧ Salaries Increases for Faculty and Staff (3)
   ✧ Student Scholarships (4)
   ✧ Student Enrichment Programs (5)
   ✧ Facilities Deferred Maintenance (6)
   ✧ New Building Construction (7)
   ✧ Building Remodeling/Renovations (8)
   ✧ Rainy-day Fund (9)
   ✔ Other (please specify) (10) ________________
Q35 How involved are the College’s Board of Trustees in advancement activities?
- Involved At All Levels (1)
- Involved At Most Levels (2)
- Involved At Some Levels (3)
- Not Involved At All (4)

Q36 How involved are the Foundation's Board of Directors in advancement activities?
- Involved At All Levels (1)
- Involved At Most Levels (2)
- Involved At Some Levels (3)
- Not Involved At All (4)

Q37 Our Foundation Development activities include the following: (Please select all that apply)
- Alumni Donations (1)
- Capital Campaign (2)
- Community Foundation Grants (3)
- Corporate Giving (4)
- Federal Grants (5)
- Major Gifts (6)
- Planned Giving (7)
- Private and Family Foundation Grants (8)
- Corporate Foundations (9)
- Student Donations (10)
- Other, Please Explain (11) ____________________

Q38 How much money ($) is being raised from:
- Alumni Donations (1)
- Capital Campaign (2)
- Community Foundation Grants (3)
- Corporate Giving (4)
- Federal Grants (5)
- Major Gifts (6)
- Planned Giving (7)
- Private and Family Foundation Grants (8)
- Corporate Foundations (9)
- Student Donations (10)
- Other (11)
Q39 Please prioritize your institution’s most critical fiscal needs: Please type your preferred ranking (1-7) in each box-field. Please do not repeat values.

_____ Employee Compensation Operations (1)
_____ Facility Infrastructure/Deferred Maintenance (2)
_____ Faculty and staff training (3)
_____ New Construction (4)
_____ Scholarships (5)
_____ Student Programs and Services (6)
_____ Other, Please Explain (7)

Q40 Name and title of the individual completing the survey

Name (1)
Title (2)
Dear Advancement Professionals:

This survey instrument is being sent in the interest of securing survey responses for a research project being conducted by a doctoral student at the University of Miami. This is a research project being conducted by Brian Anthony Stokes, a doctoral student in the Higher Education Leadership Ed.D. program in the Department of Educational and Psychological Studies in the School of Education and Human Development at the University Of Miami. He may be contacted via email at b.stokes@umiami.edu. The dissertation research is being supervised and chaired by Soyeon Ahn, Ph.D., Associate Dean for Research at the University of Miami. This survey should take approximately 20 minutes to complete.

The dissertation research, approved by the University of Miami’s Institutional Review Board (IRB), is entitled “Managing Legislative and Local Budget Cuts: Strategies Used by Community Colleges”. Answers to the survey questions will provide never before research information about current state and local legislative budget cuts and about measures currently underway to address the reduction of resources to community colleges since 2008. Data in this area of research, once collected, will provide community colleges with plausible and effective strategies currently being used to supplement the diminishing financial resources provided by state legislative bodies and by local funding entities across the nation. The data collected will not be used for purposes other than this dissertation, academic presentations and publications.

Please know that all participants’ identities will be protected. This is a very worthwhile research project with significant impact to this area of higher education leadership, and advancement activities at the community college level. Full support in completing the survey is encouraged.

We thank you, in advance for your timely response to this survey.

Please select the following link to begin the survey: Managing Legislative and Local Budget Cuts: Strategies Used By Community Colleges

Cordially,

Brian A. Stokes
Appendix C: Consent Form

You are invited to take part in a web-based online survey on Managing Legislative and Local Budget Cuts: Strategies used by Community Colleges. This is a research project being conducted by Brian Anthony Stokes, a doctoral student in the Higher Education Leadership Ed.D. program in the Department of Educational and Psychological Studies in the School of Education and Human Development at the University Of Miami. The dissertation research is being supervised and chaired by Soyeon Ahn, Ph.D., Associate Dean for Research at the University of Miami. This survey should take approximately 20 minutes to complete.

PARTICIPATION
Your participation in this survey is completely voluntary. You may refuse to take part in the research or exit the survey at any time without penalty. You are free to decline to answer any particular question or series of questions you do not wish to answer for any reason.

BENEFITS
You and the community college that you represent will receive no direct benefits from participating in this research study. Your responses, nonetheless, may help me learn more about, as well as to understand, the process that community colleges used for identifying and creating strategies to address legislative and local budget cuts; the mechanisms used to implement these strategies; the effectiveness of these strategies; and the role that diversity, size, location, and longevity of president has on the success of these strategies.

RISKS
There are no imaginable physical, mental, or emotional risks involved in participating in this study.

CONFIDENTIALITY
Your survey answers will be sent to a link at Qualtric.com where data will be stored in a password protected electronic format. Qualtrics does not collect identifying information such as your name, email address, or IP address. Therefore, your responses will remain anonymous. No one will be able to identify you or your answers, and no one will know whether or not you participated in the study.

CONTACT
If you have questions at any time about the study or the procedures used in the study, I may be reached at my office at (305) 237-2992 or via email at b.stokes@umiami.edu

ELECTRONIC CONSENT: Please select your choice below. You may print a copy of this consent form for your records. Clicking on the “Agree” button indicates that

- You have read the above information
- You voluntarily agree to participate
- You are 18 years of age or older
- □ Agree □ Disagree
Appendix D: Email to CASE Regarding Survey

Good afternoon Ms. Brecht,

Attached you will find two documents pertaining to the launch of my survey “Managing Legislative and Local Budget Cuts: Strategies Used By Community Colleges”:

- Letter to Case Members (Survey Participants)
- Email Message Request Form

Besides the information detailed in the Email Message Request Form, I wanted to make sure that we agreed on the steps regarding the launch of the survey. I would like for the survey to be launched on Tuesday, July 5, 2016. Access to the survey will be closed on Friday, July 29, 2016. During the time period between the launch date and the close date, I would like that two (2) email reminders be sent to the survey participants. The first reminder should be sent on Wednesday, July 13, 2016 and the last reminder should be sent on Monday, July 25, 2016.

Please let me know if CASE requires any additional information to make this happen.

I am both humbled and pleased that CASE has approved my survey to be distributed among its membership. I look forward with great enthusiasm to the survey results and to the contribution that this study will [hopefully] make to the advancement and support of education.

Here is the link to the survey: PLACE LINK HERE

Respectfully yours,

Brian Anthony Stokes
SURVEY REMINDER: Managing Legislative and Local Budget Cuts: Strategies Used by Community Colleges

Dear College Presidents/Foundation Presidents:

On July 18th you received an email from me petitioning your support on a dissertation study regarding strategies used by community colleges and their respective foundations. As a seasoned college administrator myself, I know far too well how busy schedules dominate the day-to-day business activities of those of us in higher education. This is why I am sending this message as a gentle reminder to please complete this very worthwhile survey.

The dissertation, “Managing Legislative and Local Budget Cuts: Strategies Used by Community Colleges”, will help collect data and provide answers to never-before gathered research information. This is particularly true with respect to financial research about state and local legislative budget cuts and about measures currently underway to address the reduction of these resources to community colleges since 2008.

The research data will be useful in guiding community colleges on plausible and effective strategies currently being used to supplement the dwindling financial resources from state and local legislative entities. This data will not be used for purposes other than this dissertation, academic presentations and publications.

Please select the following link to begin the survey: Managing Legislative and Local Budget Cuts: Strategies Used by Community Colleges

Thank you, in advance, for your time and commitment to this valuable research project.

Cordially,
Appendix F: Survey Reminder II

Dear College Presidents/Foundation Presidents:

On August 26th and August 30th I sent follow-up emails petitioning your support on a dissertation study regarding strategies used by community colleges and their respective foundations. As a seasoned college administrator myself, I know far too well how busy schedules dominate the day-to-day business activities of those of us in higher education. This is why I am sending this message as a gentle reminder to please complete this very worthwhile survey.

The dissertation, “Managing Legislative and Local Budget Cuts: Strategies Used by Community Colleges”, will help collect data and provide answers to never-before gathered research information. This is particularly true with respect to financial research about state and local legislative budget cuts and about measures currently underway to address the reduction of these resources to community colleges since 2008.

The research data will be useful in guiding community colleges on plausible and effective strategies currently being used to supplement the dwindling financial resources from state and local legislative entities. This data will not be used for purposes other than this dissertation, academic presentations and publications.

Please select the following link to begin the survey: Managing Legislative and Local Budget Cuts: Strategies Used by Community Colleges

Thank you, in advance, for your time and commitment to this valuable research project.

Cordially,

Brian A. Stokes
Appendix G: Survey Reminder III

Dear College Presidents/Foundation Presidents:

I know that I have been a pest lately. But please reflect back to the days when you were completing your dissertation and the sense of urgency that you felt during the data-gathering stage. I, thus, trust that you will forgive my badgering regarding your completion of the survey for this research project. I promise that this is the final reminder.

If you have started the survey but have not completed and submitted it, I humbly ask that this be finalized by the end of the business day on Friday. If you have not taken the survey, I beg that you give me fifteen to twenty minutes of your [understandably] valuable time and complete the survey questionnaire. My deadline for having all of the survey data returned is tomorrow - Friday, September 9, 2016 and I would be eternally grateful if you would complete the survey by that deadline date.

Please remember that the survey will collect data and provide answers to never-before gathered research information with respect to state and local legislative budget cuts to community colleges and about measures currently underway to address the reduction of these resources to since 2008. As a fellow-administrator with twenty-five years of experience working in higher education – primarily at the community college level – I am committed to the community college mission and to student success. And I trust that you can relate to my passion for higher education in general and for community colleges in particular.

My heartfelt thanks to you for your input and for your commitment to this valuable research project.

Cordially,

Brian A. Stokes
Appendix H: Survey Completion Letter

Dear Survey Participant:

Please allow me to express my heartfelt gratitude to you, and to the institution you represent, for taking the time to complete this survey. This dissertation research project will contribute substantively to understanding the strategies that community colleges are using to address state legislative and local budget cuts. I hope that the quality of this research will lead to its publication and to further spark additional research in this area of higher education.

Again, I sincerely thank you for your contribution.

Brian Anthony Stokes
Doctoral Student – University of Miami