

# **Sustainability!**

## **Staying Alive in (Extremely) Difficult Times**

A Roundtable Discussion

**FACILITATED BY**

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## **Continuing Education**

**CE is an anomaly within the SUNY/CUNY system (s). It functions more like a non-profit organization than an academic department.**

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## **Three Major Organizational Structures/Sectors**

- 1. For Profit - Business/Corporations**
- 2. Not for Profits (NGOs)**
  - Social Services, Foundations, Museums, Libraries, Hospitals.**
- 3. Public – Government**
  - SUNY/CUNY instituted as per NYS Education Law**

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## Non-Profits

- ✓ Mission Statement
- ✓ By-Laws
- ✓ Board of Directors set broad policy
- ✓ State incorporation
- ✓ 501 {c} {3} IRS status
- ✓ CEO/Executive Director –  
executes policy as set by Board

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## SUNY/CUNY

- ✓ Board of Trustees set broad policy
- ✓ Mission Statements
- ✓ By-Laws and college wide  
policies/procedures
- ✓ 501 {c} {3} status through RF/SUNY  
and RF/CUNY
- ✓ Chancellors implement Board policy
  - Presidents implement Chancellor's  
policy
  - Deans/Directors implement  
President's policy

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## Continuing Education

- ❑ CE is both perceived and experienced as tangential  
to the primary academic mission of the college.
- ❑ CE is less of a priority for the University/College re:  
allocations or tax-levy funds.
- ❑ CE productivity outcomes are frequently related to  
funding source requirements. These can vary  
greatly depending upon sources of support.
- ❑ CE does not have a core constituency (alumni) who  
will make contributions.
- ❑ It is difficult for CE to mount special events  
independent of the college.

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## Continuing Education (2)

- CE is much more dependant on it's own ability to raise funds, primarily through tuition/fees, grants and contracts.**
- CE is frequently evaluated by college presidents on its ability to increase revenue and/or contribute revenue to the college.**
- Few CE staff have tenure - their positions are contingent upon continued funding.**
- Sustainability is a major issue for CE.**

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## Continuing Education : 3

- Low priority for SUNY/CUNY
- Lack of clarity as to where it should be in college structure
- Dependent, to large extent, on external funding
- Staffed by "generalists"
- Has different organizational culture than rest of college
- More leader-driven than other college departments.  
Dean/director has more power and authority than other deans and chairs
- More entrepreneurial than other college departments
- Ambiguous relationship with Research Foundation

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## SUNY/CUNY Funding

- The overwhelming majority of funding for both systems is from appropriations (tax-levy).
- The second largest source of funding is tuition.
- Even though appropriations - tax-levy funds – can vary from year to year depending upon political and economic circumstances, difference is made up by increasing tuition and creative enrollment strategies.
- SUNY/CUNY colleges can also raise funds from grants (primarily research), alumni contributions and special events.
- Sustainability is not an issue.

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## Funding - 1

Funding can come from many different sources. The most common are:

**Appropriations** – Tax-levy funds designated by law or elected officials (includes 'member items')

**Grants and Contracts**

- (1) Public agencies release an RFP (Request for Proposal) indicating that funds are available to provide a particular service
- (2) Contracting with a public, private or non-profit organization, including unions, for a particular service. Can be unsolicited or sole source.

**Fee for Services** – tuition, admission fees, annual dues, third part reimbursement

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## Funding - 2

**Allocations** – Annual amounts given by a federated agency such as United Way, Catholic Charities, Federation of Jewish Philanthropies, United Black Charities

**Foundation Grants** – Almost 73,000 grant making foundations with assets exceeding \$500 billion. Must contribute 5% of last years assets. In 2005 they gave more than \$33 billion in grants. In general foundations like to fund demonstration or pilot projects, rather than general or operating expenses. Rarely give grants in excess of \$50,000.

Not clear how they are affected by economic 'crisis'.

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## Funding - 3

**Donations from supporters** – includes face to face contributions, direct mail campaigns and phonathons. Usually assumes a core constituency (board members, alumni).

**Special events** – tribute dinners, sports events, auctions, bake sales, "Run for the Cure".

**Planned Giving** – contribute a certain amount on a regular basis; as part of a death benefit; deferred gifts; gift annuities.

**Affinity Cards** – credit cards that donate a portion of each transaction

**Cause-related marketing** – Buy our product and we'll donate to your favorite charity.

**Internet** – reaches vast numbers of potential contributors.

All of these strategies presume substantial initial outlays and a lot of hard work from staff dedicated to fundraising.

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## Reality Check – 2008/2009

- Substantial deficit projected for New York State and New York City
- Planned cuts to SUNY could exceed \$277M.
- Planned cuts to CUNY so far at almost \$60M
- State funding to nonprofits is reduced 6%; earmarks reduced by \$50 million
- City funding reduced 3%. \$75M of that was cut from community programs.

*"This is the worst we've experienced in my 16 years here. After 9/11 things were rough but this is rougher". William Rapfogel, CEO, Metropolitan Council on Jewish Poverty. Crains, p. 3, 9/01/08*

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## Reality Check: 2

- **NYC Controllars Office projects the city could lose 165,000 jobs over the next two years – NYTimes , 10/15/08**
- **NYC nonprofits rely on the last three months of the year BONUSES to raise 50% of their annual budgets. Many nonprofits depended, specifically, on donations from Bear Stearns, Lehman Brothers, Merrill Lynch, AIG and Washington Mutual –NYTimes , 10/7/08.**
- **Increased competition from nonprofits, faith-based organizations, for profit organization and proprietary schools for limited funds.**

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## Strategies for Survival

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