Transforming Community Foundation Scholarship Programs from Administrative Burdens to Strategic Assets

Council on Foundations in collaboration with the National College Access Network and Stanislaus Community Foundation
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Thank you for joining us. The webinar will begin shortly!
• Housekeeping Items
• Introductions
• Council on Foundations
  – Today’s Environment of CF scholarship program
  – Legal Latest: rules and regulations
  – Implications for Impact program models; new approaches
• National College Access Network
  – Competition and Donor-Centric Focus
  – Data and Strategic, Needs Based programs – why to use it
  – Assessing polices, procedures, and measuring impact
  – Informing and Involving Contributors
  – Next Steps to Design an Initiative
• Stanislaus Community Foundation
  – Putting theory into practice – lessons learned and early reactions
• Q&A
Today’s Objective

- Review Key Findings from the May 2017 white paper, *The Surprising Way Community Foundations Can Transform Students' Lives and Delight Donors*

- Demonstrate measurable impact and attract new donor dollars to transform scholarship programs as part of a strategic postsecondary attainment initiative

- Legal considerations involved with program changes and existing scholarship funds, as well as policies going forward

- Practical considerations to streamline your scholarship program, address admin fees and fund minimums, and general scholarship administration
Welcome

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Community Foundations’ Scholarship Programs National Landscape

Council on Foundations
National Landscape

Remain Popular
– Donors understand scholarship awards
– Education #2 giving subsector nationally

Donor Driven, not needs driven

Historic precedence
– Scholarships are a long-standing program in the philanthropic and CF landscape

Total 2016 contributions: $390.05 billion
Majority are merit-based
– “…criteria heavy scholarships are not making impact for low-income youth or helping to drive postsecondary attainment in the region” - NCAN report

Educational Equality remains a critical issue

Donor Intent vs. Community Impact
– “The focus on the donors becomes an end in itself, rather than a means to community impact” - NCAN report
CF Program Needs

To Reduce Administrative Burden
- Nuisance grant guidelines driven by donors
- Donor involvement
- Grant amount vs. benefit ratio

To Adjust Fee Structures
- Typically doesn’t equate to fund workload

To Address Time Consumption
- Grant process is annual, cumbersome, complex
- Limited renewals, annual process either way
- Engaging recipients beyond scholarships is limited
Questions to Consider

Can scholarship funds serve both donor and recipients effectively?
  – Striking the balance of effectiveness and meaningfulness

Why do scholarships matter?
  – What is their purpose (historically and today),
  – What is the impact? What impact do we desire going forward?
  – What is their strategic position within overall grantmaking portfolio and foundation outcomes?

To what end do they serve the community?
  – To what end can they serve?
  – Can they close the local skills gap, advance brain gain, address workforce readiness and economic prosperity?
Community Foundations’ Scholarship Programs
Legal Updates
Council on Foundations
“Scholarships” are Grants to Individuals
  – Distributions of money or property to assist persons who are pursuing their education

Scholarships (IRC § 117)
  – “Qualified Scholarship”
    • Recipient : Candidate for a Degree
    • Where : @ an Educational Organization
    • Purpose : Paying qualified tuition and expenses
26 U.S.C.A. § 4945(g)

- “Objective & Nondiscriminatory”
  - Charitable Class
  - Selection Committee

DAFs May NOT Grant Scholarships

- § 4966(c)(1)(A)
Community Foundations’ Scholarship Programs

National College Access Network
• Competition
• Donor-centric focus only
• Education-related giving is popular
• Scholarships viewed as a burden, not an asset
Strategic, Need-Based Scholarship Program

- Usually directed at a population in need
- Required access and success support services
- Award amounts in relation to the individual financial aid package
- Renewing awards
- Research basis
- Leverage all aid sources
- ROI for scholarship donor dollars
Data: Understanding Need

- Student characteristics, demographics, and readiness
- Regional workforce trends
- Currently available student support services, providers, and scholarship programs
Stanislaus County is a community of choice where people live, work, and thrive.

We nurture partnerships and grow charitable resources to advance the common good.

Values:
- Community through Collaboration
- Impactful Charitable Legacies
- Lens of Abundance
- Joy to Work With
- Inclusive Leadership
- Bold Systems Thinking
STANISLAUS COUNTY IS FALLING BEHIND

STANISLAUS COUNTY COLLEGE GRADUATES

CALIFORNIA COLLEGE GRADUATES

Projected economic demand
Projected supply

Percentage

Some college
Bachelor's degree or higher
STANISLAUS COUNTY IS FALLING BEHIND

Graduate from College within 6 Years

Do Not Graduate

Graduate from High School
Community Philanthropy for Student Success Initiative

- Partners with 7 Community Foundations across California
- Provide scholarship and advising support
- Attract funds from local donors
- Convene local stakeholders
FOCUS AREAS

ACCESS
Educate students and their parents about college options and access to financial aid.

ATTAIN
Build strategic, needs-based scholarship funds and invest in students with great financial need.

ALIGN
Work with high school districts and institutions of higher education to embrace best practices.
Possible Partners

- Community-based organizations (CBO’s) with a college access mission
- Other nonprofit organizations that have a youth services-related mission
- School districts, County offices of education, and Higher education institutions

Potential Models

- Community Foundation and Partner have complementary roles
- Community Foundation has lighter role, Partner takes on majority of activities
Partner Roles

• **SCF** manages scholarship process, engages donors to raise new funds, convenes education partners, and provides backbone support for the initiative

• **Stanislaus County Office of Education** provides outreach guidance to students/parents at 7 participating high schools

• **Districts & Local Colleges** promotes scholarships, shares data, participates in communities of practice, provides leadership in systems-level discussions
• Assess scholarship guidelines and processes for barriers and effects
• Outreach, messaging, tools, application requirements
• Evaluation forms, award amounts, payment guidelines
Measuring Impact

- Student persistence and completion data
- Financial aid packaging
- Scholarship attrition rate and history
- Data release forms
• Community Foundations excel at accommodating donors
• Community Foundations are sometimes reluctant to proactively educate donors
• Donors are eager to make impact and to be shown that impact
Early Wins in 2016/17?

**ACCESS**
Educate students and their parents about college options and access to financial aid.

- FAFSA Completion Rate Increased from **32%** in 2016 to **42%** in 2017

**ATTAIN**
Build strategic, needs-based scholarship funds and invest in students with great financial need.

- SCF raised an additional **$530K** in strategic, needs-based scholarship dollars

**ALIGN**
Work with high school districts and institutions of higher education to embrace best practices.

- Cross-sector action teams established; normalized data sharing across systems, new professional relationships forged
SCF Perspective

• Changed our orientation towards scholarships
• Improved scholarship practices
• More data-driven, with a focus on outcomes
• Stronger donor engagement for scholarship ‘asks’
• Increased impact
• Better philanthropy
Next Steps to Design an Initiative

- Program assessment
- Data on students and need
- Partners
- Donor strategies and messaging
Community Foundations’ Scholarship Programs
Next Generation Awards
Council on Foundations
Engage and Educate Donor Audiences

– Create small, focus groups – *donor opportunity*
  • Share their own stories for giving, learn from one another
  • Motivate fund growth and alignment for correct fund strategic direction

– Enlist community partners, post-secondary data, corporate leaders, workforce and economic experts
  • Identify broader opportunities / needs of community and recognize workforce needs
  • Demonstrate economic prosperity requirements for future generation success

Hone the Foundation’s Strategic Direction

– What role can donors, your foundation, and scholarships play to fill local educational needs gap?
– How can it realign to fulfill other community needs?
– Identify the needs to be fulfilled and the Foundation’s role
Practical Adjustments

Degree Attainment vs. Scholarship Awards

- Focus on achieving the degree (2-4 year commitments)
- Recognize majors and career interests shift
  
  *Invite donors to grow fund to focus on degree attainment*

Pooled funds to maximum $$ awards

- Pool similar funds to support degree attainment and qualified levels of awards to ensure impact
Fund Minimums

– Establish realistic fund minimums for scholarships
– Can’t meet the minimum?
  – Suggest classroom funds

– Identify alternative needs such as afterschool programs, libraries, technology, and programs related to the field of interest

– Consider other barriers to education

http://www.digitaldivide.com

https://www.cof.org/event/how-essential-broadband-your-community
Reverse Scholarships – *donor opportunity?*
- Eliminate debt for local or nonprofit commitments
- Recruit talent to the area

Fellowships & Internships - *donor opportunity?*
- Nonprofit summer jobs for college students
- Expose recipients to local job market | economic prospects

Re-use Scholarship Database - *donor opportunity?*
- Maintain recipient database to share local job offerings
- Collaborate with local economic development office
Additional Resources

• COF Legal & Business Practices
  • COF’s Scholarship FAQs

• NCAN Strategies and Expertise
  • Read NCAN’s blog entry
  • Download NCAN’s white paper
Today’s Objective

Did we achieve what we set out to do today?

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Thank You for Joining Us for
Transforming Community Foundation Scholarship
Programs from Administrative Burdens to Strategic Assets

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Upcoming Webinars and Events

Data and Transparency with Guidestar President & CEO
Nov 2, 2017 | 2:00-3:30pm | Save the Date

Community Foundation Week 2017
Nov 12-18, 2017 | #CFWeek

Community Foundation Legal Webinar
Nov 15, 2017 | 2:00-3:30pm

Learn more and register at www.cof.org