

The following notes were taken from a panel discussion at the first annual meeting of the nascent Rural Community College Alliance (RCCA), held in Memphis, TN, October 7 – 10, 2002.

RCCA is an outgrowth the Rural Community College Initiative (RCCI), staffed and facilitated by [MDC, Inc.](#) of Chapel Hill, NC in RCCI's demonstration phase from 1994 – 2001. During that period RCCI was established with funding from [The Ford Foundation](#) in the belief that rural community colleges are uniquely poised institutionally in many rural areas to foster both economic development and access to education, both of which are critical to alleviating poverty in distressed rural areas. RCCI has worked to expose participating colleges to new ideas through learning and capacity building; has helped rural community colleges test new approaches to economic development and expanded educational access; has introduced remote rural colleges to a network of alliances for mutual support, learning and advocacy; and has helped to raise awareness and advocate for policy issues affecting the future of rural community colleges.

In 2002, RCCI has begun a new chapter in which participating colleges have formed a new membership organization, the Rural Community College Alliance (RCCA). This organization, staffed and supported by the [Southern Rural Development Center](#) (SRDC) at Mississippi State University and the [North Central Regional Center for Rural Development](#) (NCRCD) at Iowa State University, both of which are USDA-supported technical assistance, training and research facilities. In this new phase of the program, land-grant universities will work to support and strengthen RCCI/RCCA colleges. For more information on the new program, see <http://srdc.msstate.edu/rcci/02request.htm>.

The focus of the panel discussion below was to bring together various types of funders to share their insights with RCCA members regarding the importance of diversification of funding sources and creating a sustainable mission for RCCA colleges as critical intermediaries in bringing about more viable economies and improving the quality of life for rural areas and residents.

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Sustaining the Work of Rural Community Colleges: Diversifying Your Funding Base
Notes from Speakers, October 8, 2002

There is no state where core funding of community colleges adequately supports the aggressive access and economic development activities demonstrated by RCCI colleges. Presenters in this workshop believe the solution to this dilemma involves diversifying the college's funding sources, looking increasingly to regional funders, and adopting a game plan aimed at creating a sustainable funding stream.

Jim Richardson, National Rural Funders Collaborative

1. NRFC was established in 2001 to expand awareness and resources for rural communities and rural families in rural areas faced with persistent poverty. As a collaboration of national and regional funders, public and private partners, and funders and practitioners working together, NRFC seeks to fund greater sustainability of regional efforts, to learn from best practices and to support needed policy change.

2. One of the keys to sustainable success in rural areas is identification and strengthening of area intermediary organizations and institutions that are “re-inventing” themselves to play a strategic and catalytic role in their region. Several community foundations and community development financial institutions in rural areas are playing just such a role; rural community colleges may also be in a position to play this type of role in some rural areas.

Rick Foster, W.K. Kellogg Foundation

1. Rural community colleges are an integral part of the communities they serve and must be engaged early in the process of setting community vision and planning and designing development activities and programs.
2. Rural community colleges can be even more proactive in creating customized revenue streams by thinking of themselves as "corporate classrooms" for business and industry needing continual educational and development support.
3. Rural community colleges will only be viable into the future if their rural community counterparts are viable as well. RCCA must be active in not only rural economic development, but in collecting, analyzing, and disseminating the information needed to support effective rural policies that leads to healthy rural communities.

Sally Maggard, Cooperative State Research, Education, and Extension Service, USDA

1. At USDA, we understand that the federal role in development has changed:
 - From an old model of experts delivering discrete programs designed at the federal level – USDA now works as a partner, bringing resources and expertise to the table as communities design their own futures.
 - To be a partner in community-led development, USDA understands that partnerships are long term.
 - New directions emphasize place-based holistic approaches that link the full range of community assets and diverse partners.
2. Inside USDA, staff are working to encourage department-wide coordination.
 - Information exchange and communication across mission areas and programs within mission areas are priorities.
 - Joint programs, initiatives, and budget strategies will lead to a better-coordinated and streamlined Department and federal partner.
 - USDA is laying the groundwork and leadership to interface with community, public, and private partners.
3. For rural and community prosperity, USDA seeks partnerships to work toward successful development. Rural community colleges are ideal partners and play essential roles in sustainable rural, community, and economic development.

- Durable organizations are key, and USDA sees rural community colleges as essential durable organizations.
 - Leadership is key, and rural community colleges can build effective leadership development.
 - Civic capacity is key, and community colleges can make essential contributions to the capacity for individuals to participate in community planning and program implementation.
 - Civic engagement is key, and community colleges can insure broad, inclusive engagement in community-led development.
4. Inside USD, the Cooperative State Research, Education, and Extension System (CSREES) can offer diverse resources for rural development activities:
 - Research (data, effective knowledge base, tools, assessment, and tailored resources)
 - Education (professional development and community development skills building, next generation of educators and researchers, educated future leaders)
 - Outreach education (flexible, high quality, affordable, and accessible extension programs tailored to place-specific needs)
 5. There is no room for competition and division among people and organizations who understand that rural matters. Rural America needs partnerships and collaborations.

Jeff Yost, Nebraska Community Foundation (NCF)

1. The Nebraska Community Foundation is a 501c(3) non-profit corporation that exists to help concerned individuals mobilize charitable giving to support the betterment of Nebraska communities and organizations. The Foundation provides affiliated fund status to communities, organizations, and donors throughout Nebraska, allowing them to achieve non-profit charitable status without forming their own corporation. The Foundation now has 155 affiliated funds and current assets of \$14 million. Over the last five years, Foundation affiliated funds have reinvested over \$25 million in Nebraska communities and projects.
2. The Nebraska Community Foundation has completed analysis of the projected intergenerational transfer of wealth in Nebraska, based on analysis completed at Boston College in 1999. This estimate is \$258 billion in Nebraska in the next 50 years. Further, NCF has done county-by-county projections, and has completed a projection for non-metropolitan residents. The estimated transfer of wealth for rural Nebraska residents (those living in communities less than 12,000 population and unincorporated areas) is \$94 billion (which is approximately \$125,000/person for those 750,000 residents). Further the Nebraska-based analysis projects a peak transfer of wealth, which is primarily driven by migration rates and age demographics. It is projected that rural Nebraska will reach the peak of its

projected wealth transfer about 2015, with 22 rural counties having a wealth transfer peak occurring between today and 2014.

3. This estimated transfer of wealth creates a remarkable, one-time opportunity for communities to build philanthropic endowment funds to create perpetual support for a variety of community and economic development essentials, including education, health care, libraries, parks/recreation, day care and elder services, scholarships, leadership development, and much more. If just 5% of the \$94 billion is ultimately gifted to these types of community endowments, this would create endowments of nearly \$5 billion, which would have annual distributions/reinvestments of \$250 million each year, forever.
4. More on the Nebraska Community Foundation, and the work of its affiliated funds, can be found on our website at www.nebcommfound.org

Carol A. Lincoln, MDC, Inc.

1. RCCI has generated several resources that can be useful to community colleges seeking to diversify their funding base and raise funders' awareness of the role colleges can play in rural development. These resources include:
 - **Community Colleges and Rural Development: Strategies for Funders.** This package informs foundations and public agencies concerned with rural development about lessons from the RCCI experience. The paper highlights the potential for rural colleges to serve as catalysts for community renewal and offers insights about designing and managing effective rural development initiatives. The accompanying video features interviews with rural development experts speaking about community colleges as catalysts for change.
 - **Tips and Insights for Fund Raising from Private Philanthropy.** This video is from a September 1999 teleconference designed for community colleges and their community partners. Topics covered include trends in philanthropic grant-making; the culture of the foundation world – how foundation staff and board members think and make decisions; capacities foundations look for in potential grantees; and ways to overcome fund-raising challenges faced by small, rural, and tribal institutions.
2. In addition, three policy briefs targeted to federal, state, and regional policymakers highlight the funding needs of rural community colleges:
 - **Toward Rural Prosperity, A State Policy Framework in Support of Rural Community Colleges.** This paper offers a framework to help community college advocates assess the alignment of state policies with the RCCI philosophy and mission. It discusses models for state support of community and economic development, educational access, workforce development, and technology, and it assesses how alternative funding and governance systems affect rural community colleges' capacity to serve their communities.
 - **Preserving Access with Excellence: Financing for Rural Community Colleges.** This paper analyzes the effect of community college funding trends on rural community colleges and their students. It makes the case for

increased state and federal investment to expand the capacity of these institutions and expand access to education for low-income students.

- **Title III: A Critically Important Federal Initiative Supporting Rural Community Colleges.** This is a policy paper written to initiate a dialogue on increasing Title III funding in preparation for upcoming reauthorization of the Higher Education Act.