

Consortium and Center Diversity: Our Differences, Our Strengths

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Did you ever wonder how educational consortia and centers make decisions? Or how their governing boards are organized? To investigate such questions, in April 2010 a survey of consortial directors was undertaken, with the goal of being able to better describe educational consortia and provide benchmarking information to guide organizational development.

The survey, administered online, consisted of 68 questions divided into the broad categories described below. The 28 respondents were members of the Association for Consortial Leadership (ACL), a national association that serves as a forum for higher education professionals involved in directing the work of cooperative organizations. ACL's members include professional staff who work for 58 consortia and university centers, individuals from other higher education organization, educators and researchers who are interested in collaboration, and representatives of companies serving higher education. The survey captured data from the directors of 48% of the ACL consortia and centers. The findings, coming from varying sized organizations in diverse geographic locations, may surprise you.

The survey results are useful tools for understanding consortia and for comparing individual organizations to an aggregate model. The composite snapshot will stimulate constructive conversations within and among consortia, as a means of exploring options for change or confirming current patterns of operation.

Logistics

Logistic questions in the survey focused on the housing and location costs of the organization's office. Results showed that nearly all of the respondents have a centrally organized office, with 60% of them located on a member campus. If the office is housed on a member campus, 56% of the organizations do not pay rent or overhead. Twenty-five percent pay rent only, 6% pay overhead only, and 6% pay both rent and overhead.

Taxes and IRS Status

The survey inquired about non-profit status, financial auditing, IRS Form 990 reporting, and accounting functions. Almost 80% of the responding consortia are classified as non-profit organizations, with 64% designated as 501(c)(3) organizations by the IRS. Nearly 70% of the organizations have their finances audited annually. Of the nine who are not audited, three are small 501(c)(3) organizations. The IRS Form 990s are prepared by a variety of means. For more than half (54%) of those consortia that submit a Form 990, an external auditor or tax preparer is hired. For 32%, the forms are prepared by staff from one of the member campuses. For 11%, the task is assigned to internal consortial staff. The responses to questions about

accounting functions are almost opposite of the responses regarding Form 990 preparation. The organization's internal staff is responsible for accounting duties in 57% of the responses, while 32% use an accounting office on a member campus. Only 11% outsource accounting to an external firm. Of the three consortia making up the 11%, there is great variation in size of the consortia, number of staff members, and annual budgets, suggesting that the decision to outsource may be driven by custom or preference of the board or chief executive.

Purchasing

The survey also focused on purchasing as a common function of consortia. Of those responding, 36% are required to use state purchasing contracts and 39% must abide by state purchasing regulations. Furthermore, 29% report that the state contracts or regulations do hinder the purchasing process. More than half of the responding consortia (57%) have a checking or savings account separate from funds held by a member campus, and have a consortial credit card. Seventy-five percent of those who completed the survey indicate that their consortia have reserve accounts. However, not all consortia are credited with the interest earned by those funds; 61% have approval to keep the accrued interest.

Funding and Accounting

Most consortia (79%) collect dues as a source of operating funds and 43% are supported at least in part by grants or contracts. Nine consortia are fully funded by dues only and one consortium is funded by tuition only. All others report multiple sources of funding, with nine organizations funded by the most common combination of dues, grants, and contracts. The survey also asked about the percentage of the budget that comes from dues. The results show wide variation, with the largest group being seven consortia reporting that dues are 100% of the budget. Six consortia report that dues make up from 70 to 9% of the budget. Seven others report that dues are 25 to 50% of the budget. One consortia's budget is only 10% from dues. The size of the annual operating budget also shows wide variability, ranging from a high of \$35 million to a low of \$13,000. The average is \$2.5 million, although most commonly the budget falls between \$1.2 million and \$3.0 million. The average annual budget, leaving out the two highest amounts (\$35 million and \$10 million), is \$812,000.

Members and Employees

Organizational membership varies primarily by institution type and membership size. Of the organizations surveyed, 11% are public only, 38% are private only, 50% are both, and 3% are classified as other. Membership size is predominately fewer than ten members. Sixty-eight percent of the respondents reported having either 1-5 members (36%), or 6-10 members (32%). Eighteen percent have 11-15 members, 7% have 16-20 members, and 7% have between 100-200 members.

Associate or affiliate members are most commonly defined by classifications of “affiliate,” “partner,” or “associate.” Sixty-eight percent of the organizations do not have associate or affiliate members.

Staffing is divided into full and part-time employees. The most frequently reported number of full-time staff is one, which applies to 25% of the organizations. Ten percent have no full-time employees, 14% have 2-3, and 11% have 4-5, 6-7, and 8-9. Eighteen percent have a full-time staff of 10 or more. Part-time staff is less common; 36% have no part-time staff.

Employment of the staff is typically through the consortial organization (64%). Member campuses employ 46% of the organization’s staff. Employee benefits are similar to those found in other higher education institutions. The most frequently offered benefits include medical insurance, vacation and sick leave, other forms of insurance, and retirement plans.

Governance

To provide an inside look at the policies and customs of governance, the survey asked about the organization’s mission, activities and programs, board of directors, advisory boards, and standing committees. Fifty-five percent of the organizations identify themselves as a multipurpose organization and 48% indicate that their organization is an educational consortium. The consortia and centers engage in a variety of activities and programs, with professional and faculty development offered by 75% of the organizations. Fifty-four percent sponsor cross-registration and library cooperation. Others report participation in joint academic courses (46%), joint purchasing (46%), international programs (43%), information technology (43%), and joint activities involving grants (43%).

The board of directors of these consortia includes the member presidents of the colleges and universities 63% of the time. Others who typically serve on the board of directors include chief academic officers, financial officers, business leaders, and community organization leaders. The chairperson of the board of directors is elected or appointed 95% of the time. If the officers are elected, terms are usually between 1-2 years. Thirty-two percent of the organizations include 4-6 people on the board of directors, while 29% have between 7-10 members on the board.

Only 19% of the organizations surveyed have an advisory board. Advisory board members include professionals from partner institutions; business, community or organizational representatives from the local area; and others.

Standing committees are often the base of consortia, providing stability for ongoing operations. Sixty-seven percent of the organizations have standing committees and 76% of those standing committees include chief academic officers. Others who serve on standing committees include chief financial officers, chief information and technology officers, international education directors, and others.

Administrative or Executive Office

The executive directors of the organizations surveyed report directly to their board of directors 61% of the time, while others report to the chairperson of the board of directors or to the executive committee of the board. Most often (88%), the board of directors has the responsibility of hiring and firing the executive director; 72% of the executive directors hire and fire their own staff. When troubleshooting is necessary, about one third of the executive directors consult with the chair of the board. Others consult with individual presidents, key board members, and others.

Eighty-eight percent of the organizations' directors are evaluated on an annual or periodic basis and 67% of those evaluated experience a formal process. Evaluations are conducted by the chair of the board 43% of the time. Formal employment contracts or agreements are in place for 81% of those who completed the survey; of those who have contracts, 43% have a contract that covers only one year at a time.

Information Technology and Reporting

Communications and information technology yield some interesting differences among organizations. Eighty-six percent of the organizations do have a website. The 14% that do not report having a website stated that one is being developed. Website hosting is distributed nearly equally among three entities: 37.5% by the member campus, 37.5% by an external vendor, and 25% by the organization itself. Email hosting is most typically done by a member campus (64%).

The external reporting question showed that only 43% of organizations surveyed produce a newsletter. Most newsletters are in an electronic format and are produced twice a year. Annual reports are prepared by 54% of the respondents and are typically available electronically and in print. Annual reports are distributed primarily to board members (43%). Distribution also includes college communities (20%), committee members (17%), organization employees (13%), and other consortia (7%). Annual reports are not distributed to the general public by any of the survey respondents.

Conclusion

This 2010 snapshot shows that consortia typically offer a multitude of services including professional and faculty development, cross-registration, international education cooperation, and others. It also shows a wide difference in annual operating budgets, from less than \$20,000 to more than \$35 million. There is a corresponding range of full-time employees from zero to 290. It is not true, however, that because a consortium has a small budget it can only provide a small return on investment.

In summary, about 50% of the organizations purchase through a member campus and one-half produce a newsletter or an annual report. While 60% of the organizations' offices are located on the campus of a member institution, 40% have offices off-campus. Most organizations have a website. Executive directors are offered comparable benefits with most receiving retirement, medical insurance, vacation and sick leave. Eighty-eight percent of those who responded indicated that there was an evaluative process for the executive director. Most consortia are non-profit and operate with a board of directors and standing committees. Two-thirds of the organizations are audited annually by a variety of internal and external processes. Almost 80% have reserve accounts and more than one-half keep the interest that accrues.

Member dues fund 79% of the consortia. Additional information is required to understand the nature of how these dues are assessed—whether or not there are differences due to full time equivalents, the cost of operation, or another indicator.

Follow up areas of inquiry include identification of the evaluative tools used for consortial staff, the effects on consortial programs of varying staffing patterns, and successful budget models. This survey confirms the adage that if you've seen one consortium, you've seen just one consortium. Our differences and our strengths vary as much as our purposes and causes.

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