



Council of State Archivists: A Case for Sustainability

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Executive Summary

This *Case for Sustainability* emerged from conversations the Council of State Archivists' (CoSA) Board of Directors, committees, and Executive Director have had the last three years about how best to guide CoSA's organizational growth. Knowing that organizations go through lifecycles just like people do, we wanted to better understand how to anticipate CoSA's future growth and development.

Using a lifecycle model (see Appendix A) we assessed the management, governance, financial resources, and administrative systems that support CoSA's programmatic mission. We brought preliminary thoughts to CoSA's membership at the 2015 annual meeting. Your feedback fueled ongoing discussions regarding the organization's long-term viability, operational capacity, and ability to robustly meet its mission and serve its members. A number of factors informed the discussions, including:

- CoSA's historic reliance on membership contributions as the primary source of operating income
- Funding future of NHPRC as the sole source of some states' membership contributions
- Reliance on cyclical, federally funded grants to support programming
- Success in addressing the needs of the membership on issues such as emergency response and electronic records
- A growing reputation as an authoritative voice on public policy issues related to public archives and state history
- Clear indications that CoSA is ready to move to a new phase in its organizational development

Drafted in the fall of 2015, the *Case for Sustainability* underwent rigorous review and editing by CoSA's Finance and Development Committees and was presented to the Board of Directors. During a membership-wide webinar in January 16, it was announced that the *Case for Sustainability* would be a priority item for discussion at the Board's midyear meeting and presented to the full membership at the 2016 annual meeting.

The document recognizes that CoSA needs, and is ready, to move toward a more mature and sustainable model of operation. The *Case for Sustainability* reasons a considered approach to sustainability, examines CoSA's historical and current organizational model, recommends a path toward organizational maturity in five years, and lays out the financial requirements for implementation. It is not a proposal for a specific increase in membership contributions or implementation of a specific program; rather, it provides to CoSA's membership and Board of Directors the information needed to discuss the best model for the organization's sustainability and for charting a course of the membership's choosing.

Matt Blessing
President

Patricia Smith-Mansfield
Vice-President

Steve Murray
Treasurer

The Issues Facing CoSA

Sustainability merits consideration now. Quite simply, stabilizing the Council of State Archivist's (CoSA) non-grant financial position for the long-term ensures that important programs and member services flourish without interruption. It fosters organizational agility and responsiveness to members, and it supports mission growth as outlined in the strategic plan (Appendix B), such as expanding and elevating CoSA's advocacy role and achieving recognition as the authority on electronic records management, digital preservation standards, and best practices for state and local government repositories.

CoSA's leadership stated its intent to increase organizational sustainability by growing and recalibrating its non-grant operating income during a presentation to members at the 2014 Work Session. A funding model was proposed that called for a gradual lessening of our reliance on project-based government funding to support core programming and related staffing. Since then, the CoSA Board, committees, and Executive Director have explored a variety of possibilities, including annual-meeting revenue sharing, expanded corporate sponsorships, and new program partnerships, knowing that *CoSA's sustainability will need to be continually addressed over the lifespan of the organization*. We are mindful that "...more revenue streams don't necessarily mean greater annual surpluses or organizational scale. To attract new revenue streams, an organization has to develop and sustain new capacities."¹

CoSA initiates this conversation from a position of financial and programmatic strength, having developed a mature electronic records program with a critical mass of support behind it. Now is the ideal time to consider the short-term realities of maintaining great programmatic work and the long-term impacts of providing sustained services to the membership, as well as dynamic leadership to the archives profession.

CoSA is at an organizational crossroads. As CoSA's current project funding winds down and the organization enters a period of planning for the future, it finds itself at a critical juncture in its growth and development. Our past has been marked by many large and significant initiatives – emergency preparedness, regular state-of-the-state records surveys, electronic records management assessment and training, stakeholder network development, and advocacy for expanded federal funding for state and local government public archives. As a result, *CoSA's reputation as a trustworthy voice for the work of state archives has been clearly established, but we have failed to sustain many of the most important or most visible initiatives due to a lack of operational infrastructure*.

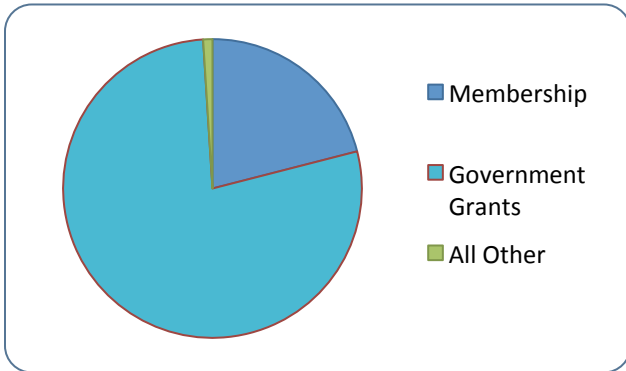
CoSA's reputation comes at a price. CoSA accomplishes its work with a highly committed volunteer corps supported by 1.1 full-time equivalent paid and contract staff and with funding from membership contributions, corporate sponsorships, and federal grants. All nonprofits need to carefully weigh sources of income with their internal capacities to manage those sources.² In CoSA's case, heavy reliance upon competitive government grants to create program momentum, and a certain amount of operating cash flow, takes its toll on the energy, creativity, and stamina of board members, project volunteers, and paid personnel alike.

¹ Kate Barr and Jeanne Bell. "The Executive Director's Guide to Financial Leadership." *Nonprofit Quarterly*. December 25, 2011. <https://nonprofitquarterly.org/2011/12/25/an-executive-directors-guide-to-fi-nancial-leadership/>. Accessed December 9, 2015.

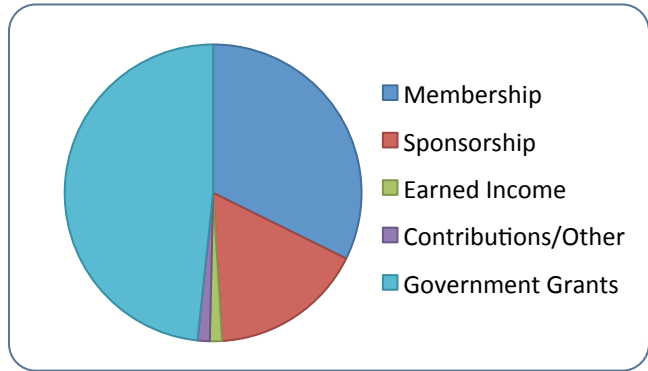
² William Foster, Ben Dixon and Matthew Hochstetler. "In Search of Sustainable Funding: Is Diversity of Sources Really the Answer?" *Nonprofit Quarterly*. March 21, 2007. <https://nonprofitquarterly.org/2007/03/21/in-search-of-sustainable-funding-is-diversity-of-sources-really-the-answer/>. Accessed December 8, 2015.

From 2006 to 2015, government funding of CoSA’s operations through membership contributions and programs has run between 72 and 99 percent of total income.

2006 Income



2015 Income



Strengthening the core. What does it take to ensure that programming, training, advocacy, and other important member services are available and continue to meet the needs of state archives? How does CoSA make the best use of talented and committed volunteers? How can we identify and build reliable non-grant income sources to support and sustain the mission? Without a strong operational and financial core, it is almost impossible to take on lasting substantive work. We believe that stabilizing and strengthening CoSA’s operational core is where the organization’s leadership must focus its attention in order to be successful for the future.

CoSA's History

The Council of State Archivists (CoSA) is a national organization comprising the individuals who serve as directors of the principal archival agencies in each state and territorial government. Many directors serve as the State Historical Records Coordinators who chair their respective State Historical Records Advisory Boards (SHRABs), which function as primary liaisons between the National Historical Publications and Records Commission (NHPRC) and state and local repositories. CoSA is the descendent of the Council of State Historical Records Coordinators (COSHRC), which was formed, in part, for the directors to have a voice in determining NHPRC's funding priorities. In 1989, the State Coordinators developed their first mission statement, which emphasized COSHRC's strong connection to NHPRC.

COSHRC began holding regular annual and midyear meetings in the early 1990s and undertook a succession of needs assessments and other projects during the ensuing decade. The data gathered and evaluated during these projects helped the State Coordinators to identify the many concerns that cross state lines and to recognize that solutions developed in one state could be fruitfully adopted and applied in many others.

At their 2001 annual meeting, COSHRC members voted to incorporate as a nonprofit organization. COSHRC members adopted a new mission statement and strategic plan in July 2003, emphasizing the organization's interest in advocacy and collaboration.

In July 2005, the members voted to change the name of the organization to the Council of State Archivists (CoSA). The new, more descriptive name has helped the Council with its increasingly visible work in outreach and advocacy. Working collectively through their membership in CoSA, the state archivists encourage cooperation among the states and SHRABs on matters of mutual interest, define and communicate archival and records concerns at a national level, and work with the NHPRC, National Archives (NARA), and other national organizations to ensure that the nation's documentary heritage is preserved and accessible. For five years, beginning in 2006, the National Archives maintained a Cooperative Agreement with the CoSA to undertake much of this work.

Long-standing partnerships with the National Association of Government Archives and Records Administrators (NAGARA) and the Society of American Archivists (SAA) resulted in annual meeting and advocacy collaboration that continues today. These important relationships provide CoSA with a strong collegial network and audience for its research, products, and programs.

Much has changed over the last ten years from a financial standpoint. On the downside, CoSA's Cooperative Agreement with NARA ended after five years of continuous support. On the upside, CoSA's non-grant income gradually improved: a corporate sponsorship program was inaugurated with Ancestry as a leading supporter at \$50,000 per year. Contributed income has become institutionalized with two annual appeals per year, and earned income is growing with product sales, an annual auction, and shared income from joint meetings with the Society of American Archivists beginning in 2016. A major milestone was reached in 2015, when CoSA was able to invest \$100,000 of reserve funds with a financial manager, with the goal of increasing income for operations over the long term. These initiatives, along with others, must be continued if CoSA is to successfully recalibrate its funding sources to stabilize its operations and lessen its operational reliance on government grants.

Upon Victoria Walch's retirement as executive director in 2012, CoSA decided to make Walch's successor an employee rather than continue the position as a contractual relationship. CoSA also relocated its office from Iowa City to Albany, NY; in doing so, the office went from the executive director's home to a rented office space at the New York State Archives. These attempts to further institutionalize CoSA's operations have brought additional financial responsibilities, but have been important steps on the path of organizational maturation.

CoSA Today

CoSA's current programs and services fall into four primary focus areas:

- professional and organizational development
- advocacy and policy
- research and information sharing
- network building

CoSA's current operational model relies heavily on the voluntary commitment of members supported by a small, part-time staff. Board members and project volunteers provide thousands of hours of time each year to plan, implement and evaluate CoSA's programs and services. This model requires a very high-level of member investment that runs the risk of volunteer burnout.

Major education and training initiatives, such as *Closest to Home*, the Intergovernmental Preparedness for Essential Records (IPER) Project, and the State Electronic Records Initiative (SERI) were created in response to member needs. CoSA has been extremely successful in receiving major funding from NHPRC, IMLS, and FEMA to carry out these programs. This funding supports program development, consultants and materials, *and* portions of ongoing operations. *When funding for these projects end, CoSA struggles to sustain them. As a consequence, CoSA lets former great work fall by the wayside as it searches for new funding for new projects.* A grants-driven cycle of project support means that CoSA constantly sprints from one new project to the next to keep the flow of funding coming into the organization. This cycle takes its toll on volunteer and paid personnel and does not provide a sustained level of service to members and stakeholders.

With SERI, CoSA is making a rigorous effort to sustain a program that could last a decade or more. It will require expanded sources of support and a level of dedicated staffing to sustain it. The CoSA board, Program, and Finance Committees have also discussed giving extended life to IPER at a level that is both manageable and accessible to our members.

Going forward, CoSA will seek to expand corporate sponsorships and programmatic partnerships that will extend or expand the lives of existing programs and services. It will investigate the development of programming that can provide one or more reliable income streams within and beyond the state archives community, thus creating a more stable financial platform from which to realize greater programmatic and service impact and value for our members. For 2016, the Finance Committee is projecting a general operating (non-grant supported) budget of \$200,375. *This will be the first year in a decade without some form of government-funded project grant offsetting the organization's routine expenses.* It is another major milestone for CoSA as it signals a point where we believe we can stand on our own operationally. *That is a very healthy sign.*

CoSA's Future: Greater Impact – Greater Value

CoSA has reached a point in its growth and development with much to celebrate and build upon for the future. In the years since our founding, we have established a strong network of communication and collaboration among state and territory archivists, established core member program areas, and undertaken major education and training projects in emergency preparedness and electronic records management; nurtured a committed board of directors and project volunteers; developed a financial model based on member contributions, corporate sponsorships, and government grants; and built administrative systems to support our core programming.

We are clearly at an important lifecycle transition. With these foundational elements in place, CoSA is now moving into another phase of development focused on strengthening our infrastructure to support our strategic plan (See Appendix B) and deepen our impact as an organization. This phase will address CoSA's ability to serve the needs of state and territorial archivists, in addition to the archives' staffs, with robust, responsive ongoing educational and training opportunities, intensifying our role as a source of trusted research and information, and advocating for the work of state archives at the national level and with the public.

The Characteristics of a Healthy CoSA in 2020

1. **Improved depth, scope, and efficiency of existing services (comprehensive program development, improved program delivery, communication, etc.):** Apart from our joint annual meetings with SAA and NAGARA, CoSA develops the majority of its programming independently, relying on grant funding or corporate sponsors to supply the resources needed to hire consultants and technical skills for large initiatives. Often, major initiatives are drastically scaled back or shelved altogether once funding is depleted. This is a concern to our members, as well as organizational leaders. Members will be best served if all of CoSA's programming is better integrated with dedicated staffing support (paid and/or volunteer).
2. **Increased ability to manage partnerships effectively for long-term training and advocacy initiatives:** With the IMLS-funded ACCESS planning grant, CoSA has identified allied organizations that are potential programmatic partners on a range of activities from training to advocacy. As the voice for the state and territorial archives community, CoSA must be ready and able to respond when and where needed, shape policy through collective action, build the capacity of state and territorial archives to be strong advocates for their missions, and help the public understand the impact of these agencies on their lives.
3. **New skills (maximize strengths, build programmatic expertise, etc.):** The board, volunteers, and staff bring a range of critical skills to CoSA's work. We know that successful 21st-century nonprofits must develop skills in critical thinking and problem-solving, creativity and innovation, communication and collaboration, in addition to information, communications, and technology skills.
4. **Improved mix of operating income to mitigate public funding impacts:** While CoSA maintains a healthy balance sheet, it relies almost exclusively on funding from government, whether in the form of membership income or project funding. At this time, CoSA's financial position is strong. It is a good time to assess the funding mix and experiment with new funding approaches. Nonprofit associations typically rely on a mix of contributed and earned income, such as membership, annual meeting revenue, and program revenue; corporate sponsorship, product sales, donations, and grant funding, which come from various public, private, corporate and individual sources (See Appendix C).

How to Get There

1. Commitment to sustaining mission-focused programs in the areas of professional and organizational development, advocacy and policy, research and information sharing, and network building.
2. Relevant and sustained programming, such as electronic records training and certification.
3. Board leadership that serves terms of 2-3 years rather than one year, providing stability for vision and mission attainment.
4. Diversify income sources in ways that recognize CoSA's needs and capacities to best manage and sustain them. At this stage of CoSA's development, partnerships with allied organizations and corporations and with national foundations offer the potential of greater value and reach while minimizing financial risk.
5. Assess membership's ability to sustain a phased contributions increase across all levels so that total membership income keeps pace with increased service and program expenses. Expand the number of membership categories to encourage agencies to increase their support and take advantage of additional benefits.
6. A full-time, salaried executive director and one full-time salaried or contractual program/member services/IT/financial support position to underpin the work of the board, committees, and project initiatives.
7. Technology and communications infrastructure adequate for keeping pace with member needs and for providing a superior product.

Network Building <ul style="list-style-type: none"> • Communications • Technology • Travel • Staff Support 	\$5,286 \$11,348 \$16,634 (8.5%)	\$7,032 \$11,688 \$18,720 (8.5%)	\$4,043 \$19,100 \$23,143 (9%)	Foster greater information and idea sharing among members/staff Initiate or participate in partnerships
Administration <ul style="list-style-type: none"> • Office Operations • Staff Support 	\$14,315 \$17,514 \$31,829 (16%)	\$17,784 \$18,039 \$35,823 (16%)	\$16,911 \$22,467 \$39,378 (15%)	Full-time ED; FTE program and IT support Increased financial management More fully staffed office operations
TOTAL	\$193,567	\$217,858	\$267,521	

Funding CoSA's Future Income Projection: 2016 - 2020

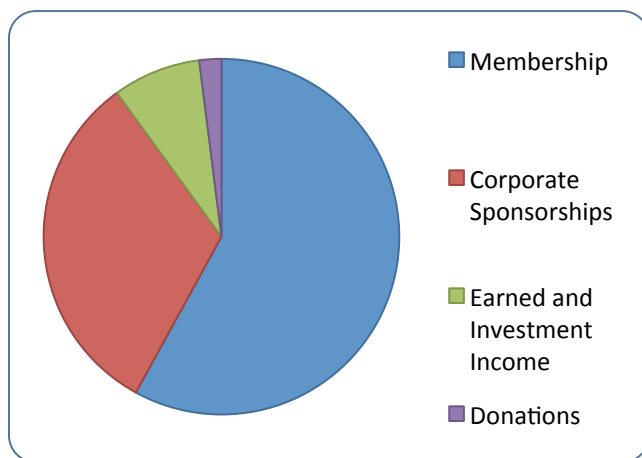
In order to achieve the greater impact-greater value scenario, CoSA needs to focus on

- Growing corporate sponsorships and programmatic partnerships that may have revenue-generating components (royalties, for example)
- Seeking appropriate national foundation partnerships and programmatic funding (Mellon, Sunlight)
- Developing/implementing/marketing electronic records standards/best practice certification
- Adding membership contribution categories and creating related benefits packages beyond the blanket package available to all; packages emphasize relationship-building and information access (tiered service system)
- Investing in creating/expanding educational partnerships and fee-based online training programs that can be promoted beyond the membership
- Investigating administrative cost-sharing with allied organizations

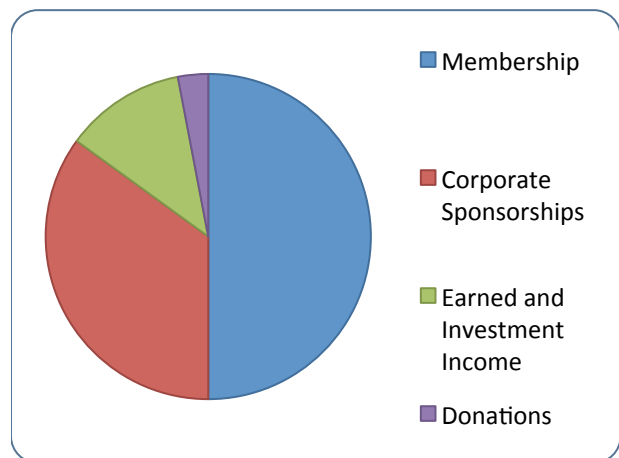
Target General Operating Income Sources (in descending order of size): federal and foundation grants for projects, membership contributions, corporate sponsorships, earned income, individual contributions

2016 Projected	By 2020
<ul style="list-style-type: none"> • 58% of income comes from government sources (state membership contributions) • 32% of income comes from corporate sponsorships • 8% of income comes from earned income (programs and sales) and investment income • 2% of income comes from individual appeal donations 	<ul style="list-style-type: none"> • 50% of income comes from government sources (state membership contributions) • 35% of income comes from corporate sponsorships • 12% of income comes from earned income (programs and sales) and investment income • 3% of income comes from individual memberships and appeal donations

2016 Projected Budget of \$200,375



By 2020 (See examples below)



Examples using 2020 percentages

Target Operating Income of \$220,000

\$110,000 Membership Contributions
\$ 83,600 Corporate Sponsorships
\$ 22,000 Earned Income
\$ 4,400 Individual Donations

Target Operating Income of \$270,000

\$135,000 Membership Contributions
\$ 94,500 Corporate Sponsorships
\$ 32,400 Earned Income
\$ 8,100 Individual Donations

Members have a role to play. CoSA is of, by, and for its members. Members direct CoSA's course and reap the rewards of its programs and services. It has taken a decade to almost double income from member contributions. That has been accomplished by more states and territories making membership contributions and by a number of states and territories working hard to increase their annual contributions. Since the number of members is fixed, the only way to increase income is to encourage all states and territories to pay membership contributions and, for those that can, work to increase membership contributions to better reflect agency size and value received. Refined and tiered benefits may also encourage some agencies to increase their membership contributions.

Additionally, *an affiliate program for retired state archivists, current archives staff, and students* interested in pursuing careers in state government archives will help to broaden support and raise awareness for the continuing contributions state archives make to the life of this nation and challenges they face to maintain vital stewards of the American record.

Appendices

APPENDIX A

Nonprofit Organizational Life Cycle

Developed by: Speakman Management Consulting, 404-622-1205, [www. Speakmanconsulting.com](http://www.Speakmanconsulting.com)

Adapted from: The 5 Life Stages of Nonprofits, Judith Sharken Simon, 2002 and The Conservation Company, 1997.