a deeper look

the role of green funds on campuses

by Mieko A. Ozeki
A History of Green Funds on Campuses

Over the past decade, “green funds” have become a popular funding mechanism for financing sustainability projects in higher education. The University of Colorado Boulder was one of the first institutions to implement a green fund in 1973 and for close to 40 years this fund has supported the operations of the university’s Environmental Center.

A green fund is a dedicated fund for campus sustainability projects such as renewable energy installations, energy retrofits, educational outreach and hiring sustainability personnel. Student fees, alumni donations, department budgets and grants are the main sources of funding for green funds.

According to a “North American Campus Green Funds Index” (NACGFI) that I created in 2010 and continue to update, there are currently more than 176 active campus green funds at 154 institutions of higher education in the U.S. and Canada (this does not include a type of green fund known as “green revolving loan funds,” which are tracked separately.

{Editors Note: For more information about green revolving loan funds, see the Billion Dollar Green Challenge information in the Bulletin Lens section on page 9.}

Most of these funds receive revenue from dedicated student fees and a large proportion of these funds are at public institutions. Green funds at private institutions are drawn from student fees, alumni donations, department budgets or third-party grants. At Swarthmore College (Pennsylvania), for example, the New York Times funds a $500 annual grant for students to design and implement campus sustainability projects.

Since 2008, I’ve managed the University of Vermont’s green fund, called the Clean Energy Fund, and worked with our 11-person committee to select renewable energy projects on campus. A dedicated fee of $10 per student per semester generates more than $225,000 per year toward this green fund for renewable energy research, education and infrastructure on campus.

The creation of this fund was driven by students in 2005 after they learned that while the university invested a portion of its general funds toward energy efficiency projects, there was no dedicated budget for renewable energy on campus. One of our most notable green fund successes to date was the installation of 17 solar trackers in 2010 that now supplies 20 percent of the electric power needed for the renovated George D. Aiken Center, home to the Rubenstein School of Environment and Natural Resources.

The NACGFI shows a significant jump in campus green fund approvals in 2007 as the American College & University Presidents’ Climate Commitment (ACUPCC) took effect on a number of campuses across the country. In 2008, however, both green funds and campus sustainability initiatives in general encountered a bump in the road due to the global recession, which put a damper on new initiatives. Approvals of new green funds dropped by 44 percent in 2008 (18 funds approved) from the prior year, when 33 funds were approved.

In 2009, the approval of campus green funds rebounded, with 36 new funds. In 2011, several Florida state colleges took part in the Florida Youth for Environmental Sustainability Coalition’s Student Green Fund Campaign. The University of South Florida approved a student green fee that will generate more than $1 million annually toward a green fund for energy efficiency and renewable energy projects.

Green Fund Focus Areas

Green funds can focus on one area of campus sustainability like renewable energy, recycling, public transit, or bicycle transportation. However, most green funds support a variety of campus projects, from organic gardens, light bulb swaps, and water bottle filling stations, to the launch of Eco-Rep programs.

Bulletin stories in 2011 reveal that solar installations were the most popular green fund-supported campus sustainability project that year, followed closely by sustainable agriculture and food security initiatives.

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Some institutions have multiple green funds, including the University of Colorado Boulder; University of Illinois at Urbana-Champaign; University of California, Santa Cruz; and University of Kansas. These funds address different areas of campus sustainability as well as student projects.

The Role of Green Funds
Green funds have a beneficial impact on college campuses, both as a learning tool (e.g., lessons learned from their establishment and management) and as an economic stimulus to the institution. This financial mechanism can also have a cumulative impact in a region or state when multiple campuses participate.

A presentation at Ball State University’s (Indiana) Greening of the Campus IX Conference in March 2012 provides a good example: Seven public institutions and two private institutions implemented campus green funds in Tennessee. Most of the funds are sourced from student fees and since the inception of the first fund in 2004 at Sewanee: University of the South, roughly $10 million has been generated for sustainability projects on college campuses in Tennessee. A majority of the funds went toward three categories of sustainability projects: green power purchases from local utilities, energy efficiency investments, and on-site renewable energy installations.

A vast majority of the green funds have an annual budget of less than $400,000. This means most projects are small, one-time investments or programs with minimal operations costs. Green funds are not always designed to be permanent funding streams for sustainability projects. They may play a useful role for campus communities to implement pilot projects and learn about new technologies or opportunities, but may not necessarily be intended to be long-lasting funds. Eventually some will sunset or become a budget line item in an institution’s general fund.

At the University of Vermont, our solar photovoltaic installation project taught campus members about renewable energy rebates, net metering and accounting for savings derived from energy production. The campus community also learned about developing processes and procedures for situations that fall outside business-as-usual operations. The Clean Energy Fund is currently undergoing a programmatic review for the Board of Trustees to assess the efficacy of this fund. We anticipate the CEF to continue operation with a strategic approach toward implementing renewable energy projects upon completion of a comprehensive campus renewable energy feasibility study in summer 2012.

Implementation
In interviews with sustainability officers who manage student green fund programs, I learned that successful implementation of green funds depends on the following factors:

- Fund Design
- Fund Management
- Education and Outreach
- Program Evaluation

Fund Design
The approval of a green fund does not ensure success; in fact it opens possibilities for misunderstanding by the campus community. Mischaracterizations of a fund’s intent, whether by title or by award criteria, can result in a perception of “greenwashing.” The purpose of the fund must be clearly defined for stakeholders to engage, trust, and support sustainability efforts on campus. In the long term, it would be best to align funded projects with the academic, operational, and strategic planning goals at an institution (i.e., climate action plans and/or sustainability plans).

Fund Management
A management plan and fund manager are necessary for the continuity and longevity of a green fund program. Green funds are an unusual funding structure for institutions, either as a revenue collection source (especially from student fees) or an internal grant program, because the mechanism does not align well with basic accounting practices. Careful management and monitoring of project funds are important, as the campus community will scrutinize the outcomes and spending from these grant programs. A fund manager helps navigate...
institutional structures to make project implementation possible, in addition to holding institutional knowledge of the fund.

**Education and Outreach**

Education and outreach about green funds facilitate student, faculty and staff involvement in sustainability on campus. Many students are unaware that they pay a green fee. This can be a challenge for green fund committees interested in soliciting project ideas from students. Education and outreach efforts are key to making campus stakeholders aware of the green fund’s purpose and how to apply for funding, as well as updating people on projects. Outreach should be consistent and can be done through presentations, teaching, tabling, social media and website campaigns.

**Project and Program Evaluations**

Periodic progress reports from project leaders are an important evaluation tool to measure the impact of a green fund on an institution’s sustainability efforts. Institutions should audit the use of these funds and review the portfolio of projects they have funded. Frequent evaluations allow institutions to adjust funding structures to meet with logistical, economic and political realities on campus, as well as align projects to institutional priorities.

As a practice, given the ad hoc nature of their formation and existence, campus green funds bring awareness to the lack of stable funding for sustainability efforts. Green funds are an excellent financial mechanism to get students, faculty and staff engaged in sustainability efforts at their campuses, and the passage of student green fees creates opportunities for the campus community to work on sustainability projects that would not otherwise receive general operating or department funding.

At some point, however, the funding needs to be made permanent. Green funds do show administrators that the campus community cares about these issues in the most visible and tangible way, and they invigorate the call for higher education to take the next step toward sustainability and climate mitigation and adaptation.

Mieko A. Ozeki has served as sustainability projects coordinator for the University of Vermont since 2008. As a fulfillment of requirements for a Master of Liberal Arts in Sustainability and Environmental Management from Harvard Extension School, she reviewed the national context and institutional characteristics of 80 colleges and universities in the U.S. that currently collected at least one student green fee for the 2010 research paper, “Student Green Fund Implementation in U.S. Colleges and Universities from 1973-2010.” She expanded on this research to create the North American Campus Green Funds Index.