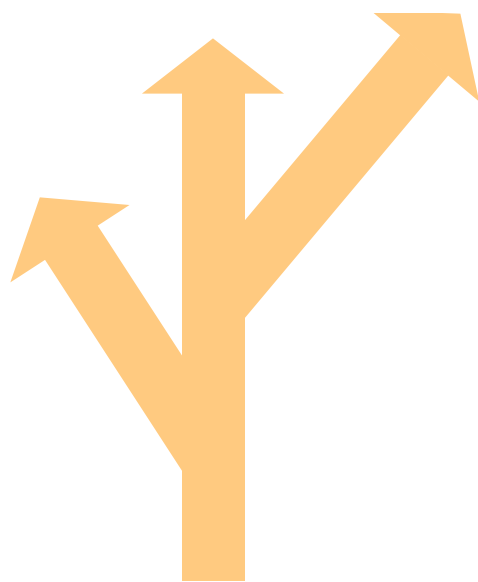


REVOLVE YOUR FUNDS



RLF CAMPAIGN HOW-TO GUIDE

BY CAMPUS INPOWER





RLF OVERVIEW

- **The Revolving Loan Fund (RLF) is a funding mechanism** that has been successfully used by schools across the country to pay for sustainability upgrades.
- **A RLF works by paying the up-front capital costs for sustainability projects, and then recouping the financial returns (or savings) from the projects** - such as reductions in electricity bills or reduced maintenance costs. In an RLF, the funds are constantly “revolving”: being used, earned back, and reinvested, thus sustaining the fund over time.
- **The way a RLF recoups project savings is by creating a contract in which the University agrees to deposit the difference between the current operating cost and the new (reduced) operating cost back into the RLF for a designated period of time.** For instance, if a CFL light bulb project cuts a building’s energy use in half, the University would agree to pay the same energy rate for the contract period, with 50% of that payment going into the RLF rather than to the electricity provider. Once the contract period is over, the building now has a 50% smaller electricity bill!
- **Contract periods can be months or years long, generally until the RLF has earned back its entire investment and a designated additional amount.** That way, the RLF is constantly growing and can invest in more projects.
- **To create a RLF, advocates must make a clear model for evaluating different campus projects and their payback.** This requires technically sound energy audits and defined rules on the time-scale / payback rate of projects funded by the RLF.
- **Once approved, the fund can provide a stable, sizable, and ever-growing pool** for retrofits and cost-saving sustainability projects on campus. The Macalester fund started at \$23,000, has grown to over \$100,000 dollars, and is expanding. RLF’s are usually housed in the campus administration or the school’s capital projects and maintenance division, but can also be housed in student government.
- **The RLF is a fund-growing mechanism, not an original funding source.** It can receive its seed funding from many sources; direct administrative funding, student fees, or grants, among others. Some schools have invested their endowments in RLFs, and received a high rate of return on investment.
- **Oversight for the fund can take many forms.** In the model used at Macalester College, two students, an alumnus, a campus administrator, and a facilities staff member form a joint committee to evaluate projects.
- **The committee seeks proposals from facilities staff and students for projects,** and then reviews the likely cost savings and technical challenges posed by the projects.



EXISTING RLF EXAMPLES



- In 2002, Harvard allocated \$5,000,000 from its endowment to a RLF, which provides loans of up to \$20,000 for projects.
- In 2006, Macalester started a \$100,000 RLF, with funding from the campus administration, student government, and an academic department, among other sources.

RLF CAMPAIGN HOW-TO GUIDE



Preparation – Phase I

- Study revolving loan funds at other schools
 - Conduct interviews with student groups and staff involved with RLF's
 - Use AASHE and Campus INpower resources to find model schools
 - **Identify the revolving mechanism** they used: projects must generate “percentage payback X” under “conditions X” until “end-date X”
 - Example: Projects must pay back 90% of estimated savings to the fund until 110% of the project cost has been paid back, plus interest
 - Look for schools with similar size, culture, and fiscal structure as yours
- Refine your revolving loan fund idea
 - Most importantly, **define how the RLF will work as a strategic vehicle**:
 - Why are you doing this?
 - How will your RLF change your campus?
 - What is your end goal?
 - Then decide what your ideal revolving mechanism rate is
 - Flesh out how and where the RLF would be governed on your campus
- Locate **potential funding sources**
 - Study the structure and history of potential sources on your campus – administrative, departmental, student government, etc
 - Research the decision making process for these funds
 - Research the rules for fund creation, disbursement, application, and continuation
- Create an **on-campus power-map** for your revolving loan fund campaign
 - Define: who you need to convince, your **allies**, and potential **opponents**
 - Research **entities that could house and carry out fund operations**: campus infrastructure divisions, academic departments, student government
 - Identify **key administrators** and what you can offer them, what can motivate their support



- Identify **allies within student government**, and understand:
 - How they allocate funding
 - How they are elected, how the government structure functions
 - What financial or political support they can provide

Development – Phase II

- **Gain support** from as many campus stakeholders as possible or as necessary
 - Network with and incorporate other student groups
 - If appropriate, gather signatures from the general student body for support
 - Conduct meetings with as many staff and administrators as possible to gain personal support
 - When appropriate, gain departmental administration support before formal proposal to campus administration
 - Create a letter of support for faculty and department administrators to sign
- Form an **official proposal** for a revolving loan fund
 - Define what you're hoping to accomplish
 - **How** the RLF will operate
 - **Who** will oversee it
 - **What** benefits the university and student body will receive
 - Incorporate as many university staff and administrators as possible in drafting
 - Design and **frame the RLF as a cost-saving investment**
 - Provide a clear “business plan” for the fund's financial management
 - Make sure students have significant representation in decision making / fund operations
 - Consider creating a smaller pilot fund to demonstrate feasibility and financial benefits of the RLF, potentially using seed funding from student government

Action – Phase III

- Pursue the formal proposal process with the administration
 - Gain meetings with the highest level administrators possible and have a **clear “ask”** for them to take action on
 - **Follow up** with the support staff of these administrators quickly after the meeting to ensure swift action and accountability
 - Keep your allies and supporters **updated** as negotiations continue
 - If you get no official response or commitments to action, begin to use more **public tactics** of pressure such as media coverage, rallies

