

April 17, 2019

Eloy Ortiz Oakley
Chancellor
California Community Colleges
1102 Q Street
Sacramento, CA 95811

Dear Chancellor Oakley,

We, the undersigned CEOs of California community colleges and districts, would like to call your attention to a problematic provision of Title 5 (California Code of Regulations) governing the fiscal relationship between local foundation and the colleges they support.

As presently written, Subsection (J) (6) of 5CCR Section 5927 requires “*full reimbursement to the district for services performed by district employees under the direction of the auxiliary organization.*” Further, the subsection reads, “*no more than 50% of the reimbursement by an auxiliary organization may be made in the form of non-monetary benefits that auxiliary organization provides to a community college district, such as increased community awareness or other such benefits that are agreed upon by district officials and the auxiliary organization.*”

The above-noted Title 5 provision is more restrictive than Education Code statutes insofar as it limits “non-monetary” reimbursements, a limitation not contained in Education Code (which makes no mention of cash reimbursement). This more restrictive interpretation is proving difficult for local foundations to meet and is putting a strain on the relationship between districts and their foundations, one that is necessary to move the system forward to meet the goals contained in the *Vision for Success*.

We support removal of the limitation of “non-monetary” reimbursements by local foundations to their districts. This would be accomplished by eliminating the 50% limitation. Removal of such limitation will allow these matters of reimbursement to be negotiated by each college foundation and its district through a written Master Service Agreement (MSA). MSAs are negotiated between both parties and take into account the unique relationship between each district and auxiliary foundation. But, as currently written, the Title 5 Regulation stifles the ability of locals to fully negotiate their own agreements.

Local foundations are in a unique position to positively affect elements of the *Vision for Success*. They are poised to assist with closing achievement gaps by raising more private support and aligning those funds with student supports. Promise programs, student scholarships, emergency grants and textbook vouchers have been supported by community college foundations for some time. With increased flexibility to meet reimbursement

requirements, more of the funds raised by our foundations can be directed to these student support efforts.

Likewise, our college foundations are supportive of faculty professional development and program innovations through grant making efforts at the campus level. Using more of the private resources raised for these purposes will further help our colleges to meet the needs of faculty, and in turn, our students.

In order for our system to reach the ambitious goals set forth in the *Vision for Success*, we will need to elicit support from every unit on our college campuses. Our college foundations, through their abilities to partner with corporate, alumni and community donors, can provide much needed private support for this effort. Let us reduce restrictions on our foundations so they can increase that support.

Thank you for your consideration of this matter and for your support of students throughout the community college system.

Sincerely,



Dr. Brian King
Chancellor
Los Rios Community Colleges
District



Brent Calvin
President
College of the Sequoias



Dr. Elliot Stern
President
Saddleback College



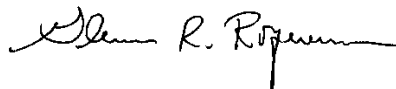
Ed Knudson
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