



FOUNDATION *for* CALIFORNIA
COMMUNITY COLLEGES

*Benefiting, Supporting, and Enhancing
the California Community Colleges*

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April 10, 2019

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

Subject: In Support of a Revision to Current California Code of Regulations Title 5 –
Auxiliary Organizations Cash Reimbursement Requirement

Dear Chancellor Oakley,

I am writing in support of a proposal from the Network of California Community College Foundations (Network) to revise language in current California Code of Regulations Title 5 related to cash reimbursement requirement of auxiliary organizations. Current regulation language includes a clause stating “No more than 50% of the reimbursement by an auxiliary organization may be made in the form of non-monetary benefits that the auxiliary organization provides to a community college district, such as increased community awareness or other such benefits...” This Title 5 provision is more restrictive than the Education Code statute (commencing with *EDC 72670*) as it limits “non-monetary” reimbursements. This limitation is not contained in Education Code, which does not specify cash or non-monetary reimbursement percentage levels. This Title 5 restriction is difficult for local foundations to meet and strains what should be a synergistic relationship between districts and their foundations. Most importantly, revising the cash reimbursement requirement will support a collaborative and mutually beneficial relationship between districts and foundations and help move the system forward to meet the goals of the *Vision for Success*.

College foundations are key partners in closing the regional achievement gaps identified by the *Vision for Success*. Our work with the Network has given us an understanding of the negative effects this 50% reimbursement rule has, especially on smaller foundations or those operating in rural areas in our state. These smaller operations often have little or no endowment funds and must fundraise each year to support their own operating costs in addition to providing support to colleges in the form of scholarships, faculty grants, public relations, community outreach, and more. I believe removing this cash reimbursement requirement will give districts and foundations flexibility in how they formalize their relationship. This ability to adapt based on local needs will help districts and foundations to partner and raise more funds in support of their community's colleges and students.

In short, I support removal of the limitation of “non-monetary” reimbursements by local foundations to their districts. This would be accomplished by eliminating the 50% limitation. Thank you for your leadership on this important issue affecting our community college foundations’ ability to fundraise in support of the goals outlined in the *Vision for Success*.

Sincerely,

A handwritten signature in black ink that reads "Keetha Mills". The script is fluid and cursive, with the first name "Keetha" and last name "Mills" clearly legible.

Keetha Mills
President and Chief Executive Officer