



Network Board Meeting Agenda

Monday, June 11th, 2018 10:00 a.m.-4:30 p.m. Contra Costa Community College District | 2nd Floor
Conference Room, 500 Court Street, Martinez CA, 94553

Call in: 1-669-900-6833 Meeting ID: 392 809 841

- I. **Call to Order**.....Robert Schwartz
- II. **Welcome Remarks**.....Cindy Goga
- III. **Business**
 - i. Approval of March 2018 Minutes (* and **) Robert Schwartz
 - ii. Financial Report (* and **)
 - 1. NCCCF FY18 Forecast and FY19 Budget.....Bobbi Abram
 - iii. 2018-2019 Membership Rates (**),.....Constance Crawford
 - iv. Governance Committee Nominations (* and **).....Bobbi Abram
 - 1. 2018-2019 Slate of Officer Nominations
 - 2. 2018-2019 Slate of Director Nominations
- IV. **Conferences Update**
 - i. Conference for Community College Advancement Constance Crawford
 - 1. California-specific breakout sessions
 - 2. Community College Executive Summit**
- V. **V. Discussion**
 - i. Legal Opinion – Title 5 (District Reimbursement) Robert Schwartz
- VI. **Committee Updates**
 - i. Resource Development Cindy Goga
 - 1. [CA Welcome Reception](#)
 - ii. Professional Development & Best Practices Tim Foster
 - 1. Roundtable updates
 - 2. Blackbaud collaborative purchasing through CollegeBuys
 - iii. Communications & Advocacy Geoff Green
 - 1. Osher Scholars and Philanthropist of the Year Award



iv. CEO Advisory CommitteeSheri Horn Bunk

VII. Lunch is Served

VIII. Strategic PlanningRobert Schwartz

IX. General Board Comments/Questions.....All

X. Meeting Adjournment.....Robert Schwartz

*Vote required **Handout

2018 Upcoming Dates

- Thursday, July 26* | 11:30 – 3:00 pm at Foundation for California Community Colleges, Sacramento ***NEW MEETING, strategic planning only**
- Thursday, Sept 6* | 11:30 – 3:00 pm at Pasadena City College Foundation, Pasadena ***NEW MEETING, strategic planning only**
- Wednesday, Oct 3 | 9am -12pm at CASE Conference, Westin Golf and Spa Resort, Palm Springs (regular board meeting)
- Wednesday, Oct 3 | 6:30 – 8: 30pm at CASE Conference, CA Welcome Reception
- Friday, November 16th | 10th Anniversary Bernard Osher Philanthropist of the Year Award Presentation | CCLC Annual Convention, Westin Golf and Spa Resort, Palm Springs



Network March Board Meeting Minutes

Wednesday March 7, 2018 11:30 p.m.-3:00 p.m. Los Angeles City College Foundation

Lunch is Served

I. Call to Order.....Robert Schwartz

In Attendance: Tim Foster, Lisa Brooks, Bobbi Abram, Geoff Green, Shannon Hill, Paula Allison, Cindy Goga, Melissa Conner, Robert Schwartz, Raul Castillo

Telephonically: George Boodrookas, Murray Wood, Dianne Van Hook

II. Introduction of Guests.....Robert Schwartz

1. LA City College Interim President, Dr. Mary Gallagher (not in attendance)

III. Board Member Updates: Successes and Challenges (20 minutes)..... All

IV. Recurring Business (45 minutes)

2. **Approval of January 2018 Minutes (* and **)** Robert Schwartz

Moved: Lisa Brooks 2nd: Cindy Goga Abstain:0 Approved

Dianne: CEO Advisory Council is still missing a CEO rep from the San Diego region. Will schedule a conference call ahead of spring break with a purpose of planning CEO regional workshops.

Dianne offered a recap of activities from the League's CEO Symposium. Suggested each Network Board member consider who in their networks could participate in advocacy related to the proposed funding formula for colleges.

3. **CASE Conference and California Sessions Brainstorm*** Constance Crawford

CA Reception location: Westin on-site, Wednesday night, Oct 3rd.

Bobbi: CA Welcome reception, let's invite all conference attendees to purchase a ticket (rather than limited to CA). Should larger Foundations contribute to the budget for this? Bobbi, Robert, Cindy will underwrite the reception. Shannon Hill: CCS is interested in sponsoring the reception. Cindy suggested AcademicWorks as a sponsor.



Geoff will share this with the March 23rd High Capacity Foundations group. Constance to look for a room to accommodate up to 125 people. Constance will develop budget scenarios for the event and share with this group.

Board Meeting will be scheduled for Oct 3rd 9-12pm at the Westin Mission Hills as part of the CASE Conference

CA Sessions - concurrent sessions preferred rather than 7am.

Lisa and Shannon will offer a CA Session description related to Bond Measures. Constance will ask CASE for description from similar session 3 years previous.

4. CASE Partnership Update..... Robert Schwartz

Proposed CASE dues increase. Executive Committee will develop proposal for full board review.

MOU Review underway. CASE will offer us a draft at the end of March. This will go to the Executive Committee for review.

V. Working Groups

i. Governance (60 minutes)..... Bobbi Abram

1. Discussion – Strategic Planning*

Stott Planning Associates offered 3 options for a strategic planning process. Bobbi moves to adopt the \$18,400 plan. Geoff 2nd, all in favor. Paula Abstained. Constance will call Tina Stott to discuss next steps.

2. Board Member Recruitment

Bobbi requests nominations of staff members from foundations (not Foundation Directors) that could be looking for a professional development opportunity. Also, your CEOs. Encourage self-nominations.

Nominations opens April -May. Bobbi can take a look at the nomination/form language to make it more welcoming.

ii. Resource Development (15 minutes)..... Cindy Goga

Cindy requested that each board member send by 3/14, vendor names or needs for types of vendors so that we can target them. Lisa suggested auditors. Robert will reach out to Graduway.

iii. Professional Development & Best Practices (30 minutes)..... Tim Foster/Shannon Hill



Roundtable scheduled for April 12 at College of the Sequoias. SMC Marketing will sponsor. Other roundtables are scheduled in May in Napa and September in LA.

iv. Communications & Advocacy (15 minutes)..... Geoff Green

Geoff requests that this board respond to Mary Rauner's survey related to your college's perception and implementation of College Promise. Constance will include survey in our next listserv newsletter.

Would the Network be interested in being approached as an advocate related to Prop 13 reform (possibly creating more resources for higher ed)? CalNonprofits is interested in the conversation. More discussion at a later date.

v. CEO Advisory Committee (15 minutes)..... Sheri Horn-Bunk

Report via Robert Schwartz- this committee looks forward to meeting under the new chair, Sheri Horn-Bunk (absent).

VI. General Board Comments/Questions..... All

Constance will put the address on the agenda and agendas will be sent 5-7 days in advance. Host institution will print agenda packets for all.

VII. Meeting Adjournment..... Robert Schwartz

*handout **vote required

2018 Proposed Board Meeting Dates

- **Monday, June 11th 10:00 a.m. – 4:30 p.m.** Contra Costa District Foundation
- **October 3rd 9am – 12pm** (coincides with CASE Conference in Palm Springs)
- **January 2019 TBD**

**NCCCCF Income Statement
Trend Analysis and Budget**

| Account Description | FY2017 Actuals | FY2018 Forecast | FY2019 Budget |
|------------------------------------|---------------------------|----------------------------|--------------------------|
| Revenues | | | |
| NCCCCF Membership Dues | 89,888 | 97,913 | 100,000 |
| Conference Fees from CASE | 12,100 | 12,800 | 13,000 |
| Event Fees and Sponsorships | 5,020 | 4,100 | 20,000 |
| Subsidy from FCCC | 50,000 | 50,000 | 50,000 |
| Miscellaneous & Interest Income | 1,502 | - | |
| Total Revenues | 158,509 | 164,813 | 183,000 |
| Expenses | | | |
| Personnel (Salary & Benefits) | 29,273 | 32,000 | 35,000 |
| Consulting | | 12,266 | 6,134 |
| Tax Return Preparation | 1,050 | 1,050 | 1,050 |
| Insurance | 2,341 | 2,406 | 2,450 |
| Other Expenses | 867 | 614 | 1,000 |
| Conference and Board Meetings | 11,903 | 10,000 | 12,500 |
| Network Subsidy to CASE | | | 5,000 |
| Case Membership Dues | 96,357 | 97,638 | 100,000 |
| Admin Support Expense - 15% | 6,815 | 8,750 | 9,470 |
| Total Expenses | 148,607 | 164,725 | 172,604 |
| Net Income/(Loss) | 9,902 | 88 | 10,396 |
| Beginning Net Assets | 27,982 | 37,884 | 37,973 |
| Ending/Projected Net Assets | 37,884 | 37,973 | 48,369 |



Network of California Community College Foundations

Access the best professional development resources—at a discounted rate only available to California. Join or renew your membership today.

Your membership in the Network of California Community College Foundations (Network) includes membership in the Council for Advancement and Support of Education (CASE) for all staff members at your institution.

Benefits

Statewide collaboration and advocacy



The Network advocates for increased investments in Community College development programs and provides peer-to-peer learning opportunities.

Members are invited to participate in **regional roundtables** and collaborate with a statewide network of peers through our **Listserv**.

Visit our website, ncccfweb.org, for upcoming events.

Professional development



Membership in the Network provides access to a full slate of best practices related to fundraising, board development and policies.

Network members have **exclusive access** to the full suite of CASE resources, which includes a subscription to CASE's Currents magazine, white papers, research tools, the MatchMyGift App, and many others.

Conference for Community College Advancement



The Network collaborates with CASE to produce the Conference for Community College Advancement, occurring **October 3-5, 2018** at the Westin Mission Hills in Palm Springs, CA. Network members are invited to attend California Colleagues opening night reception and California-specific conference programming.

Photos: Scott Chernis

Additionally, receive exclusive savings on the Conference for Community College Advancement

| Registration | Before Aug. 24 | After Aug. 24 |
|--------------------------------|-------------------------------------|-------------------------------------|
| Non-member price | \$ 1,175 | \$ 1,245 |
| Your exclusive California rate | \$ 570 <i>Save \$ 605</i> | \$ 685 <i>Save \$ 560</i> |

Register at case.org/ccca and use code **2018NCCCF** at checkout.

If all foundations within a multi-college district join the Network, the **district-level foundation is eligible for a complimentary membership**.

Fiscal Year 2018–19 Membership Rates (July 1, 2018–June 30, 2019)

| Full-time Equivalent (FTE) Enrollment | 4,999 or below | 5,000-9,999 | 10,000-19,999 | 20,000 or more |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Network + CASE Annual Membership | \$860 | \$1,250 | \$1,656 | \$1,978 |

Contact Constance Crawford
info@ncccfweb.org
916.498.6709



Network of California Community College Foundations 2018 Board of Directors Nominations

The following recommendations are put forth by the Network Board Governance Committee for the consideration of the Network Board of Directors.

Nominees for Network Board Officers

Appointments will be effective for a one-year term.

1. Past President: **Robert Schwartz**, Executive Director, Los Angeles City College Foundation
2. President: **George Boodrookas**, Executive Director, Modesto Junior College Foundation (first officer term 2018)
3. Vice President: **Bobbi Abram**, Executive Director, Pasadena City College Foundation (first officer term 2018)
4. Treasurer: **Geoff Green**, CEO, Foundation for Santa Barbara City College (first officer term 2018)
5. Secretary: **Murray Wood**, Chief Development Officer, College of the Canyons Foundation (third officer term 2018)

Network Board Members at large

Appointments will be effective for a three-year term.

Renewals

1. **Tim Foster**, Director, College of the Sequoias Foundation (second term 2018-2021)
2. **Christina Romero**, Director of College Advancement, Santa Ana College Foundation (third term 2018-2021)
3. **Dianne Van Hook**, Chancellor, College of the Canyons (second term 2018-2021)

New Appointments

1. **Tykia Warden**, Interim Executive Director, San Mateo County Community Colleges Foundation (first term 2018-2021)
2. **Rico Guerrero**, Executive Director, State Center Community College District Foundation
3. **Melissa Conner**, ex-officio, Foundation for California Community Colleges designee

Governance Committee Guiding Principles

Three (3) nominations were received. The Governance Committee evaluated nominees by guiding principles adopted in 2015. Nominees were evaluated according to his or her:

- ability be an effective advocate for successful models of advancement with the California Community Colleges,
- alignment with the goals and objectives of the Network,
- experience within California Community Colleges as an indicator of their ability to serve as effective advocates for increased support of advancement with the California Community Colleges,



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- potential contributions to Network's resource development and programming, and
- overall quality of the application.

Committee Appointments

The **Governance Committee** requests the 2018 Board President appoint two new members to the Governance Committee for the 2018-2019 year to replace Geoff Green and Cindy Goga (up for renewal and so not eligible to serve).

1. Paula Allison
2. Raul Castillo
3. Lisa Brooks

Executive Committee nominations: two additional at-large members will be nominated to join the officers on the Executive Committee. TBD.

For the upcoming year, we encourage the Board to employ peer-to-peer cultivation strategies to attract community college fundraisers with significant experience, especially in Northern California to maintain the regional diversity of the board.

Forward looking information

2019 Board Members Term Completion

1. Murray Wood—end of the third term (2016-2019)
2. Lisa Brooks —end of the third term (2016-2019)

Board Members up for renewal in 2019

1. Cindy Goga (term one ends June 2019)
2. Geoff Green (term one ends June 2019)
3. George Boodrookas (term two ends June 2019)



FOUNDATION *for* CALIFORNIA
COMMUNITY COLLEGES

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

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Sacramento, California 95811-6549
Toll-Free Telephone: 866.325.3222
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May 23, 2018

Bobbi Abram
Governance Chair
Network of California Community College Foundations Board of Directors

RE: Foundation designee on the Network Board of Directors

Dear Bobbi,

It was my pleasure to serve on the board of directors with you and our colleagues across the state for the past seven years. I'm proud of the work we accomplished, including the partnership we formalized with CASE in 2012.

After some consideration this winter, I determined it was time for me to transfer the Foundation's ex-officio position on the Network board to our Chief Advancement Officer, Melissa Conner. As of January 2018, Melissa has been the Foundation's designee and has replaced me as the Foundation's voting Director of the Network and member of the Executive Committee, as outlined in our joint MOU.

As Chief Advancement Office for the Foundation for California Community Colleges for the past twelve years, Melissa brings a wealth of strategic fundraising experience, and I know she will enjoy learning from and working alongside all of you.

I look forward to supporting the continued good works of the Network and the board of directors.

Sincerely,

Keetha Mills
President & Chief Executive Officer



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CASE Conference for Community College Advancement 2018

Westin Mission Hills Golf Resort & Spa (Palm Springs)

Proposed schedule as of 6/5/18 (subject to change)

Tuesday, October 2

6:00 pm CCS Dinner with Network Board of Directors

Wednesday, Oct 3

Preconference workshops

9:00 -12pm Network Board Meeting on site

1:00 Welcome and Opening Keynote

Sessions

5:30 – 6:30 Welcome Reception

6:30 – 8:30 CA Welcome Reception

Thursday, Oct 4

8:00 – 4:45 Sessions

2:00 – 4:30 Executive Symposium

4:45 – 5:45 Wine and Cheese Reception

Friday, Oct 5

8:00 – 12pm Sessions

7:00 – 12pm Executive Symposium

12pm - Conference Adjourns

CA Specific Sessions (same track - no longer breakfast session)

1. California Promise re-tooling after AB19

Geoff Green - CEO, SBCC Foundation

Lucille Boss - Director of Scholarships, Foundation for Santa Barbara City College

Session Description

How will AB-19 "Community colleges: California College Promise" and the California College Promise Grant (CCPG)(formerly Board of Governors (BOG) Fee Waiver Application) impact your college promise program? A Foundation CEO and CA State Assemblymember will discuss re-branding, budgeting, and other implications.



2. What role can a Foundation play in helping to pass a successful bond measure?

Shannon Hill – Executive Director Cuesta College Foundation

Lisa Brooks – Executive Director Glendale College Foundation

Session Description

This 3-panel discussion will include attorney x, and 2 Executive Directors who were involved in passing successful bond measures—which is an incredible opportunity that community colleges have to raise millions of dollars. Audience q & a will give you an opportunity to ask your burning questions. You will come away with a better understanding, soup to nuts, on how a bond measure works and what the Foundation’s role is in the process. Learn how can you motivate your board to become engaged and supportive in helping the college pass the bond. Avoid the pitfalls of having your board question whether it is ‘worth’ the expenditure. Help position your college for a successful bond passage. Learn enough about the legalities to understand whether or not you need to hire legal counsel, and how to get expert advice from your auditors. Understand how the ROI is far beyond anything a Foundation can raise on its own. Have an opportunity to ask questions and/or share your expertise with others in the session.

§ 59257. Implementing Regulations.

5 CA ADC § 59257 BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS
Barclays Official California Code of Regulations [Currentness](#)
Title 5. Education
Division 6. California Community Colleges
Chapter 10. Community College Administration
Subchapter 4.5. Auxiliary Organizations
Article 2. District Responsibilities

5 CCR § 59257

§ 59257. Implementing Regulations.

Each district governing board wishing to establish an auxiliary organization must adopt implementing regulations, and submit such regulations to the Chancellor for approval. The implementing regulations must contain provisions which address at least the following subjects:

- (a) Provisions which set forth the district's method for recognizing an auxiliary organization, which procedure must include a public hearing prior to such recognition;
- (b) Provisions which limit authorized auxiliary organizations to those performing recognized functions described in section 59259;
- (c) Provisions which implement section 72674 of the Education Code, regarding composition and meetings of boards of directors of auxiliary organizations;
- (d) Provisions which implement subdivision (a) of section 72672 of the Education Code, regarding the audit of auxiliary organizations;
- (e) Provisions which implement subdivision (c) of section 72672 of Education Code, regarding salaries, working conditions, and benefits for full-time employees of auxiliary organizations;
- (f) Provisions which implement section 72675 of the Education Code, regarding expenditures and fund appropriations by auxiliary organizations. In implementing subdivision (b)(2) of section 72675, the district regulations may specify different standards for different types of auxiliary organizations.
- (g) Provisions which establish recordkeeping responsibilities of auxiliary organizations;
- (h) Provisions which establish a procedure for periodic review of each auxiliary organization by the district to insure that it is complying with sections 72670-72682 of the Education Code, district implementing regulations, any written agreement with the district, and its articles of incorporation or bylaws; and
- (i) Provisions which prohibit the district from transferring any of its funds or resources other than funds or resources derived from gifts or bequests, to any of its auxiliary organizations, when the purpose of such transfer is either to avoid laws or regulations which constrain community college districts or to provide the district with an unfair advantage with respect to the application of any state funding mechanism. Such state funding mechanisms include, but are not limited to, general apportionment funding, capital outlay funding, Extended Opportunity Programs and Services funding, and funding for programs and services for students with disabilities.
- (j) Provisions which shall specify the following:

- (1) The function or functions which the auxiliary organization is to manage, operate or administer;
- (2) A statement of the reasons for administration of the functions by the auxiliary organization instead of by the college under usual district procedures;
- (3) The areas of authority and responsibility of the auxiliary organization and the college;
- (4) The facilities to be made available, if any, by the district to permit the auxiliary organization to perform the functions specified in the implementing regulations or written agreement;
- (5) The charge or rental to be paid to the district by the auxiliary organization for any district facilities used in connection with the performance of its function. The charge or rental specified shall not require involved methods of computation, and should be identified in sufficient time before its incurrence so that the auxiliary organization may determine to what extent it shall be liable therefor;
- (6) Full reimbursement to the district for services performed by district employees under the direction of the auxiliary organization. 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 that are agreed upon by district officials and the auxiliary organization. Such non-monetary benefits shall be assigned a good-faith reimbursement value by the district. Methods of proration where services are performed by district employees for the auxiliary organization shall be simple and equitable;
- (7) A simple and stable method of determining in advance to what extent the auxiliary organization shall be liable for indirect costs relating to federally-sponsored programs;
- (8) The responsibility for maintenance and payment of operating expenses;
- (9) The proposed expenditures for public relations or other purposes which would serve to augment district appropriations for operation of the college. With respect to expenditures for public relations or other purposes which would serve to augment district appropriation for the college, the auxiliary organization may expend funds in such amount and for such purposes as are approved by the board of directors of the auxiliary organization. The governing board shall name a designee who shall file with the governing board a statement of auxiliary organizations' policies on accumulation and use of public relations funds. The statement will include the policy and procedure on solicitation of funds, source of funds, amounts, and purpose for which the funds will be used, allowable expenditures, and procedures of control;
- (10) The disposition to be made of net earnings derived from the operation of facilities owned or leased by the auxiliary organization and provisions for reserves;
- (11) The disposition to be made of net assets on cessation of the operations under the agreement; and
- (12) Provisions which require a covenant of the auxiliary organization to maintain its existence throughout the period of the agreement and to operate in accordance with sections 72670-72682 of the Education Code, and with the regulations contained in this subchapter as well as district implementing regulations.

In addressing the requirements of this subdivision in its district implementing regulations, a district may provide for such requirements in a written agreement or agreements with an auxiliary organization. The agreement shall provide for all requirements of this subdivision which have not been addressed in the district implementing regulations. Notwithstanding subdivision (e) of section 59255, if the requirements of this subdivision are provided for in the written agreement rather than the district's implementing regulations, the auxiliary organization may not be recognized by the district until the agreement is submitted to the Chancellor for approval.

Note: Authority cited: Sections 66700, 70901 and 72672, Education Code. Reference: Article 6 (commencing with Section 72670), Chapter 6, Part 45, Education Code.

HISTORY

1. Amendment filed 3-4-91 by Board of Governors of California Community Colleges with the Secretary of State; operative 4-5-91 (Register 91, No. 23). Submitted to OAL for printing only pursuant to Education Code Section 70901.5(b).
2. Editorial correction of History 1 (Register 95, No. 29).
3. Amendment of subsections (c), (f), (i), (j)(6) and (j)(12) filed 3-15-2006; operative 4-14-2006. Submitted to OAL for printing only pursuant to Education Code section 70901.5 (Register 2006, No. 17).

This database is current through 5/11/18 Register 2018, No. 19
5 CCR § 59257, 5 CA ADC § 59257

END OF DOCUMENT

[Documents In Sequence](#)

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TO BE PUBLISHED IN THE OFFICIAL REPORTS

OFFICE OF THE ATTORNEY GENERAL
State of California

DANIEL E. LUNGREN
Attorney General

| | | |
|-------------------------|---|----------------|
| OPINION | : | |
| | : | No. 97-1105 |
| of | : | |
| | : | March 13, 1998 |
| DANIEL E. LUNGREN | : | |
| Attorney General | : | |
| | : | |
| ANTHONY M. SUMMERS | : | |
| Deputy Attorney General | : | |
| | : | |

THE HONORABLE SCOTT WILDMAN, MEMBER OF THE CALIFORNIA ASSEMBLY, has requested an opinion on the following questions:

1. Except in certain circumstances relating to a student body association, is an auxiliary organization of a community college district required to reimburse the district for services district employees perform under the direction or on behalf of the auxiliary organization?
2. In the event that an auxiliary organization is required to reimburse the community college district, does the chancellor of the California community colleges have the authority to "forgive" an auxiliary organization's reimbursement payment relating to a community college district's past practice of providing district employee services without reimbursement?
3. Does the chancellor of the California community colleges have the authority to recommend deferring the payment of reimbursement by an auxiliary organization for any reason, including that community college district officials believed in "good faith" that reimbursement was not required?
4. May reimbursement by an auxiliary organization be 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 that are agreed upon by district officials and the auxiliary organization?

CONCLUSIONS

1. Except in certain circumstances relating to a student body association, an auxiliary organization of a community college district is required to reimburse the district for services district employees perform under the direction or on behalf of the auxiliary organization.
2. The chancellor of the California community colleges does not have the authority to "forgive" an auxiliary organization's reimbursement payment relating to a community college district's past practice of providing district employee services without reimbursement.
3. The chancellor of the California community colleges has the authority to recommend deferring the payment of reimbursement by an auxiliary organization for any appropriate reason, including that community college district officials believed in "good faith" that reimbursement was not required.
4. Reimbursement by an auxiliary organization may be 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 that are agreed upon by district officials and the auxiliary organization.

ANALYSIS

The Legislature has enacted a comprehensive statutory scheme (Ed. Code, §§ 70900-88270; hereafter "Act") Footnote No. 1 governing the establishment of community colleges throughout the state. A board of governors ("board") is authorized to set standards for community colleges (§ 70901) and appoint a chief executive officer, the chancellor of the California community colleges ("chancellor") (§ 71090). The state is divided into community college districts (§ 70900), with each district having its own board of trustees governing the community colleges within the district. A district may initiate programs and act in any manner "not in conflict with or inconsistent with, or preempted by, any law and that is not in conflict with the purposes for which community college districts are established." (§ 70902.)

The focus of this opinion is upon "auxiliary organizations" of community college districts. Section 72670 provides:

"The governing board of a community college district may establish auxiliary organizations for the purpose of providing supportive services and specialized programs for the general benefit of its college or colleges. As used in this article, 'auxiliary organization' may include, but is not limited to, the following entities:

"(a) Any entity in which any official of a community college district participates as a director as part of his or her official position.

"(b) Any entity formed or operating pursuant to Article 4 (commencing with Section 76060) of Chapter 1 of Part 47.

"(c) Any entity which operates a commercial service for the benefit of a community college or district on a campus or other property of the district.

"(d) Any entity whose governing instrument provides in substance both of the following:

"(1) Its purpose is to promote or assist a community college or district, or to receive gifts, property and funds to be used for the benefit of the community college or district or any person or organization having an official relationship therewith.

"(2) Any of its directors, governors, or trustees are either appointed or nominated by, or subject to, the approval of the governing board of the district, an official of the district, or selected, ex officio, from the membership of the student body or the faculty or the governing board or the administrative staff of the district.

"(e) Any entity which is designated as an auxiliary organization by the district governing board." Footnote No. 2

The Legislature has specified various requirements to be followed in the operation of an auxiliary organization. (§§ 72670-72682.)

In addition, the board, as part of its "general supervision over community college districts" (§ 70901, subd. (b)) and in furtherance of its rulemaking authority (§ 70901, subd. (c)), has adopted regulations governing auxiliary organizations (Cal. Code Regs., tit. 5, §§ 59250-59272). Footnote No. 3 Regulation 59259 provides:

"The functions to be undertaken by auxiliary organizations are for the purpose of providing activities which are an integral part of the community college educational programs. The following supportive services and specified programs which may be developed and operated by auxiliary organizations have been determined by the Board of Governors to be appropriate:

"(a) Student association or organization activities;

"(b) Bookstores;

"(c) Food and campus services;

"(d) Student union programs;

"(e) Facilities and equipment;

"(f) Loans, scholarships, grants-in-aids;

"(g) Workshops, conferences, institutes, and federal projects;

"(h) Alumni activities;

"(i) Supplementary health services;

"(j) Gifts, bequests, devises, endowments and trusts; and

"(k) Public relations programs."

With these statutes and administrative regulations in mind, we turn to the four questions presented for resolution.

1. Reimbursement for District Employee Services

The first question to be resolved is whether, except in certain circumstances relating to a student body association, Footnote No. 4 an auxiliary organization Footnote No. 5 must reimburse a community college district for services performed by district employees under the direction or on behalf of the auxiliary organization. We conclude that it must.

The regulations of the board require that an auxiliary organization be organized under terms approved by the chancellor that provide among other things:

"Full reimbursement to the district for services performed by district employees under the direction of the auxiliary organization. Methods of proration where services are performed by district employees for the auxiliary organization shall be simple and equitable." (Reg. 59257, subd. (j)(6).)

In examining the language of Regulation 59257, we are guided by the following principles of construction set forth in *Industrial Indemnity Co. v. City and County of San Francisco* (1990) 218 Cal.App.3d 999, 1008-1009:

"The interpretation of a statute or regulation is an issue of law. [Citations.] Generally, the same rules of construction and interpretation that apply to statutes govern the construction and interpretation of an administrative agency's rules and regulations. [Citations.] The aim of such construction is to determine the legislative intent so that the purpose of the statute or the regulation promulgated pursuant to the statute may be given effect. [Citations.]

".

". . . An agency's own interpretation of its regulation is entitled to great weight, if it is consistent with its enabling statute. [Citations.]"

Here, the chancellor has interpreted Regulation 59257 as requiring full reimbursement by an auxiliary organization for services district employees perform on behalf of the organization. We find no inconsistency between the chancellor's interpretation of the regulation and the general provisions of the Act or the specific provisions relating to auxiliary organizations. Such construction carries out the purposes of the legislative scheme.

We thus conclude in answer to the first question that except in certain circumstances relating to a student body association, an auxiliary organization of a community college district is required to reimburse the district for services district employees perform under the direction or on behalf of the auxiliary organization.

2. Reimbursement Forgiveness

The second question presented is whether the chancellor may "forgive" an auxiliary organization's reimbursement payment where a community college district has provided district employee services without reimbursement. We conclude that the chancellor may not do so.

Nothing in Regulation 59257 purports to give the chancellor the authority to "forgive" the payment of reimbursement by an auxiliary organization. Indeed, the requirement of "[f]ull reimbursement to the district . . ." (italics added) negates the possibility of forgiveness. The chancellor is obligated to approve the terms under which auxiliary organizations are to operate. A waiver or forgiveness of the reimbursement requirement is not among the discretionary powers granted by the board to the chancellor. In administering Regulation 59257, the chancellor has interpreted his responsibilities as not including the power to "forgive" the payment of reimbursement.

Administrative officials have only those powers that have been expressly conferred, that are necessary for the due and efficient administration of powers expressly granted, or that may fairly be implied from the statute or regulation granting the powers. (See *California Ins. Co. v. Deukmejian* (1989) 48 Cal.3d 805, 824-825; *Dickey v. Raisin Proration Zone No. 1* (1944) 26 Cal.2d 796, 810; *Rich Vision Centers, Inc. v. Board of Medical Examiners* (1983) 144 Cal.App.3d 110, 114; *Stackler v. Department of Motor Vehicles* (1980) 105 Cal.App.3d 240, 245.) We find no forgiveness or waiver authority in the powers delegated to the chancellor by statute or regulation.

We conclude that the chancellor does not have the authority to "forgive" an auxiliary organization's reimbursement payment relating to a community college district's past practice of providing district employee services without reimbursement.

3. Reimbursement Deferral

The third question posed is whether the chancellor has the authority to recommend deferring the payment of reimbursement by an auxiliary organization for any appropriate reason, including that community college district officials believed in "good faith" that reimbursement was not required. We conclude that the chancellor has such authority.

The timing of an auxiliary organization's reimbursement is not specified in Regulation 59257. We believe such absence of an express directive gives the chancellor discretion to determine a reasonable period of time within which reimbursement must be paid by an auxiliary organization. The chancellor may find deferral of the reimbursement requirement to be particularly appropriate when an auxiliary organization is newly formed or where there has been legitimate, good faith debate concerning the meaning of Regulation 59257's requirements. Indeed, that is precisely how the chancellor has administratively construed the regulation. We find the chancellor's administrative practice and interpretation of Regulation 59257 to be consistent with the governing statutes and purposes of the board's implementing regulations.

We conclude that the chancellor has the authority to recommend deferring the payment of reimbursement by an auxiliary organization for any appropriate reason, including that community college district officials believed in "good faith" that reimbursement was not required.

4. Non-Monetary Reimbursement

The final question to be considered is whether reimbursement by an auxiliary organization may be 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 that are agreed upon by district officials and the organization. We conclude that an auxiliary organization's reimbursement payment may include non-monetary benefits.

The definition of "reimbursement" is not simply to repay in cash, but "to make restoration or payment of an equivalent to . . ." (Webster's Third New International Dict. (1971) p. 914.) If an auxiliary organization, with the agreement of district officials, were to transfer to the district an asset of recognized value, such as stock or real property, as payment for services provided by district employees, undoubtedly such transfer would constitute "reimbursement" just as if payment has been made in cash.

Intangible benefits, such as developing good will toward the community college district or increased community awareness of community college programs, may similarly be given in exchange for the use of district employees by an auxiliary organization. Such intangibles as "good will" are commonly valued and taken into consideration in connection with commercial transactions such as the sale of a business. (See Code Civ. Proc. § 1263.510.) The value of the intangible benefits given to a district would be a proper subject of disclosure in the auxiliary organization's annual audited statement of its financial condition required by section 72672.

We recognize that the benefits and services conferred annually upon a community college district by an auxiliary organization ordinarily far exceed whatever value district employee services to the organization might total. That is the whole purpose of an auxiliary organization--to benefit the district by promoting its educational mission. (§ 72670; Reg. 59259.) Footnote No. 6 The performance of services by an auxiliary organization thus saves public funds that might otherwise be expended by the district in performing the auxiliary services. (See § 70902, subd. (b)(11).) We are informed, for example, that last year auxiliary organizations and related foundations raised approximately \$60 million for community college districts throughout the state. The value of district employee services provided to the organizations during the same period was obviously minuscule in comparison.

Nevertheless, it is conceivable that the value of the services and contributions of an auxiliary organization to a community college district might be exceeded by the value of the services performed by district employees for the organization during a particular year. For example, the first year of an auxiliary organization's operation could raise an issue of reimbursement valuation.

We conclude that reimbursement by an auxiliary organization may be 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 that are agreed upon by district officials and the auxiliary organization.

* * * * *

Footnote No. 1

All references hereafter to the Education Code are by section number only.

Footnote No. 2

An "entity formed or operating pursuant to Article 4" is a student organization. (See §§ 76060-76067; 75 Ops.Cal.Atty.Gen. 143 (1992).)

Footnote No. 3

All references hereafter to title 5 of the California Code of Regulations are by regulation number only.

Footnote No. 4

A student body association is governed by special statutory provisions. (See, e.g., §§ 76060, 76065.)

Footnote No. 5

The scope of this opinion is limited to auxiliary organizations operating pursuant to current law. (See § 72682.)

Footnote No. 6

Because the duties and purposes of an auxiliary organization are to benefit a community college district and contribute to its educational mission, no issue of a "gift of public funds" (Cal. Const., art. XVI, § 6) is present when district employees perform services for the organization. (See *California Housing Finance Agency v. Elliot* (1976) 17 Cal.3d 575, 583; *Mannheim v. Superior Court* (1970) 3 Cal.3d 678, 690-691; *California Emp. Etc. Com. v. Payne* (1947) 31 Cal.2d 210, 216-217; *County of Los Angeles v. La Fuente* (1942) 20 Cal.2d 870, 876-878; *County of Alameda v. Janssen* (1940) 16 Cal.2d 276, 280-284; *Bickerdike v. State* (1904) 144 Cal. 681, 692; *Paramount Unified School Dist. v. Teachers Assn. of Paramount* (1994) 26 Cal.App.4th 1371, 1388-1389; *Mitchell v. County Sanitation Dist.* (1957) 150 Cal.App.2d 366, 372; 80 Ops.Cal.Atty.Gen. 260, 262-263 (1997); 74 Ops.Cal.Atty.Gen. 159, 162 (1991).)
