

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of March 26, 2013

ITEM TITLE:

Second Amendment to the Master Agreement between Peralta Community College District and the Peralta Colleges Foundation, an auxiliary to the PCCD.

SPECIFIC BOARD ACTION REQUESTED:

Approve second amendment to the Master Agreement between Peralta CCD and Peralta Colleges Foundation that would augment Peralta CCD's financial support during fiscal year 2012-13 from \$50,000 to \$100,000.

ITEM SUMMARY:

At its September 28, 2010 meeting, the Board of Trustees approved the first amendment to the Master Agreement between Peralta Community College District and Peralta Colleges Foundation. The Foundation is an auxiliary entity of the District whose existence is to "enhance the intellectual, cultural, and educational needs of our students, faculty and staff, and the communities in which they work by raising funds for student scholarships and faculty grants. We collaborate with business and community leaders throughout the East Bay to increase awareness of all the Peralta Community College District offers our region and assist motivated, committed students to realize their educational goals." The Master Agreement was first amended in 2010 to reflect staffing and operational changes within the Foundation (transition of Foundation staff from the District to the Foundation with the intent of the Foundation becoming more self-sufficient) and, as a result of these changes, included financial support from the District to assist with this transition. The financial support at that time included \$100,000 per year for fiscal years 2010-11 and 2011-12 and \$50,000 in fiscal year 2012-13. This second amendment would increase the fiscal year 2012-13 financial support of \$50,000 to \$100,000, reflecting an augmentation of \$50,000.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

General Funds.

BACKGROUND/ANALYSIS:

Prior to fiscal year 2010 most of the staffing and operational expenses were absorbed through the Chancellor's Office budget. This included a full-time administrative assistant, 50 percent of a staff assistant's time, and about one-third of Associate Vice Chancellor Alton Jelks's time. In addition, an accounting technician from the Finance Department assisted with preparation of the Foundation's financial reports, estimated at 30 percent of his time. Salaries and benefits for these various individuals exceeded \$300,000 per year.

In winter of 2010, steps were taken by the Peralta Colleges Foundation Board of Directors and Chancellor Harris to ensure that the Foundation would continue to operate after Chancellor Harris, an administrative assistant, and Mr. Jelks retired. Foundation operations moved out of the Chancellor's office into a space of its own, and the Board of Directors used uncommitted funds to hire a professional, full-time executive director, an administrative assistant, and a part-time bookkeeper/accountant, the latter position eliminating the need for the

Finance Department employee time. This saved PCCD more than \$300,000 in salaries and benefits for FY 2010-11.

According to the Network of California Community College Foundations, roughly 59 percent of its membership is classified as an auxiliary organization, meaning the foundations receive financial support (e.g., salaries, office space, and basic operational needs), have a Master Agreement with their community college or district, and also have at least one trustee on their foundation Board of Directors. Thus, PCCD is consistent with the majority of its peer institutions that have functional foundations.

DELIVERABLES AND SCOPE OF WORK:

Included in the Master Agreement between PCCD and Peralta Colleges Foundation, including deliverables contained in the first amendment.

ANTICIPATED COMPLETION DATE:

June 30, 2013.

ALTERNATIVES/OPTIONS:

Return to the former model by placing financial, administrative support, and management of the Foundation under the Chancellor's Office, along with assistance from the Finance Department to maintain the financial records and reports.

EVALUATION AND RECOMMENDED ACTION:

Approve second amendment to the Master Agreement between Peralta CCD and Peralta Colleges Foundation that would augment Peralta CCD's financial support during fiscal year 2012-13 from \$50,000 to \$100,000.

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ NO X

COMMENTS:

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING

Vice Chancellor Gerhard

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)

DOCUMENT PREPARED BY:

Prepared by: *Ronald Gerhard*
Ron Gerhard, Chief Financial Officer

Date: 2/18/13

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: *Ronald Gerhard*
Ron Gerhard, Chief Financial Officer

Date: 2/18/13

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: *Ronald Gerhard*
Ron Gerhard, Chief Financial Officer

Date: 2/18/13

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: _____
Thuy T. Nguyen, General Counsel

Date: _____

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: *Jose M. Ortiz*
José M. Ortiz, Chancellor

Date: 3-19-13