

April 13, 2021

Dear FPPC Commission Members,

My name is Steve Petzold and I am the complainant in case 19-475 which appears as a stipulation on the general consent calendar for your meeting on April 15, 2021.

For the record, I do not accept the recent determination by the Enforcement Division that the funds (\$150,000) contributed to the Committee for College of the Canyons belonged exclusively to the College of the Canyons Foundation.

Nevertheless, my comments on the Stipulation put before you this morning will be based upon statements found in the Stipulation.

It is my desire that you will table the stipulation and refer it back to the Enforcement Division for additional examination and consideration.

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At the Commission meeting in August 2020, Commissioners Hatch and Cardenas expressed a strong concern that no individuals (natural persons) were being held responsible for the misdeeds highlighted in the stipulation.

Enforcement Division Chief Galena West explained that this was the result of the Respondent being a Major Donor Committee which does not name a Principal Officer and Treasurer.

This is different than a recipient committee which files a form 410 with the Secretary of State which discloses the names of a Principal Officer and Treasurer.

The stipulation which you tabled in August did not contain any reference to the fact that a Multipurpose Organization that qualifies as a Major Donor may also qualify as a recipient committee. (Stip page 3, line 8)

It appears that the Foundation should have qualified as a recipient committee, requiring the filing of an organizational statement under condition 5 (Stip page 3, line 16). They clearly made multiple contributions of \$50,000 in calendar year 2016

While not stated explicitly in this section of Stipulation, the Enforcement Division determined that the Foundation qualified for an exception to the rule by using exclusively "non donor funds" which appear to be funds from any activity that is not the result of a donation. Non donor funds are defined on Page 3, lines 19-21.

This is where I sharply dissent and disagree with the findings of the Enforcement Division.

On page 7 of the stipulation the ED directly states that the money for the contribution was made using available non donor funds from Pepsi Bottling and Barnes and Noble in compliance with the terms of contracts signed with the Santa Clarita Community College District.

The Foundation was not and is not a party to the contracts with Pepsi and Barnes and Noble.

The effect of the contracts was to steer money that rightfully should accrue to the District to the Foundation .

The terms of the contract (section 22 and 23) with Barnes and Noble explicitly uses the term **Donation**. (Exhibit 1).The Enforcement Division has incredibly characterized funds described as a donation as non donor funds in an effort to excuse the Foundation from qualifying as a Recipient Committee.

The contract with Pepsi Bottling and the District refers to an “Annual Sponsorship” payment to the Foundation ranging between \$45,000-\$50,000. The term Annual Sponsorship to any reasonable individual is synonymous with the word donation.

Please see Exhibit 2.

The funds donated to the Foundation cannot be reasonably be considered to be from investment income, or income earned from providing good, services, or facilities. The Foundation has become dependent on the largess of the District, estimated by one Trustee to be in excess of \$1,000,000 per year.

It is worthy to note that the donations from Pepsi and Barnes and Noble are not under the control of the Foundation that “received” the funds. Both contracts require that the donations are to be used solely at the discretion of the Chancellor. The Chancellor is a position with the District/College, not a position on the Foundation.

It is my strong contention based upon evidence obtained through numerous public records requests that the Foundation did not qualify for an exception to the requirement that it be required to file a Statement of Organization as a Recipient Committee which would have disclosed to the public and the press the Principal Officers the Treasurer.

In addition the pre-election campaign statements would have revealed the source of the donations used to make the contribution to the committee .

This stipulation is deficient and should be returned to the Enforcement Division to include a finding that the Foundation qualified as Recipient Committee and the allegation and appropriate penalty should be added, and the names of the responsible natural persons should be included.

I would prefer that a full evidentiary hearing be ordered by the Commission as an alternative to a future stipulation placed on the consent calendar.

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#### Other Relevant Comments Relevant to Enforcement Division Findings

Stipulation Page 6 Lines 4-5 state that the Foudation met on March 22, 2016 to adopt a resolution of support of Measure E **AND** to financially support the campaign.

Exhibit 3 is included for your review. There was a Endorsement Resolution approved by the Board of Directors. The BoD resolved to endorse Measure E, but there is no mention of any financial support (amounts or timing). The Endorsement Resolution was signed by attorney Brian Koegle who claimed to be an unnamed Principal Officer of the Committee in Com 19-01756, responsible for soliciting donations on behalf of the Committee.

The campaign contributions seem to have been left to the exclusive discretion of the Chancellor of the College as to the amount and the timing. Chancellor Dianne G Van Hook completed a series of Grant Request submitted to herself and signed by other employees of the District (Sharlene Coleal and Cathy Ritz)who had an obvious conflict of interest in approving the expenditure of funds.

A series of Special Grant Requests and withdrawal requests are submitted as evidence. Please note that the Special Grant Request 16-234 and the withdrawal request are dated on March 9, 2016 which precedes the Foundation Board of Directors meeting of March 22, 2016.

See Exhibit 4....Special Grant Requests

The Chancellor was clearly acting upon her authority to appropriate contributions at her discretion as Chancellor of the College from the Funds for the Future. The Chancellor was not responding to a specific request of the Foundation.

It is noteworthy that no receipts or invoices were attached to the Special Grant Request forms as required prior to disbursement.

I take issue with the finding on Stipulation page 7 Lines 1-3.

First, the Administrative Policy manual referenced as a footnote (bottom page 7) was approved on May 28, 2019....years after the contribution.

There was no supporting documentation with the Special Grant Request.

There were no initials on receipts or invoices by the Foundation Chief Operating Officer and the Chancellor / designee.

There is no evidence in the record of ratification by the Foundation Board of Directors.

Monies from Funds for Future the can be used to “augment district appropriations for public relations purposes.” The District is precluded by law from making contributions to a Committee in support of a bond measure, so the Foundation cannot “augment” an appropriation by the District.

See exhibit 5

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Stipulation Page 8 line 20 indicates that the Committee filed 24 hour late contribution reports. In all the documentation provided to me by the filing officer in LA County, I have never been provided with a late contribution report filed by the committee. Form 497. They may exist, I have never seen them

The more election campaign statements filed by the Committee are confusing and misleading. For each of the \$50,000 contributions the contributor is identified as “Santa Clarita Community College District-COC Foundation.

To some extent this seems an honest statement to me in that the true source of the contribution were funds that originated from contracts with the District, and the Foundation was merely used as an intermediary to hand the contribution to the Committee at the discretion of the Chancellor.

Exhibit 6

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Allow me to comment briefly about the Stipulation Page 4 lines 1-18, since I find the section to be incomplete and misleading.

The Attorney General’s Opinion 04-211 (Lockyer) reaches the following conclusion.....”auxiliary organizations may independently determine to contribute their own privately raised funds to a political action committee established to advocate voter approval of the bond measure , subject to applicable campaign disclosures.

The Foundation was never in a position to “independently determine” whether to make a contribution. This decision was left exclusively to the Chancellor regardless of what the Foundation approved.

There is no evidence in the record that the Foundation “ privately raised” any funds with which to make a contribution to the committee.

We do know that the Foundation failed to comply with applicable campaign disclosure requirements.

Applicable Page Exhibit 7.

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This complaint involves so much more than innocent paperwork snafus.....failure to file timely 24 hour reports and Major Donor Campaign Statement.

“We did not know how to comply with campaign finance regulations” rings hollow when presented with the totality and sophistication of this scheme.

It involves an elaborate scheme to shift (launder) funds from a public agency prohibited by law from making campaign contributions to an auxiliary organization used an intermediary in an effort to hide the true source of the contribution.

It is a blue print for public agencies to use money that should support the public agency in support of a ballot measure.

Based on the evidence I ask the Commission to reject the Stipulation as presented and refer it back to the Enforcement Division to include an allegation that the Foundation failed to register as a Recipient Committee as required by FPPC rules and regulations.

Respectfully submitted,

Steve Petzold  
Open Government Advocate  
661-609-1739

Contract for campus bookstore

Gross sales is defined as all collected sales at the Bookstore, including, but not limited to textbook rentals and sales from the Bookstore's website, less voids, refunds, sales tax, discounted departmental sales, handling fees associated with non-return of rental textbooks, campus debit card fees, discounted faculty/staff sales, pass-through income, merchandise sales at less than a twenty percent (20%) gross margin such as computer hardware as reasonably determined by Barnes & Noble, and other merchandise mutually designated as non-commissionable. When Barnes & Noble sells digital content as an agent, Barnes & Noble's agency fee shall be the applicable gross sales for such digital content.

20. Payment Schedule:

Applicable payments as set forth above hereof shall be made monthly by Barnes & Noble to District and shall be paid within thirty (30) days after the close of the quarter in which they were earned.

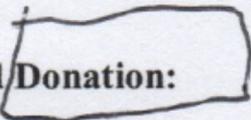
Each payment shall be accompanied by a detailed statement of its computation and Barnes & Noble shall furnish supporting documentation to District upon request.

21. Annual Textbook Scholarship:

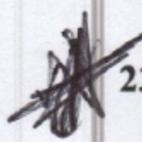
Barnes & Noble will provide District an annual textbook scholarship donation of Ten Thousand Dollars (\$10,000), to be used in the Bookstore on campus, beginning July 1, 2014, and each July thereafter, during the Term of this Agreement and renewal or extension period thereafter. Funds will be available on credit through the Bookstore. On an annual basis, District will provide the Bookstore with a list of students that will receive the scholarship, and Barnes & Noble will provide documentation that scholarships have been awarded.



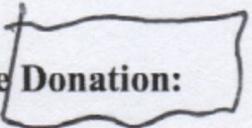
22. Annual Unrestricted Donation:



Barnes & Noble will provide the College of the Canyons Foundation with an annual unrestricted donation of Ten Thousand Dollars (\$10,000), to be used at the discretion of the Chancellor. Payment shall be issued to District by July 15, 2014, and each July 15th thereafter, during the Term of this Agreement and renewal or extension period thereafter.



23. One-Time Donation:



"District shall reimburse B&N"

Barnes & Noble shall provide the College of the Canyons Foundation with a one-time donation of Two Hundred Thousand Dollars (\$200,000) to be used at the discretion of Chancellor. Payment shall be issued to District by July 15, 2014. Barnes & Noble will amortize this investment on a straight-line basis over the five (5) year Term of this Agreement. Should the District cancel this Agreement before the end of the first five (5) year Term, District shall reimburse Barnes & Noble for any amount of the investment not yet amortized.

24. Capital Commitment:

Barnes & Noble will commit to investing Thirty Thousand Dollars (\$30,000) for fixtures and/or technology for the Bookstore. Barnes & Noble will depreciate this investment on a straight-line basis over the five (5) year Term of this Agreement. Should District cancel this Agreement before the end of that period, then District shall reimburse Barnes & Noble for any amount of the investment not yet depreciated.

Relevant Page  
Barnes and Noble Contract  
with the District

Exhibit I

*Pepsi Contract  
for campus vending services*

*April 2015 - March 2020  
Approved 4/8/2015*

h. Contractor shall provide currency and change to designated District staff, which shall be replenished regularly, to facilitate refunds in a prompt and orderly fashion.

2. Vending Machine Locations and Utilities. The quantity, selection and placement of Equipment shall be as mutually agreed upon. District agrees to allow Contractor to use existing utility service connections on the District's Valencia and Canyon Country campuses ("Premises") to operate the Equipment during the Term of this Agreement and District shall be responsible for payment of utility services. Current placement of machines is reflected on Exhibit D, which will be updated as machine locations change.

3. Vending Price. The services and vending price are based upon the Questionnaire Response (attached hereto as Exhibit A), Proposed Offerings (attached hereto as Exhibit B), Proposal (attached hereto as Exhibit C) and any additions or deductions as provided for in the RFP documents, all of which are incorporated herein and made a part hereto. Beverage prices will be established by Contractor with the District's approval and shall be firm for at least one (1) year after the commencement of this Agreement. All requests for price increases or decreases will be presented in writing to the District thirty (30) days prior to the desired date of implementation of such pricing change. Notwithstanding the foregoing, the minimum vend price for carbonated beverages will be \$1.75 per bottle and the minimum vend prices for all other products are listed in the Proposed Offerings.

4. Pricing for Bottle, Can and Fountain - Served by Retail Operations Contracted by the District. Beverage prices will be established by Contractor and shall be firm for at least one (1) year after the commencement of this Agreement. Initial Product pricing is set forth on Exhibit E to this Agreement and shall be valid for Year One. All requests for price changes will be notified in writing to the District and its Retail Contracted Operations thirty (30) days prior to the desired date of implementation of such pricing change. Contractor agrees that annual price increases will not exceed four percent (4%) in any Year.

5. Annual Sponsorship. In consideration of the exclusive Beverage rights granted to Contractor hereunder, Contractor shall advance an Annual Sponsorship of **Forty-Five Thousand Dollars (\$45,000) in years 1-3 of the Agreement and Fifty Thousand Dollars (\$50,000) in years 4-5 of the Agreement**, to be paid directly to the College of the Canyons Foundation, to be used at the discretion of the Chancellor. The first payment shall be paid within sixty (60) days of execution of this Agreement by both Parties and each subsequent payment shall be made on each anniversary date of the signing of this Agreement thereafter until the end of the Term of the Agreement, not to exceed five (5) consecutive payments, plus an additional five (5) payments if this Agreement is renewed by mutual written consent as set forth in Section 7 herein (the "Annual Sponsorship Fund"). If this Agreement is terminated pursuant to Section 9 herein, Contractor shall obtain, without prejudice to any other rights or remedies that may be available to Contractor, a reimbursement from the College of the Canyons Foundation for any unearned Annual Sponsorship payment made by Contractor to the College of the Canyons Foundation for the Agreement Year in which such termination occurs. The amount of such reimbursement shall be determined by multiplying the Annual Sponsorship payment made in the Agreement Year during which such termination occurs by a fraction, the numerator of which is the number of full months remaining in such Agreement Year at the time of Termination Date, and the denominator, which is the number twelve (12).

6. Commission Payments.

Contractor will provide District with Commissions, as a percentage of the actual cash ("**cash in bag**" or "**CIB**") collected by Contractor from the Vending Machines placed at the District campuses, plus actual amounts received by Contractor in connection with credit card or debit card sales (collectively with CIB, "**Revenue**"). Such Commission Due shall be calculated using the rate(s) set forth below (the "**Commission Rate**"), less applicable CRV. Commission Due shall be calculated as follows:

$$(\text{Revenue} * \text{Commission Rate}) - \text{applicable CRV} = \text{Commission Due}$$

| Product                             | Minimum Vend Price                           | Commission Rate* |
|-------------------------------------|--|------------------|
| 20 oz. Carbonated Soft Drinks       | \$1.75                                       | 33%              |
| All Other Currently Vended Products | Set forth in Proposed Offerings in Exhibit B | 33%              |

a. Such revenues shall be reported per four-week accounting period established by Contractor by each Beverage vending machine and paid on a four-week period basis. Separate commission statements and checks shall be issued as follows: Valencia Campus and Canyon Country Campus. Commissions shall be paid within thirty (30)

*\* Contract was made with Pepsi Bottling and the District. The Foundation was not a party to the contract. Funds to be used at discretion of the Chancellor.*

*Exhibit 2*

## Endorsement Resolution College of the Canyons Bond Measure E

WHEREAS, College of the Canyons is noted for its high-quality education programs, as demonstrated by its ranking among the top five community colleges in the state for student completion rate for college-prepared students; and

WHEREAS, COC's student transfer rate to universities is the highest of the 21 two-year College's in Los Angeles County; and

WHEREAS, more than 60% of local William S. Hart Union High School District graduates attend College of the Canyons within two years of graduating; and

WHEREAS, more than 800 high school students get a jumpstart on college by enrolling in College of the Canyons while still in high school; and

WHEREAS, Santa Clarita Valley's businesses count on College of the Canyons to equip students of all ages with the skills needed to work in growing, high-paying industries; and

WHEREAS, with the rising costs of four-year college that lead to excessive student loan debt, more local families are turning to College of the Canyons for local higher education at a fraction of the cost of state universities; and

WHEREAS, student enrollment continues to grow—in the past ten years, enrollment has increased to about 20,000 students and is expected to increase by 50 percent and reach up to 30,000 students within the next decade; and

WHEREAS, students often cannot get the courses they need—every semester, approximately 4,000 students are on waitlists; and

WHEREAS, more classrooms science facilities and labs are needed at the Canyon Country and Valencia campuses to prepare students to work in science, technology, engineering and math-related careers; and

WHEREAS, the College of the Canyons Board of Trustees voted to place Measure E, a \$230 million local bond measure on the June 7, 2016, ballot; and

WHEREAS, Measure E will make essential upgrades and improvements to ensure College of the Canyons can continue providing quality education to local students; and

WHEREAS, the mission of the College of the Canyons Foundation is to generate resources that support and enhance student access, success and completion at College of the Canyons; and

*Exhibit 3*  
*P. 1*

WHEREAS, Measure E will qualify College of the Canyons for state matching funds that would otherwise be lost to other communities; and

WHEREAS, every penny from Measure E will stay local in our community and funds cannot be taken away by the State; and

~~\*~~ THEREFORE, BE IT RESOLVED, the College of the Canyons Foundation Board of Directors votes to endorse Measure E, the June 2016 College of the Canyons local bond measure.

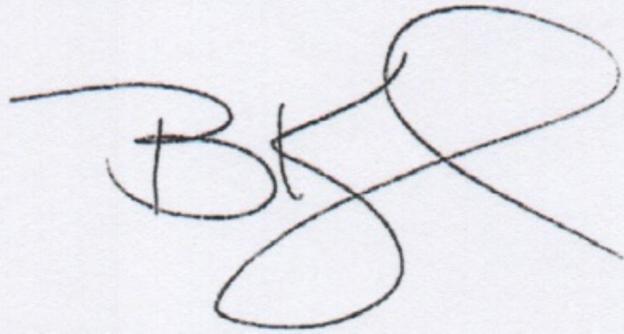
A handwritten signature in black ink, appearing to be 'BGR', written in a cursive style.

Exhibit 3  
P. 2

14-234



**SPECIAL GRANT REQUEST FOR FOUNDATION FUNDS**

*(Please attach appropriate invoices, receipts, or approved district forms. Please initial all receipts and invoices)*

**COC DEPARTMENT:** Chancellor's Office

**SOURCE OF FOUNDATION FUNDS:** Funds for the Future **ACCT#:** 82-65890-00-950514-1000

**AMOUNT REQUESTED:** \$50,000

**EXPLANATION OF PROJECT AND FUNDING REQUEST:** Donations to Citizens for College of the Canyons.

*(see attached)*

**DESCRIBE HOW THE FUNDS WILL BE USED:** (see attached)

**DESCRIBE HOW THIS ACTIVITY TIES INTO THE PROGRAM REVIEW AND STRATEGIC PLAN:** (see attached)

**REQUEST SUBMITTED BY:**

Department Chair

Date

Faculty Name (Please print)

Date

**AUTHORIZED:**

*(Signature #3 required if over \$5,000)*

1) [Signature]  
CATHY RITZ, Chief Operational Officer

[Signature] 3/9/14  
DR. DIANNE G. VAN HOOK, Chancellor

OR

3) [Signature]  
SHARLENE COLEAL, Asst. Superintendent IVP Business Services

Administrator-in-charge

Send ID 379351: Committee  
**MAKE CHECK PAYABLE TO:** Coalition for College of the Canyons - Yes on measure E

**TRANSFER TO DISTRICT ACCT#:** n/a

**GRANT AWARDED TO:** \_\_\_\_\_ **DATE:** \_\_\_\_\_ **\$** \_\_\_\_\_

Please email \_\_\_\_\_ for check pick-up in the Fiscal Department

White/Yellow: Fiscal Services (Please fill in the above if you would like to pick up your check otherwise it will be mailed out)  
Copy: Requesting Department

Exhibit 4  
PJ



**SPECIAL GRANT REQUEST FOR FOUNDATION FUNDS**

*(Please attach appropriate invoices, receipts, or approved district forms. Please initial all receipts and invoices)*

**COC DEPARTMENT:** Chancellor's Office

**SOURCE OF FOUNDATION FUNDS:** Funds for the Future **ACCT#:** 82-65890-00-950514-1000

**AMOUNT REQUESTED:** \$50,000

**EXPLANATION OF PROJECT AND FUNDING REQUEST:** At the March 9, 2016 Board of Trustees Meeting, the Board approved a Resolution to order an Election for a \$230 million General Obligation Bond. The Bond will provide funding to complete the Valencia Campus and add capacity to the Canyon Country Campus. Students need up-to-date classrooms, labs, equipment and technology to prepare them for jobs in science, aerospace, teaching, nursing, manufacturing and other fast-growing, high-wage industries. The Coalition for College of the Canyons (name to be amended when Measure Letter is received) will assist the District in securing passage of the Bond Measure on June 7, 2016.

**DESCRIBE HOW THE FUNDS WILL BE USED:** Funds will be used for expenses incurred by the Coalition for College of the Canyons to educate the community on the need for a new General Obligation Bond. Expenses may include staffing, rental of space, and other operating expenses such as utilities, printing, postage, and advertising.

**DESCRIBE HOW THIS ACTIVITY TIES INTO THE PROGRAM REVIEW AND STRATEGIC PLAN:** This activity will assist the District in securing the necessary capital resources to complete the Valencia Campus and expand capacity at the Canyon Country Campus. Capital Projects will be based on the Educational and Facilities Master Plan, which includes information on current and future educational needs of the community and related facilities projects that will be required to enable the District to continue providing excellent and affordable educational opportunities.

**REQUEST SUBMITTED BY:**

Department Chair Date

Faculty Name (Please print) Date

**AUTHORIZED:**

*(Signature #3 required if over \$5,000)*

1) CATHY RITZ, Chief Operational Officer

2) DR. DIANNE G. VAN HOOK, Chancellor

**OR**

3) SHARLENE COLEAL, Asst. Superintendent IYP Business Services

Administrator-in-charge

**MAKE CHECK PAYABLE TO:** Coalition for College of the Canyons - YES ON MEASURE E

**TRANSFER TO DISTRICT ACCT#:** n/a

**GRANT AWARDED TO:** \_\_\_\_\_ **DATE:** \_\_\_\_\_ **\$** \_\_\_\_\_

Please email \_\_\_\_\_ for check pick-up in the Fiscal Department  
White/Yellow: Fiscal Services (Please fill in the above if you would like to pick up your check otherwise it will be mailed out)  
Copy: Requesting Department

#4  
P2



# Chancellor's Office

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Dr. Dianne G. Van Hook

March 9, 2016

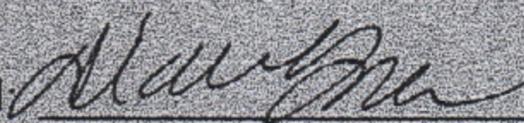
To: Cathy Ritz, COC Foundation  
Sharlene Coleal, Fiscal Services

From: Dr. Dianne Van Hook

**Subject: Donation to Coalition for College of the Canyons**

Please process a withdrawal from Funds for the Future in the amount of \$50,000 as a donation payable to Coalition for College of the Canyons. I have attached a special grant form to facilitate the payment.

Date: 3/9/16

Approved: 

#4  
P3

16-268



**SPECIAL GRANT REQUEST FOR FOUNDATION FUNDS**

*(Please attach appropriate invoices, receipts, or approved district forms. Please initial all receipts and invoices)*

**COC DEPARTMENT:** Chancellor's Office

**SOURCE OF FOUNDATION FUNDS:** Funds for the Future **ACCT#:** 82-65890-00-950514-1000 ✓

**AMOUNT REQUESTED:** \$50,000 (2nd Disbursement from FFF)

**EXPLANATION OF PROJECT AND FUNDING REQUEST:** At the March 9, 2016 Board of Trustees Meeting, the Board approved a Resolution to order an Election for a \$230 million General Obligation Bond. The Bond will provide funding to complete the Valencia Campus and add capacity to the Canyon Country Campus. Students need up-to-date classrooms, labs, equipment and technology to prepare them for jobs in science, aerospace, teaching, nursing, manufacturing and other fast-growing, high-wage industries. The Coalition for College of the Canyons (name to be amended when Measure Letter is received) will assist the District in securing passage of the Bond Measure on June 7, 2016.

**DESCRIBE HOW THE FUNDS WILL BE USED:** Funds will be used for expenses incurred by the Coalition for College of the Canyons to educate the community on the need for a new General Obligation Bond. Expenses may include staffing, rental of space, and other operating expenses such as utilities, printing, postage, and advertising.

**DESCRIBE HOW THIS ACTIVITY TIES INTO THE PROGRAM REVIEW AND STRATEGIC PLAN:** This activity will assist the District in securing the necessary capital resources to complete the Valencia Campus and expand capacity at the Canyon Country Campus. Capital Projects will be based on the Educational and Facilities Master Plan, which includes information on current and future educational needs of the community and related facilities projects that will be required to enable the District to continue providing excellent and affordable educational opportunities.

**REQUEST SUBMITTED BY:**

Department Chair

Date

[Signature] 4/18/16  
Faculty Name (Please print) Date

**AUTHORIZED:**

*(Signature #3 required if over \$5,000)*

1) [Signature]  
CATHY RITZ, Chief Operational Officer

2) [Signature]  
DR. DIANNE G. VAN HOOK, Chancellor

OR

3) [Signature]  
SHARLENE COLEAL, Asst. Superintendent IVP Business Services

Administrator-in-charge

**MAKE CHECK PAYABLE TO:** Committee for College of the Canyons, Yes on Measure E

**TRANSFER TO DISTRICT ACCT#:** n/a

**GRANT AWARDED TO:** \_\_\_\_\_ **DATE:** \_\_\_\_\_ **\$** \_\_\_\_\_

Please email \_\_\_\_\_ for check pick-up in the Fiscal Department

White/Yellow: Fiscal Services (Please fill in the above if you would like to pick up your check otherwise it will be mailed out)

Copy: Requesting Department

#4  
P5  
Rb



## Chancellor's Office

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Dr. Dianne G. Van Hook

April 18, 2016

To: Cathy Ritz, COC Foundation  
Sharlene Coleal, Fiscal Services

From: Dr. Dianne Van Hook

**Subject: Donation to Committee for College of the Canyons – Yes on  
Measure E**

Please process a withdrawal from Funds for the Future in the amount of \$50,000 as a donation payable to the Committee for College of the Canyons – Yes on Measure E. I have attached a special grant form to facilitate the payment.

Date: 4/18/2016

Approved: \_\_\_\_\_

A handwritten signature in black ink, appearing to be 'Dianne Van Hook', written over a horizontal line.

#4  
P6

110-300



**SPECIAL GRANT REQUEST FOR FOUNDATION FUNDS**

*(Please attach appropriate invoices, receipts, or approved district forms. Please initial all receipts and invoices)*

**COC DEPARTMENT:** Chancellor's Office

**SOURCE OF FOUNDATION FUNDS:** Funds for the Future **ACCT#:** 82-65890-00-950514-1000

**AMOUNT REQUESTED:** \$50,000.00 (3rd Disbursement from FFTF)

**EXPLANATION OF PROJECT AND FUNDING REQUEST:** At the March 9, 2016 Board of Trustees Meeting, the Board approved a Resolution to order an Election for a \$230 million General Obligation Bond. The Bond will provide funding to complete the Valencia Campus and add capacity to the Canyon Country Campus. Students need up-to-date classrooms, labs, equipment and technology to prepare them for jobs in science, aerospace, teaching, nursing, manufacturing and other fast-growing, high-wage industries. The Committee for College of the Canyons, Yes on Measure E, will assist the District in securing passage of the Bond Measure on June 7, 2016

**DESCRIBE HOW THE FUNDS WILL BE USED:** Funds will be used for expenses incurred by the Committee for College of the Canyons, Yes on Measure E to educate the community on the need for a new General Obligation Bond. Expenses may include staffing, rental of space, and other operating expenses such as utilities, printing, postage, and advertising.

**DESCRIBE HOW THIS ACTIVITY TIES INTO THE PROGRAM REVIEW AND STRATEGIC PLAN:** This activity will assist the District in securing the necessary capital resources to complete the Valencia Campus and expand capacity at the Canyon Country Campus. Capital Projects will be based on the Educational and Facilities Master Plan, which includes information on current and future educational needs of the community and related facilities projects that will be required to enable the District to continue providing excellent and affordable educational opportunities.

**REQUEST SUBMITTED BY:**

Department Chair

Date

[Signature] 5/16/2016  
Faculty Name (Please print) Date

**AUTHORIZED:**

*(Signature #3 required if over \$5,000)*

1) [Signature]  
CATHY RITZ, Chief Operational Officer

2) [Signature]  
DR. DIANNE G. VAN HOOK, Chancellor

OR

3) [Signature]  
SHARLENE COLEAL, Asst. Superintendent IVP Business Services

Administrator-in-charge

**MAKE CHECK PAYABLE TO:** Committee for College of the Canyons, Yes On Measure E

**TRANSFER TO DISTRICT ACCT#:** \_\_\_\_\_

**GRANT AWARDED TO:** \_\_\_\_\_ **DATE:** \_\_\_\_\_ **\$** \_\_\_\_\_

Please email \_\_\_\_\_ for check pick-up in the Fiscal Department

White/Yellow: Fiscal Services (Please fill in the above if you would like to pick up your check otherwise it will be mailed out)  
Copy: Requesting Department

#4 P 7



# Chancellor's Office

Dr. Dianne G. Van Hook

May 16, 2016

To: Cathy Ritz, COC Foundation  
Sharlene Coleal, Fiscal Services

From: Dr. Dianne Van Hook

**Subject: Donation to Committee for College of the Canyons – Yes on  
Measure E**

Please process a withdrawal from Funds for the Future in the amount of \$50,000 as a donation payable to the Committee for College of the Canyons – Yes on Measure E. I have attached a special grant form to facilitate the payment.

Date: 5/16/16 Approved: [Signature]

#4  
P D

COLLEGE OF THE CANYONS FOUNDATION

SECTION NO. 100

FOUNDATION POLICY MANUAL

DOCUMENT NO. 127

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SECTION: **POLICY STATEMENT – GENERAL AND ADMINISTRATIVE**

SUBJECT: **SOURCE AND USE OF PUBLIC RELATIONS FUND**

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PURPOSE: To provide policy parameters on the accumulation and use of funds for public relations purposes.

REFERENCE: California Code of Regulations, Title 5, Sections 59257(j)(9) and 59259; Santa Clarita Community College District Board of Trustees Regulations for Auxiliary Organizations, Section 1.2; and Foundation *Master Operating Agreement*, effective July 1, 2019.

NEW/REVISED: Revised

EFFECTIVE DATE: May 28, 2019

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## I. BACKGROUND

California Code of Regulations, Title 5, Section 59257(j)(9), requires each district governing board to include operating agreement provisions relating to proposed expenditures by an auxiliary organization for public relations or other purposes that serve to augment district appropriations for the college. Section 59259(k) permits auxiliary organizations to develop and operate public relations programs.

Pursuant to the Foundation's Master Operating Agreement, the Foundation is authorized to provide funding for district public relations programs. Funds of the Foundation may be expended for public relations purposes in such amounts and for purposes as are ratified by the Foundation Board of Directors. These funds can be used to augment district appropriations for public relations purposes.

## II. POLICY

### **A. Solicitation, Source and Expenditure of Public Relations Funds**

- Public relations funds shall be established in a designated account by the Foundation's Board of Directors. The source of these funds may include,

but not be limited to, corporate auxiliary net revenues, private and corporate donations, or the proceeds from the sale of non-cash gifts made to the Foundation. These funds will be held in an appropriate Foundation Discretionary or Restricted account.

- Expenditures must clearly advance the goals and objectives of the District and be consistent with applicable procurement and accounting practices.
- Expenditures must benefit the Santa Clarita Community College District to include, but not be limited, to:
  - Educational activities
  - Social activities
  - Institutional development activities
  - Hospitality
  - Community and employee recognition
  - Employee business travel
  - Student scholarships and support
- Any transfer of restricted funds to a designated public relations account must be clearly consistent with the restricted purpose.

#### **B. Policy Filing**

The Foundation shall file a copy of this Policy and the Procedures, and any amendments with the District Chancellor.

COLLEGE OF THE CANYONS FOUNDATION

SECTION NO. 100

FOUNDATION POLICY MANUAL

DOCUMENT NO. AP127

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SECTION: **ADMINISTRATIVE PROCEDURES - GENERAL**

SUBJECT: **SOURCE AND USE OF PUBLIC RELATIONS FUND**

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PURPOSE: To provide administrative procedures on the accumulation and use of funds for public relations purposes.

REFERENCE: California Code of Regulations, Title 5, Sections 59257(j)(9) and 59259; Santa Clarita Community College District Board of Trustees Regulations for Auxiliary Organizations, Section 1.2; and Foundation *Master Operating Agreement*, effective July 1, 2019.

NEW/REVISED: Revised

EFFECTIVE DATE: May 28, 2019

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**Public Relations Account (Funds for the Future; Innovation Fund and Fundraising Development)**

This procedure statement is meant to comply with California Code of Regulations, Title 5, Section 59257(j)(9) and 59259.

- The establishment of a Foundation account for public relations purposes shall only be at the request of the District Chancellor or an administrator designee.
- The expenditure of funds shall be approved by the Chancellor, the Assistant Superintendent/Vice President of Business Services, the Foundation's Chief Operating Officer, or designee.
- Expenditure requests shall be submitted to the Foundation on a Special Grant Request Form and be accompanied by the appropriate supporting documentation with dates, purpose for which funds will be used, individuals or groups involved, location, and amounts clearly stated. This information is provided for documentation and audit purposes only.

- Receipts or invoices must be attached to the Special Grant Request Form and be signed by the Foundation Chief Operating Officer or designee and the Chancellor or designee.

*No Receipts or Invoices*

# Schedule A Monetary Contributions Received

Amounts may be rounded  
to whole dollars.

SCHEDULE A  
CALIFORNIA  
FORM  
**460**

Statement covers period  
from 01/01/2016  
through 04/23/2016

Page 4 of 18

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER  
**COMMITTEE FOR COLLEGE OF THE CANYONS - YES ON MEASURE E**

I.D. NUMBER  
1384666

| DATE RECEIVED      | FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)                       | CONTRIBUTOR CODE *  | IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS) | AMOUNT RECEIVED THIS PERIOD | CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31) | PER ELECTION TO DATE (IF REQUIRED) |
|--------------------|--|---|--|-----------------------------|---|------------------------------------|
| 03/22/16           | SANTA CLARITA COMMUNITY COLLEGE DISTRICT - COC FOUNDATION<br>26455 ROCKWELL CANYON ROAD<br>SANTA CLARITA, CA 91355 | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | \$50,000                    | \$50,000  |                                    |
| 03/23/16           | NE SYSTEMS, INC.<br>25106 BARNHILL ROAD<br>SANTA CLARITA, CA 91350   | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | \$10,000                    | \$10,000  |                                    |
| 03/25/16           | LUNDGREN MANAGEMENT CORP.<br>26330 CITRUS STREET<br>VALENCIA, CA 91355   | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | \$25,000                    | \$25,000  |                                    |
| 03/28/16           | R.C. BECKER & SON, INC<br>28355 KELLY JOHNSON PKWY<br>VALENCIA, CA 91355   | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | \$10,000                    | \$10,000  |                                    |
| 03/29/16           | IPBWS ARCHITECTS, INC.<br>234 E. COLORADO BLVD., SUITE 700<br>PASADENA, CA 91101                                   | <input type="checkbox"/> IND<br><input checked="" type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | \$5,000                     | \$5,000   |                                    |
| <b>SUBTOTAL \$</b> |  |   |  |                             |   |                                    |

- Schedule A Summary**
- Amount received this period - itemized monetary contributions.  
(Include all Schedule A subtotals.) ..... \$ 121,300
  - Amount received this period - unitemized monetary contributions of less than \$100 ..... \$ 175
  - Total monetary contributions received this period. **TOTAL \$** 121,475

\*Contributor Codes  
IND - Individual  
COM - Recipient Committee  
(other than PTY or SCC)  
OTH - Other (e.g., business entity)  
PTY - Political Party  
SCC - Small Contributor Committee

Exhibit 6 P2 One

**Schedule A  
Monetary Contributions Received**

Amounts may be rounded  
to whole dollars.

SCHEDULE A  
CALIFORNIA  
FORM **460**

Statement covers period  
from 04/24/16  
through 05/21/16

Page 4 of 19

I.D. NUMBER  
1384666

SEE INSTRUCTIONS ON REVERSE  
NAME OF FILER

COMMITTEE FOR COLLEGE OF THE CANYONS - YES ON MEASURE E

| DATE RECEIVED      | FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER) | CONTRIBUTOR CODE *  | IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS) | AMOUNT RECEIVED THIS PERIOD | CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31) | PER ELECTION TO DATE (IF REQUIRED) |
|--------------------|--|---|--|-----------------------------|---|------------------------------------|
| 04/28/16           | SEVEN FIFTY COMPANY<br>26135 BOUQUET CANYON BLVD.<br>SAUGUS, CA 91350                        | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | 2,500.00                    | 2,500.00  |                                    |
| 04/28/16           | SANTA CLARITA COMMUNITY COLLEGE<br>DISTRICT - COC FOUNDATION                                 | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | 50,000.00                   | 100,000.00  |                                    |
| 05/02/16           | LUNDGREN MANAGEMENT CORP.<br>26330 CITRUS STREET<br>VALENCIA, CA 91355                       | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | 24,950.00                   | 49,950.00   |                                    |
| 04/19/16           | STACY FORTNER-FOERSTER<br>28314 LOBELIA LANE<br>VALENCIA, CA 91354                           | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | TECHNOLOGY SALES<br>CAL NET<br>TECHNOLOGY  | 50.00                       | 50.00   |                                    |
| 5/19/16            | KANDA & TSO ASSOCIATES<br>511 MISSION ST.<br>SOUTH PASADENA, CA 91030                        | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | 12,000.00                   | 12,000.00   |                                    |
| <b>SUBTOTAL \$</b> |  |   |  | <b>89,500.00</b>            |   |                                    |

**Schedule A Summary**

- Amount received this period - itemized monetary contributions.  
(Include all Schedule A subtotals.) ..... \$ 203,400.00
- Amount received this period - unitemized monetary contributions of less than \$100 ..... \$ \_\_\_\_\_
- Total monetary contributions received this period.  
(Add Lines 1 and 2. Enter here and on the Summary Page, Column A, Line 1.) ..... **TOTAL \$** 203,400.00

\*Contributor Codes  
IND - Individual  
COM - Recipient Committee  
(other than PTY or SCC)  
OTH - Other (e.g., business entity)  
PTY - Political Party  
SCC - Small Contributor Committee

Exhibit 6 P. 2

# Schedule A (Continuation Sheet) Monetary Contributions Received

Amounts may be rounded  
to whole dollars.

SCHEDULE A (CONT.)

Statement covers period  
from 04/24/16  
through 05/21/16

CALIFORNIA FORM **460**

Page 6 of 19

NAME OF FILER  
**COMMITTEE FOR COLLEGE OF THE CANYONS - YES ON MEASURE E**

I.D. NUMBER  
**1384666**

| DATE RECEIVED      | FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)                          | CONTRIBUTOR CODE *  | IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS) | AMOUNT RECEIVED THIS PERIOD | CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31) | PER ELECTION TO DATE (IF REQUIRED) |
|--------------------|---|---|--|-----------------------------|---|------------------------------------|
| 5/9/16             | DAWN ZIEMER & BRETT LARSON<br>1015 EAST ST.<br>SANTA BARBARA, CA 93103  | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | ARCHITECT<br>KRUGER BENSON<br>ZIEMER ARCHITECTS  | 6,000.00                    | 6,000.00  |                                    |
| 5/16/16            | KEVIN ANTHONY<br>11524 MOORPARK ST. #7<br>STUDIO CITY, CA 91602   | <input checked="" type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC | EDUCATION<br>COLLEGE OF THE<br>CANYONS   | 100.00                      | 100.00  |                                    |
| 05/19/16           | SANTA CLARITA COMMUNITY COLLEGE<br>DISTRICT - COC FOUNDATION<br>26455 ROCKWELL CANYON ROAD<br>SANTA CLARITA, CA 91355 | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | 50,000.00                   | 150,000.00  |                                    |
| 5/19/16            | H&S ELECTRIC<br>27895 SMYTH, UNIT 6A<br>SANTA CLARITA, CA 91355   | <input type="checkbox"/> IND<br><input type="checkbox"/> COM<br><input checked="" type="checkbox"/> OTH<br><input type="checkbox"/> PTY<br><input type="checkbox"/> SCC |  | 15,000.00                   | 15,000.00   |                                    |
| <b>SUBTOTAL \$</b> |   |   |  | <b>71,100.00</b>            |   |                                    |

\*Contributor Codes  
IND - Individual  
COM - Recipient Committee  
(other than PTY or SCC)  
OTH - Other (e.g. business entity)  
PTY - Political Party  
SCC - Small Contributor Committee

*Exhibit 6  
P.A*

3. After a community college district has placed a bond measure on the ballot, consistent with its charter, articles, and bylaws, may the district's nonprofit foundations, student body associations, and other auxiliary organizations independently determine to contribute their own privately raised funds to a political action committee established specifically to advocate voter approval of the bond measure?

### CONCLUSIONS

1. In preparation for submitting a bond measure to the electorate for approval, a community college district may use district funds to hire a consultant to conduct surveys and establish focus groups to assess the potential support and opposition to the measure, the public's awareness of the district's financial needs, and the overall feasibility of developing a bond measure that could win voter approval.

2. In preparation for submitting a bond measure to the electorate for approval, a community college district may not use district funds to hire a consultant to develop and implement a strategy for building the broadest possible coalition in support of the measure and the financial support for a campaign by, for example, assisting the district chancellor in scheduling meetings with civic leaders and potential campaign contributors in order to gauge their support for the bond measure if the purpose or effect of such actions serves to develop a campaign to promote approval of the bond measure by the electorate.

3. After a community college district has placed a bond measure on the ballot, consistent with its charter, articles, and bylaws, the district's nonprofit foundations, student body associations, and other auxiliary organizations may independently determine to contribute their own privately raised funds to a political action committee established specifically to advocate voter approval of the bond measure, subject to applicable campaign disclosure requirements.

### ANALYSIS

It is well settled that a public agency may not use public funds to campaign for one side or the other in an election contest. (*Stanson v. Mott* (1976) 17 Cal.3d 206; *Schroeder v. Irvine City Council* (2002) 97 Cal.App.4th 174; *League of Women Voters v. Countywide Crim. Justice Coordination Com.* (1988) 203 Cal.App.3d 529 ("League of Women Voters"); *Miller v. Miller* (1978) 87 Cal.App.3d 762; 73 Ops.Cal.Atty.Gen. 255 (1990).) The three questions presented for analysis seek clarification concerning how that

2 Exhibit 7  
Relevant Page AG Opinion 04-211

04-211