



FOUNDATION *for* CALIFORNIA COMMUNITY COLLEGES

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

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Support for the Public Preschool, K-12, and College Health and Safety Bond Act of 2020

January 6, 2020

Dear Colleagues,

In March, California voters will be asked to support a statewide education bond measure. Proposition 13, the Public Preschool, K-12, and College Health and Safety Bond Act of 2020, provides \$2 billion to community colleges for constructing new classrooms to accommodate growth, repairing health and safety issues, renovating facilities and equipping learning spaces with essential technology. The California Community Colleges collectively have facilities needs totaling \$22 billion which may be partially funded by these potential State matching funds.

This statewide education bond measure will not raise state taxes; on the contrary, state matching funds reduce the need for additional local property taxes for college facilities.

Proposition 13 is a \$15 billion bond that would help address the most critically needed seismic, deferred maintenance, building improvements and other infrastructure at the state's pre K-12 schools and public universities. A total of \$6 billion is earmarked for California's public higher education system, divided equally among the University of California, the California Community Colleges and the California State University System. This is the first general obligation bond in 13 years to provide significant money for higher education infrastructure.

I'm pleased to announce that the Foundation for California Community Colleges will be donating to the campaign for this proposition, and your organizations can too. Join us in supporting this bond. You can do so in a few ways including:

1. Make a financial contribution to the campaign ahead of the March 3 ballot. **Yes on Proposition 13 - California Coalition for Public Higher Education Issues Committee.** Please see the accompanying guidelines and consult your organization's accounting and legal advisors.
2. Vote on the March ballot.

I've included with this memo some general guidance for donating to such a campaign. This guidance includes contribution limits and procedures.

The California Coalition for Public Higher Education Issues Committee has been designated by the University of California and the California State University systems to accept and disburse contributions to the Yes on Proposition 13 campaign. Donations can be made to “Yes on Proposition 13 - California Coalition for Public Higher Education Issues Committee,” and more details can be found at yestohighered.org. Please see the attached contribution form.

Signed,



Eloy Ortiz Oakley
Chancellor,
California Community Colleges



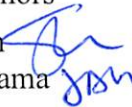

Keetha Mills
President and CEO,
Foundation for California
Community Colleges

KAUFMAN LEGAL GROUP

M E M O R A N D U M

Stephen J. Kaufman
Joseph A. Guardarrama
Attorneys

777 South Figueroa Street, Suite 4050
Los Angeles, California 90017

to: IRC § 501(c)(3) Donors
from: Stephen J. Kaufman 
Joseph A. Guardarrama 
re: Contributions to Support
Statewide Education Bond Measure
file no.: HEP3139.002
date: September 2, 2019

Main: (213) 452-6565
Fax: (213) 452-6575

The California Coalition for Public Higher Education (“Coalition”), intends to support a California statewide bond measure (“Measure”) in 2020 to benefit the state’s public universities and colleges. The Coalition will use its California Coalition for Public Higher Education Issues Committee (ID# 1337625) to raise and spend funds in support of the Measure. The Issues Committee is a registered ballot measure committee in the State of California, and is a tax-exempt social welfare organization under Section 501(c)(4) of the Internal Revenue Code. This memorandum sets forth the general rules for IRC Section 501(c)(3) tax-exempt organizations seeking to support the Measure by making contributions to the Coalition’s Issues Committee.

Monetary Contributions by Section 501(c)(3) Organizations are Permitted

Public charities formed under Section 501(c)(3) of the Internal Revenue Code are generally permitted to spend a portion of their resources on influencing legislation or “lobbying.” (See 26 U.S.C. § 501(h).) Because bond measures are considered legislation under IRS laws, contributions made by public charities to support the Measure will be permissible “lobbying” expenditures, subject to each organization’s annual “lobbying” limit. The exact amount that each Section 501(c)(3) organization may contribute to support the Measure depends on the total amount of its annual expenditures and other factors. Therefore, each organization should determine the amount of its own lobbying limit in consultation with its professional tax advisor before spending money to support the Measure.¹

Non-Monetary Support for the Measure is also Permitted

If a public charity provides goods or services to support the passage of the Measure, the donated goods or services generally will be considered “nonmonetary” or “in-kind” contributions to the Issues Committee. This would include, for example, staff time, transportation costs, cell phone

¹ Private foundations are effectively prohibited from directly supporting the Measure because of a highly punitive excise tax. (See 26 U.S.C. § 4945.) Potential donors who are private foundations should consult with their legal counsel before making contributions to support the Measure.

usage, and meals. Nonmonetary contributions also count toward the organization's annual "lobbying" limit, and must be reported by the Issues Committee and, potentially, by the donor at their fair market value.

Staff time: Pure volunteer services are not considered in-kind contributions. Thus, staff members of a tax-exempt organization may work before or after regular working hours to support the Measure, without any consequences, as long as they are freely volunteering their own time and are not being paid by their employer to provide the services.

Services performed by an organization's compensated staff to support the Measure during working hours will count as nonmonetary contributions, and will be reportable by the Issues Committee and, potentially, by the donor to the extent those staff members spend ten percent (10%) or more of their compensated time in a calendar month working on passing the Measure and any other campaigns. (*See* 2 C.C.R. § 18423.) If paid staff members stay under the ten percent (10%) threshold for the month, their services will not be reportable under state campaign finance laws, but will continue to count toward the organization's "lobbying" limit under IRS laws.

Disclosure Rules for Donors

Committee registration & reporting: California law requires any tax-exempt organization that cumulatively contributes *either* more than \$50,000 in a 12-month period, *or* more than \$100,000 in a four-year period to California state or local ballot measure campaigns to register as a political committee and disclose its own donors. (*See* Cal. Gov. Code § 84222.) An organization must disclose any earmarked contributions received, or disclose the names of donors who contributed \$1,000 or more using a Last in First Out accounting method.

Major donor reporting: If a tax-exempt organization does not meet the \$50,000 calendar year/\$100,000 four-year thresholds for committee registration and donor disclosure, the organization may be required to report its activity as a "major donor." An organization qualifies as a "major donor" if it makes combined contributions of \$10,000 or more in a calendar year to California state or local ballot measures. Major donor committees do not have to disclose their donors, but must still disclose their contributions made to support or oppose ballot measures.

Please contact us should you have any questions regarding your reporting obligations.

KAUFMAN LEGAL GROUP

M E M O R A N D U M

Stephen J. Kaufman
Joseph A. Guardarrama
Attorneys

777 South Figueroa Street, Suite 4050
Los Angeles, California 90017

to: IRC § 501(c)(3) Donors
from: Stephen J. Kaufman
Joseph A. Guardarrama
re: Reporting for Donors to
Ballot Measure Committees
file no.: HEP3139.002
date: December 13, 2019

Main: (213) 452-6565
Fax: (213) 452-6575

This memorandum provides guidance for IRC Section 501(c)(3) organizations donating to Yes on Proposition 13 - California Coalition for Public Higher Education (formerly California Coalition for Public Higher Education Issues Committee) (“Coalition Committee”) (ID# 1337625). It is a companion to our memorandum regarding Contributions to Support a Statewide Education Bond Measure, dated September 2, 2019.

Disclosure Rules for Donors

Because the March election for Proposition 13 is less than 90 days away, *immediate reporting* will be required by your organization if it qualifies as either a Recipient Committee or a Major Donor, as set forth below.

1. Does your organization qualify as a California Recipient Committee?

California law requires any tax-exempt organization that cumulatively contributes *either* more than \$50,000 in a 12-month period, *or* more than \$100,000 in a four-year period to California state or local ballot measure campaigns to register as a political committee and disclose its own donors. (*See* Cal. Gov. Code § 84222.)

An organization must disclose any earmarked contributions received, or the names of any donors who contributed \$1,000 or more to the organization using a Last in First Out accounting method. (*See Id.*)

*Steps for Immediate Registration and Reporting as a Recipient Committee by Your Organization*¹

- Paper file a Statement of Organization – California Form 410, with the Secretary of State’s Office, setting forth general information about your organization. The Form 410 can be downloaded at <http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Campaign%20Forms/410.pdf>. Supplemental instructions for nonprofit (“multipurpose”) organizations can be downloaded at: http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Campaign%20Forms/Form_410_Supplemental_Instructions.pdf.
- Obtain an Electronic Filing Password from the Secretary of State’s Office. The application for an electronic filing password can be downloaded at: https://prd.cdn.sos.ca.gov/electronic-filing-info/campaign_password_app.pdf.
- Electronically file a 24-Hour Report – Form 497, disclosing the contribution made to the Coalition Committee, **within 24 hours** of mailing, hand-delivering, wiring, or otherwise transmitting the funds. The Secretary of State’s Office offers a free web-based filing system that allows users to prepare and file forms. It can be accessed at: <https://cafile.sos.ca.gov/CalOnline/>.
- Paper and electronically file Recipient Committee Campaign Statements – Form 460, disclosing your organization’s activities to support Proposition 13. These reports are required *in addition to* 24-hour reports. The four most immediate due dates for the Form 460 are: January 23, January 31, February 20 and July 31, 2020. More information about the periods covered by each report can be found at <http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Filing%20Schedules/2020/2020%2008%20State%20March%203%20PF%20BM.pdf>.

2. Does your organization qualify as a California Major Donor?

If your organization does not meet the \$50,000 calendar year/\$100,000 four-year thresholds for recipient committee registration and donor disclosure, the organization may be required to report its activity as a “major donor.” An organization qualifies as a “major donor” if it makes combined contributions of \$10,000 or more in a calendar year to California state or local ballot measures. Major donor committees do not have to disclose their donors, but must still disclose their contributions made to support or oppose ballot measures.

¹ Detailed instructions for filing and reporting by your organization can be found in the California Fair Political Practices Commission Manual for Ballot Measure Committees. It can be downloaded from: http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Campaign%20Manuals/Manual_3/Final_Manual_3.pdf.

*Steps for Immediate Registration and Reporting as a Major Donor by Your Organization*²

- Obtain an Electronic Filing Password from the Secretary of State's Office. The application for an electronic filing password can be downloaded at: https://prd.cdn.sos.ca.gov/electronic-filing-info/campaign_password_app.pdf.
- Electronically file a 24-Hour Report – Form 497, disclosing the contribution made to the Coalition Committee, **within 24 hours** of mailing, hand-delivering, wiring, or otherwise transmitting the funds. The Secretary of State's Office offers a free web-based filing system that allows users to prepare and file forms. It can be accessed at: <https://cafile.sos.ca.gov/CalOnline/>.
- Paper and electronically file Major Donor Committee Campaign Statements – Form 461, disclosing your organization's activities to support Proposition 13. These reports are required *in addition to* 24-hour reports. The two most immediate due dates for the Form 461 are January 31 and July 31, 2020. More information about the periods covered by each report can be found at <http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Filing%20Schedules/2020/2020%2005%20State%20MD%20IE%20Jan-Jun.pdf>.

Please contact us should you have any questions regarding your reporting obligations.

² Detailed instructions for filing and reporting by your organization can be found in the California Fair Political Practices Commission Manual for Major Donor Committees. It can be downloaded from: http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Campaign%20Manuals/Manual_5/Final_Manual_5.pdf.



The California Coalition for Public Education

The California Coalition for Public Higher Education and its **Yes To Higher Ed Campaign** was created in March 2011 as a bipartisan organization representing concerned alumni, supporters and friends of the three segments of public higher education in California. Our common purpose is to protect and advance California's Community Colleges, The California State University and the University of California as the primary drivers of our State's economy and quality of life.

The Coalition's PAC was formed to support candidates and office-holders of both political parties who have committed to protecting and promoting public higher education in California.

The Coalition's Issues Committee was formed to provide direct funding to propositions and initiatives that will have significant impact upon the ability of the three segments to educate this State's undergraduates and in the case of the University of California carry out its mandate to teach, do research and provide public service throughout the United States and the world. The Issues Committee is also committed to an on-going public outreach program focused on the role and importance of public higher education in California.

In 2015 the Coalition's 501c3 Education Fund was formed to provide programs and activities with the goal of increasing public support for public higher education throughout California. With this in mind, the Education Fund sponsored several events, among them an evening in February 2016 featuring President Napolitano, UCSF Chancellor Sam Hawgood, Chancellor Bruce Harris of the California Community Colleges and San Francisco State President Leslie Wong.

The Coalition's commitment to Public Higher Education began with its outreach to the chief executives of California's Community Colleges, State University and the University of California. In addition alumni, supporters and friends from all three segments of our state's public higher education network volunteered their time and resources in support of the Coalition's efforts. Our outreach is headed by the Coalition's Co-chairs, Former Congressman Mel Levine (D) and Former State Senator Dick Ackerman (R). The Coalition provides ongoing programs aimed at educating Californians to the positive contributions made by the three segments of public higher education and aggressively supporting candidates and incumbent officeholders in both political parties who are committed to support public higher education in Sacramento.

In the years since its founding CCPHE has achieved a significant list of achievements supporting public higher education in California:

- We've gained the trust of the three segments at the highest levels. The three chief executives have attended seven Coalition events. Both President Janet Napolitano and Chancellor Tim White have been featured at one event each with Dr. White hosting his event at the Chancellor's residence. Two UC chiefs and two CSU chiefs & their staffs have stated publicly the importance of our work supporting public higher education.
- Individual board members have outreached and have ongoing relationships with Chancellors at UCLA, Berkeley, UCSF, UCSB and UCI as well as the Presidents at CSUN, Cal State LA, CSLB, Cal Poly Pomona and Cal State Fullerton.
- We've maintained an ongoing advocacy program that the segments believe to have been an important component of their ongoing outreach to the Legislature and Governor.
- We've continued an ongoing public presence via our Op-Ed & webpage programs.

In July of 2012, the Coalition and the three segments discussed Proposition 30 and the draconian budget cuts that would have had an immediate negative impact on community college, State University and UC campuses if the initiative failed. The Coalition created a separate associate committee, the California Coalition for Public Higher Education Issues Committee-Yes on Prop 30 and representing the segments accepted and disbursed contributions from alumni, friends, supporters, faculty and administrators throughout California to the campaign. This brings us to our efforts on behalf of Proposition 13.

Proposition 13 is a \$15 billion bond that would help address the most critically needed seismic, deferred maintenance, building improvements and other infrastructure at the state's pre-K-12 school and public universities. A total of **\$6 billion** is earmarked for California's public higher education system, divided equally among the University of California, the Community College System and the California State University System. This is the first general obligation bond in 13 years to provide significant money for higher education infrastructure.

The Coalition has been designated by the University of California and the California State University systems to accept and disburse contributions to the **Yes on Proposition 13** campaign.

PAID FOR BY YES ON PROPOSITION 13 - CALIFORNIA COALITION FOR PUBLIC HIGHER EDUCATION
ISSUES COMMITTEE
638 LYNDERO CANYON ROAD, #263 | OAK PARK, CALIFORNIA 91377 | (818) 879-1195

YESTOHIGHERED.ORG



JOIN US.

SAY YES TO PUBLIC HIGHER EDUCATION IN CALIFORNIA!

Please join the Coalition to help restore public higher education as a priority for our state and an engine for California's prosperity.

The State of California will place on the March, 2020 ballot a General Obligation Bond providing funds to support the construction, renewal and renovation of facilities on University of California and California State University campuses.

You can use this form to contribute to the Coalition issues committee, which supports the pro-higher education GO Bond campaign. For more information, and to sign up and donate online, please visit yestohighered.org. Your contribution is greatly appreciated.

CALIFORNIA COALITION FOR PUBLIC HIGHER EDUCATION

ID #1337625

Yes, I would like to contribute:

\$1,000 \$2,500 \$5,000 \$10,000 Other \$ _____

To contribute by check, please make your contribution payable to: **"CCPHEIC"**

Please charge \$ _____ to my personal business credit card:

Name of Cardholder: _____

Visa / MC / AMEX Credit Card #: _____ Exp. Date: _____

Signature: _____

Please mail to: *California Coalition for Public Higher Education Issues Committee*
638 Lindero Canyon Road, #263 Oak Park, CA 91377-5457

State law requires that we obtain the following (*) information:

*Name: _____

*Occupation: _____

*Employer: _____

*Street Address (No P.O. Boxes): _____

*City: _____ *State: _____ *Zip _____

Email: _____

Home Phone: _____ Work Phone: _____

Mobile Phone: _____ Fax: _____

DISCLAIMER INFORMATION

Contributions to California Coalition for Public Higher Education Issues Committee are not tax deductible for federal income tax purposes.

California Coalition for Public Higher Education Issues Committee supports ballot measures and legislative issues that are supportive of public higher education. California Coalition for Public Higher Education Issues Committee may accept unlimited contributions from individuals, unions, businesses, political action committees, associations, partnerships, corporations or any other entities. Contributions from foreign nationals are prohibited.

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638 Lindero Canyon Road, #263 Oak Park, CA 91377-5457 | 818-879-1195

Paid for by Yes on Proposition 13 – California Coalition for Public Higher Education. Committee major funding from:
Southern California Partnership for Jobs (Nonprofit 501(c)(6))
UC Santa Cruz Foundation
San Diego State University Research Foundation