

**DESERT COMMUNITY COLLEGE DISTRICT
REGULAR BOARD MEETING
43500 MONTEREY AVE.
PALM DESERT, CA 92260
TUESDAY, NOVEMBER 13, 2012
MINUTES**

- I. Chair Stefan called the meeting to order at 9:00 a.m. and asked Trustee Marman to lead the pledge of allegiance.

President Kinnamon called the roll:

Present: Charles Hayden- arrived at 9:17
John Marman
Michael O'Neill
Bonnie Stefan
Andrew Campbell – arrived at 9:07
Not Present: Becky Broughton is ill and was excused.

II. CONFIRMATION OF AGENDA

Trustee Stefan asked to add an item that came to her attention after the agenda was posted. The item will be placed on Action, Board of Trustees, #2: Approval of Trustee Emeritus

Motion by Michael O'Neill, second by John Marman, to approve the agenda of the November 13, 2012 meeting as amended.

Discussion: None.

Vote

Yes: Andrew Campbell, John Marman, Michael O'Neill, Charles Hayden, Bonnie Stefan
No: None
Absent: Becky Broughton
Abstain: None

Motion carried unanimously.

III. PUBLIC COMMENTS

There were no requests to address the Board.

IV. MINUTES

There were no corrections to the minutes of the regular meeting of October 19, 2012 and they stand approved.

V. REPORTS

- A. ASCOD: John Arroyo, ASCOD President, was present and gave a brief report.
- B. CSEA: Lauro Jimenez, CSEA President, was present and gave a brief report. The full report will be included with the minutes.
- C. COLLEGE OF THE DESERT FOUNDATION: Jim Hummer, Foundation Executive Director, was present and gave a brief report.
- D. ACADEMIC SENATE: Zerryl Becker, Senate President, was present and gave a brief report. The full report will be included with the minutes.
- E. COLLEGE OF THE DESERT ALUMNI ASSOCIATION: Gene Marchu, Alumni Association Executive Director, was present and gave a brief report, which will be included with the minutes.
- F. FACULTY ASSOCIATION: Gary Bergstrom, Faculty Association President, was present and gave a brief report. Mr. Bergstrom will return later in the meeting to give a short presentation.
- G. C.O.D.A.A.: David Bashore, Adjunct Association President, was present and gave a brief report.
- H. GOVERNING BOARD

John Marman submitted a written report, which will be included with the minutes. He took this opportunity to thank Trustee Hayden for all he has done for the District in his 29 years on the Board. Many people do not understand how being a Trustee works. They have to look at the whole picture and what is good for the college. They often don't hear the good things, only things people are concerned about. Of all the trustees he has known Mr. Hayden has been the one that has stood behind the President and supported him even when it was controversial. He has also stood up for his area. When the Board was trying to decide on whether to take the West Valley Campus to Palm Springs or Desert Hot Springs they reviewed it over a two year period. Trustee Hayden asked for many reports and stood in there for Desert Hot Springs. He was fighting for his area. When it came time for the final vote Chuck voted to go with the board and took a lot of grief for that. He went out of his way to bring the board together and this hurt him in the long run. We will miss him.

Michael O'Neill supported what Trustee Marman said. Michael has been a part of the college since 1990 and Chuck has been on the board since then. He can't imagine Chuck not being on the board – he has been here half the life of College of the Desert. His decisions have had an impact on hundreds of thousands of students and he has worked tirelessly for those students. He has devoted a lot of time and energy to College of the Desert. We are very proud of what he has done and will miss him and wish him the best.

Andrew Campbell thanked Trustee Hayden for his service. He knows Mr. Hayden has a really good heart and has always done what was best for the students. He suggested he wait 4 years and come back. He thanked Trustee Hayden on behalf of the students.

Bonnie Stefan joined the board 13 years ago and Trustee Hayden was the first person that greeted her. He called her and congratulated her, took her out for coffee and tried to teach her every acronym in the book. She always felt welcomed because he was here. He made sure she got trained; he took her to conferences, and taught her to be a political activist. The West Valley Campus vote was the most difficult and he told her he would do what was best for the college. He has never given up the fight for having a location in Desert Hot Springs. She thanked him for his guidance and support over the years.

Charles Hayden had the following comments: “Buford Crites told me I wasn't a great public speaker but he did give me a B – maybe because I was a Trustee. These past 29 years have gone really fast. I wrote this before you gave me all these nice accolades. I've worked with a lot of boards here and with a lot of trustees. These last 4-5 years have been tough on all of us, tough on this board. There is not one other board I've worked with that had the problems we are addressing right now. I want to commend all of you for taking this task on because it hasn't been easy. This is one of the best boards I've ever worked with and the most tested board I've ever worked with because we didn't have these problems; the budget cuts, state problems, financial crisis the state is in that filters down to us, the loss of \$6M out of our general fund budget in the last 4-5 years has not been easy, the cutting of apportionments to us, having to drop our FTES as low as it is, but yet we are still taking students that we are not getting paid for. We are over CAP and are serving our community the best way we can and the best way we can is to take as many students as we can handle without burdening our faculty too much.

It has been a privilege to work for these folks. They are very compassionate, very professional in the manner they handle things, and their thoughts are only for the good of the college and students, and to protect faculty and staff to keep our college solvent. I appreciate their hard work. I'd like to thank the administration as well for keeping us solvent; Dr. Deas and his staff have worked very hard. He did something that not many community colleges can do and take a budget and push it out four or five years in advance. I commend you Dr. Deas and Jerry Patton for taking that task on, it hasn't been easy.

I want to thank the faculty and staff, administration has been such a wonderful family to me. I thought my 54 years of marriage have gone fast – these 29 years have really gone fast. It is the hardest thing for me to accept that I won't be coming out here on a regular basis. I will miss you – that will be the hardest thing for me. One thing I won't miss probably is the long board meetings. When I first came on campus, we had our meetings in Mike's office, in the Disabled Students/Services area. It's interesting about board rooms - most colleges have board rooms. We've been nomads ever since I've been here. We've been everywhere; the corner of the building where Mike was, we've been in the old board room next to the President's office, in the Library, in bungalows, we've been all over the place. I hope you invite me back for the first

meeting in the new board room and let me sit there for a few minutes. I'd like to enjoy what a real board room is like.

One thing I am very proud of - all of you out there; the Deans, CSEA, faculty and classified – you do a lot for the students and you don't necessarily know exactly what you do for them. Returning students have a soft place in my heart – students that didn't have a chance the first time but came back a second or third time to get an education. I got interested because of Andrew. Andrew was a drug addict and an alcoholic and couldn't get himself squared away at all until he was about 30. Finally the light hit him and he decided he wanted to do something, he didn't want to die, so he sought treatment for his condition. His family thought they lost him to the culture – it was terrible. He went to treatment and got clean and sober and he got out of treatment and went to work and did a few things. Then he decided he knew he needed an education so he came to College of the Desert and took classes, got a certificate in drug and alcohol abuse counseling and then went back out to the center that he was associated with when he was in treatment. He decided things could be better for him and came back to College of the Desert on academic probation. In all his 5 semesters here he could never reach a B average because of all the problems he had early on in high school. He did his A.A. and transferred to University of California at Riverside and graduated magna cum laude. He decided he wanted to further his education and he went to Denver law school, finished at the age of 34 and passed the bar and stayed in Colorado. He is now working in a small community in southeast Colorado as the deputy district attorney. He is my son. He just got promoted to Chief Deputy in his office. This is the kind of thing that this college does for students. I wish that the last few months with the football and public safety academy issues – if those folks had just written about people like Andrew. You hear them at graduation every year and what this college has done for them and how we've supported them. Those are the stories that should be written.

Being here a long time I've seen a lot of stuff. A lot of memories. So many things have happened here but I won't go through them all because there are so many. I've seen both Foundations created and flourish, I've worked with 6 presidents, we built a driving range, we had the McCallum Theatre project, started our pass-through dollars in our redevelopment, which has really assisted us in doing what we're doing now, Measure B bond that we look at every day we come out here, the lease of our parcel in the west valley, being fully accredited was very important to me. That was not just the board – that was all you guys. You worked very hard and Pam is here who directed that and we are very pleased and thank you for that. That was very important to me. I had some nice things happen to me. I was elected to the state board for 10 years from 1998 – 2008. I was on the education committee of the League for 4 years. I spent about 14 years working in State work. I learned a lot about community colleges, I learned how great we are compared to some and learned about how good our board is because some of the boards are really a mess.

I just wanted to thank all the people that I've wandered into their offices; Bina, Pam Chapman, Glenn King and everybody has been helpful over there. Lee Ann has been a really terrific person for me – she keeps me straight – she kinda gets mad at me once in a while but I get over it. Dr. Deas' office Linda and Margie, and Jodie, who has been here a long time, she's always been a good friend. All of you really. Mary Lisi, thank you for all of your help and Lauro, thank you for the support CSEA gave me in this election, I really appreciate that. And all of you that

wished me well, I really appreciate that too. There really haven't been too many disappointments. The biggest one was not winning the election. I hope to see the library back in the middle of the campus very soon. There was one other thing I didn't mention about buildings. We have one building that was completely built by the state – the political science building – it was built with all state money.

I just want to thank all of you for listening to me and sharing this with me. I didn't know what to say. I didn't sleep very well last night trying to think of what to say and how I would say it. I didn't want to miss anybody. Before I finish God bless all of you and I want to continue to be part of COD one way or the other. I did remember one president I had, I won't mention his name, I came to the campus one day and he said "Chuck, will you do me a favor and tell me when you are here". I don't know what that meant. I have something to share with my board, I've brought them a little gift." He distributed ball caps to the President and board members. The audience applauded Trustee Hayden and gave him a standing ovation.

VI. ADMINISTRATIVE REPORTS

1. Superintendent/President: Dr. Joel Kinnamon
 - a. Proposition 30

Dr. Kinnamon thanked everyone for Proposition 30 passing and for their support. Everyone was involved and encouraging of it passing. It was critical for us and especially for other colleges as some are in an even more difficult financial situation than College of the Desert. We will have a clearer understanding of how it will impact our overall financial situation once the allocations come from the Chancellor's office

b. Athletics Update

Dr. Kinnamon reported that staff has concluded their report and he has the Athletic commissioner's report. Copies of both reports were provided to the board and audience. Both reports show very few findings and some opportunities to tighten our processes. There are recommendations we will be making.

c. Veteran's Center Event

He also commended the Foundation for the wonderful Veterans event and opening of the Veteran's Center. This is a great resource for our veterans. We had the opportunity to thank the Bighorn Golf Charities this weekend. They were responsible for funding the center and they challenged their membership for an additional \$300,000.

d. Trustee Hayden

Dr. Kinnamon commented he has only worked with Trustee Hayden for a few months but during that time it has been a pleasure working with him. Trustee Hayden has been very supportive and helped him keep focused dealing with the various issues over the last several months. He has been a good barometer for us and kept us focused in the right direction. He's so supportive of

the college and students and he appreciates him sharing the story of Andrew. These stories are all around us and sometimes it is good to hear them as they remind us of why we are here.

e. FTES Report

Dr. Kinnamon reported the FCMAT (Fiscal Crisis & Management Assistance Team) report on the FTES reporting issues is expected later this week. College of the Desert has fully complied with the team that came to review our processes and await the outcome.

2. Interim Vice President Student Affairs: Adrian Gonzales

Mr. Gonzales does not have a report today but wanted to take the opportunity to thank Trustee Hayden for his service to the District and our students. The two of them have had numerous conversations on how best to serve the students and Mr. Gonzales knows the students are at the center of Mr. Hayden's heart. He thanked him for his guidance over the years and for all the support he's given the students.

3. Vice President Business Affairs: Dr. Edwin Deas

a. GreenPark: Update on SCE Lease

Dr. Deas reported that Southern California Edison has indicated their intent to cancel the ground lease. There is an issue around the available capacity in the grid to take the energy produced from solar and wind projects. Southern California Edison launched a program 2 years ago with a request for applications to develop both solar and wind projects. Another branch of Southern California Edison leased the land from the District and made a proposal to the other branch to be a provider of energy to the grid. There were forty applications and no way the grid could accommodate forty developments. Edison quantified what it would take to upgrade the grid and then required the developers to contribute 25% of the value of their project. Edison is only able to go forward with very few of those forty projects and our Edison is not one of them.

There was a cancellation clause in the contract and they are exercising it. The upgrade to the grid will be about \$13M and take approximately 7 ½ years. They have paid a penalty, which was built into the lease. We do not have a Plan B. There are other developers we could go after but they would face the same problems as Edison. We are in good standing with Edison and they continue to support our West Valley project and is providing both financial assistance and expertise to make that campus as green as we want it to be. We will continue to look at alternate uses of the land and will revisit it at a later date.

Trustee O'Neill asked if we are able to use this to create our own energy for this complex as it expands. Dr. Deas said we are already planning that. There is sufficient space on our side of that campus for us to become not only a provider of our own energy but also a net provider of energy, if we could sell it to the grid, but we cannot.

Dr. Deas also thanked Trustee Hayden for his amazing leadership to the college and his strong support of the Business Affairs endeavors. In particular, he has been an incredible champion of Desert Hot Springs. We have been striving to get the center approved for Desert Hot Springs, working with the County of Riverside, but it is moving along as fast as it can, given all the parties involved. The county is working on the letter of intent. He expects Trustee Hayden to continue being involved.

Trustee Marman referenced the article in the paper regarding FTES and the passing of Proposition 30. He said it brings more questions to mind than the article answers. He is very interested in seeing how the FTES miscalculation will affect us financially.

Trustee Marman asked if we are nearing the point of scheduling a year-long calendar of classes. He thought a year-long schedule might be more efficient in order for students to plan and prepare. Dr. Kinnamon said there have been some good meetings campus-wide on enrollment management.

Trustee O'Neill commented that we cannot lose site that while Proposition 30 is going to help us, it is not the end-all for us. We must continue planning for the future - looking at programs that may have outlived their usefulness at this time. We must look ahead to the future. Trustee Marman said the Think Tanks were supposed to redo what the college stood for and he doesn't think it happened.

VII. CONSENT AGENDA: All items on the Consent Agenda will be considered for approval by a single vote without discussion. Any Board member may request that an item be pulled from the Consent Agenda to be discussed and considered separately in the Action Agenda.

A. HUMAN RESOURCES

1. Resignations – Classified
2. Volunteers
3. Employment Group C Appointments **Removed Betty Baluski and Cynthia Vasquez*

B. FISCAL SERVICES

1. Purchase Orders and Contracts for Supplies, Services and Construction
2. Warrants
3. Payroll #4
4. Gifts/Donations to the District
5. Out-of-State Travel
6. Renewal of Consultant Agreement with EISPRO
7. Change Order #1 – East Valley Septic System Project at the Mecca/Thermal Campus – Tri-Star Contracting II, Inc.
8. Change Order #1 – Non-Potable Water System Cross-Over Project – Kincaid Industries

9. Change Order #15-002 – MSTC Building Project – Arrowhead Mechanical
10. Change Order #07-002 – MSTC Building Project – Roof Construction
11. Change Order #04-001 – MSTC Building Project – Clark Pacific
12. Change Order #06-001 – MSTC Building Project – Marina Landscape
13. Change Order #02-001 – MSTC Building Project – FM & Sons

Dr. Kinnamon asked the Chair to pull HR #3: Employment Group C Appointments: Faculty. He'd like to remove the contract for Betty Baluski and the Personnel Action Form for Cynthia Vasquez and bring them back to a future meeting.

Motion by Andrew Campbell, second by Michael O'Neill, to approve the consent agenda with the changes noted.

Discussion: Trustee O'Neill asked for an explanation on the change orders as they seem to be continuing. Dr. Deas said the reason why there are some on the consent agenda and some on the action agenda is the Board approved an allowance of 10% and change orders below that are placed on the consent agenda and those above are placed on the action agenda. All of the change orders stem from the problems of the original concrete contractor going bankrupt. We had a loss of almost six months production time. This has had a ripple effect in the other trades. We have been faced with substantial claims for compensation. We are reviewing those now and the bigger ones on today's agenda are a result of the final settlements. We are taking legal advice on the other outstanding claims. We do build a 10% allowance into each budget and also have a 10% contingency for the project as a whole.

Vote

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie Stefan
No: None
Absent: Becky Broughton
Abstain: None

Motion carried unanimously with the changes noted.

VIII. ACTION AGENDA

A. BOARD OF TRUSTEES

1. Annual Organization Meeting Date

Motion by Andrew Campbell, second by Michael O'Neill, to approve the organizational meeting date as presented.

Discussion: Trustee O'Neill would like to take a look at some of the processes we implemented this past year and how effective they have been. He would like to discuss these at the organizational meeting.

Vote

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie Stefan
No: None
Absent: Becky Broughton
Abstain: None

Motion carried unanimously.

2. Approval of Trustee Emeritus

Motion by Michael O'Neill, second by Andrew Campbell, to approve the nomination for Trustee Emeritus as presented.

Discussion: Trustee Marman commented that emeritus used to be just for faculty. He attends the emeriti luncheons it is nice to see all those in attendance. Emeritus has gone from faculty to Trustees and Presidents. He thinks eventually someone will have to decide what to do with emeritus. He thinks all of these different groups add to the Emeritus get-togethers. He has mixed feelings about granting Emeritus status to others besides faculty. He does support this nomination.

Vote

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie Stefan
No: None
Absent: Becky Broughton
Abstain: None

Motion carried unanimously.

B. PRESIDENT

1. Resolution 111312-1: In support of "Regional Plan for College and Career Readiness".

Motion by Andrew Campbell, second by John Marman, to approve the resolution as presented.

Discussion: None.

Roll Call Vote

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie Stefan
No: None
Absent: Becky Broughton
Abstain: None

Motion carried unanimously.

C. HUMAN RESOURCES

1. Employment Group A Appointments - Classified

Motion by John Marman, second by Michael O'Neill, to approve the appointments as presented.

Discussion: None

Vote

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie Stefan
No: None
Absent: Becky Broughton
Abstain: None

Motion carried unanimously.

2. Retirement-Leadership

Motion by Andrew Campbell, second by Michael O'Neill, to approve the retirement as presented.

Discussion: Trustee O'Neill commented that since 1990 Juan has been the leader of our off campus programs and has worked tirelessly. Without his leadership we wouldn't be where we are today. Juan fought many battles and was attacked by many Trojan horses. Juan has kept us moving in the direction of an east valley, west valley and Mecca Thermal campus. He has been all over this valley to ensure students are getting the services they need. Trustee O'Neill wishes Juan would be here to see the new building in Indio but understands his need to retire. He wishes him well and thanked Juan for all he has done. He will be missed.

Trustee Hayden commented that he too worked closely with Juan, specifically on trying to bring classes that would appeal to the folks in Desert Hot Springs. He thanked Juan for all he has done for the college.

Trustee Marman commented that students in the east valley talk about Juan and will tell you what he did for them personally.

Trustee Stefan teaches in the Indio area and has worked closely with individuals from the east end of the valley. Juan Lujan is the face of College of the Desert at that end of the valley. She has spoken to him about his retirement and while he will miss us, we'll miss him much more. Juan has stood up for the outreach campuses and has always been a gentleman.

Vote

Yes: Andrew Campbell, Charles Hayden, Michael O'Neill,
No: John Marman
Absent: Becky Broughton
Abstain: Bonnie Stefan

Motion carried.

3. Approval of the 2013-2014 Holiday Schedule

Motion by Andrew Campbell, second by Charles Hayden, to approve the holiday schedule as presented.

Discussion: Trustee Marman said we used to look at when the high schools had their spring break because we would have students take off two weeks. He knows that faculty look at this but is glad there was some discussion about it.

Vote

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie
Stefan
No: None
Absent: Becky Broughton
Abstain: None

Motion carried unanimously.

D. FISCAL SERVICES

1. Budget Transfers

Motion by Michael O'Neill, second by Andrew Campbell, to approve the budget transfers as presented.

Discussion: None

Vote

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie
Stefan
No: None
Absent: Becky Broughton

Abstain: None

Motion carried unanimously.

2. 2011-2012 College of the Desert Foundation Audit Report (**item postponed**)

Motion by Charles Hayden, second by Michael O'Neill, to approve the Foundation Audit Report as presented.

Discussion: Trustee Marman would like to delay this a month as there are things he'd like to examine closer. Dr. Kinnamon asked Dr. Deas if there were any deadlines that would require us to approve this today. Dr. Deas said there are no time limits so it could come back next month. Wade Ellis, Director, Fiscal Services confirmed this.

Trustee O'Neill commented he has been asking for some time what the board's responsibility to the Foundation is. By the board approving this they are responsible for it, but the board has no input or relationship to the Foundation to make sure the Foundation is in sync with the college. He remembers many boards in the valley have been in the paper because they rubber stamp these audits. We have made recommendations but is there a process for this information to go through. We don't know how this works.

Trustee Marman commented we are extremely lucky to have the Foundation and they do a lot for us but we need to have input and in the past we've had little of that. There is no signature process between the Foundation and the college to show the college approves going forward in any particular area. This has to be sorted out.

Trustee O'Neill has concerns about the recommendations made, like the Alumni relationship with the Foundation and questions about things like the public relations/marketing expenditures.

Dr. Kinnamon proposes a workshop on the Foundation Board's relationship to the COD Board. We can have counsel discuss the relationships and integrate it in our planning and priorities.

Motion by Michael O'Neill, second by Andrew Campbell, to postpone this item to the next meeting for a study session.

Vote:

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie Stefan

No: None

Absent: Becky Broughton

Abstain: None

Motion carried unanimously

3. Notice of Completion – East Valley Septic System Project at the Mecca/Thermal Campus – Tri-Star Contracting II, Inc.

Motion by Charles Hayden, second by Michael O’Neill, to approve the notice of completion as presented.

Discussion: None

Vote:

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O’Neill, Bonnie Stefan
No: None
Absent: Becky Broughton
Abstain: None

Motion carried unanimously.

4. Change Order #09-002 – MSTC Building Project – Sierra Lathing Company

Motion by Andrew Campbell, second by Charles Hayden, to approve the change order as presented.

Discussion: Dr. Deas said this is the contract most directly affected by the bankruptcy and was over the 10%.

Vote:

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O’Neill, Bonnie Stefan
No: None
Absent: Becky Broughton
Abstain: None

Motion carried unanimously.

5. Change Order #14-001 – MSTC Building Project – Kincaid Industries

Motion by Andrew Campbell, second by Charles Hayden, to approve the change order as presented.

Discussion: Dr. Deas said when we came to the construction of the site we concluded the design was not the best and made changes on the fly. This involved additional work for Kincaid Industries. It also meant that other contracts were reduced so the net cost was not so dramatic but in this case it was more than the 10%. We think we have a better project and are taking legal advice on what can be done about it.

Trustee Marman said we don't want to see any of this but it will happen now and then. He thinks Dr. Deas has worked very hard to keep it to a minimum. It's important to have it out in the open and try to prevent this in the future, but it does happen.

Vote:

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie Stefan
No: None
Absent: Becky Broughton Abstain: None

Motion carried unanimously.

E. ACADEMIC AFFAIRS

1. Approval of Curriculum Modifications for 2013-2014

Motion by Andrew Campbell, second by Charles Hayden, to approve the curriculum modifications as presented.

Discussion: Trustee O'Neill asked about the course deactivation of elementary language courses. Dean Tony DiSalvo responded for many years we had a series of 1A, 1B, 2A, 2B courses and students would take 6 units for what would be a 5 unit transferrable course. Faculty were finally convinced to go with 1, 2, 3, 4 and remove the A and B courses. This is better for the students and they are more focused.

Trustee Marman commented the curriculum committee does an outstanding job. When the Senate approves these types of things it means they have really looked at it. He asked if a grant has a signature from the faculty senate does that mean they have seen it or they approve it. Zerryl Becker, Academic Senate President, responded that currently the Academic Senate has no approval or review of grants. They are working to implement this in the new grant procedures. They are recommending review, not approval, as they do not want to hold things up.

Trustee Marman also asked about the HSI grant we need to apply for this spring. He asked what is the intention this year since we did not apply for it last year. Adrian Gonzales, Interim Vice President Student Affairs, reported discussions have begun about this but there is no announcement yet as to when they will be accepting applications. We should establish our eligibility for HSI grants. College Planning Council is discussing the grants management handbook and will be refining it. Trustee Marman said our incoming trustee has an interest in grants and he thought we might want to make sure she sits on that committee.

Vote:

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie Stefan
No: None
Absent: Becky Broughton

Abstain: None

Motion carried unanimously.

2. Approval of the 2013-2014 Academic Calendar

Motion by Andrew Campbell, second by Michael O'Neill, to approve the curriculum modifications as presented.

Discussion: Trustee O'Neill commented when you look at the winter session it is 5 weeks, but it is really closer to 6 weeks and he is concerned we lose students. Dr. Kinnamon will be looking at this. We need to evaluate whether this is effective. Trustee Marman agreed and suggested we also check to see if we could have a boot camp for basic activities.

Vote:

Yes: Andrew Campbell, Charles Hayden, John Marman, Michael O'Neill, Bonnie Stefan
No: None
Absent: Becky Broughton
Abstain: None

Motion carried unanimously.

The newly elected Trustee, Mary Jane Sanchez, was present at the meeting and Chair Stefan introduced her.

XI. SUGGESTIONS FOR FUTURE AGENDAS

Andrew Campbell and Charles Hayden had no suggestions.

Trustee O'Neill commented about the problems he encounters when working off-campus and trying to access the portal through the website. He is having difficulties doing things off campus on our portal/email and it is very frustrating. He asks that ITIR take a look at this and asks if the dual system can be eliminated?

He also has concerns surrounding the retirement of Juan Lujan. Concerns have come to both he and Trustee Broughton regarding the curriculum offered at other sites. He would like a report on what courses were offered the last few years. It seems the same courses keep repeating over and over and students cannot progress without coming to the main campus.

Dr. Kinnamon reported that Trustee Broughton is not present due to illness.

Trustee Marman would like us to look into a college-wellness program. A program where faculty can take classes and get some released time if approved by the Dean. Trustee O'Neill pointed out there is a health/wellness program through our insurance. Trustee Marman thought

the ability to use the weight room or dance/aerobic-type classes during the day would be helpful. He also said there have been special arrangements made for employees to come to work early or stay late and there needs to be accountability. There should be a way to show they have put in the hours.

Trustee Stefan had some safety concerns she brought to the President's attention and knows they will be resolved. She would like to know what we are doing to protect our students and faculty.

Trustee Marman would like an update on all credit cards assigned to staff. He is seeing more activity with credit cards.

IX. BOARD COMMENTS

Trustee Marman commented on public information. He said he knows we are spending a lot of money in certain areas on branding/marketing and there are many wonderful stories to tell. Last week there was a Frank Garcia kick-off basketball tournament and there was nothing in the paper about it. This happens in performing arts and other areas on campus. He doesn't think it is clear who is responsible for what. The Coach is responsible to call in scores and if those scores are not called in to the paper it doesn't make the paper or the community happy. He thinks a statement has to be made and if the scores are not called in that coach is choosing not to be a coach here. It is part of their job. When there is a special production we need to decide who is going to handle it. We have to make sure all the good things we do get out there. Our number 2 hitter on the women's volleyball team has one arm and maybe she doesn't want that out there, but he thinks it would make a great story if she approved.

Trustee Hayden congratulated Trustee Stefan on being re-elected.

Trustee O'Neill asked for an update on the Vice President Academic Affairs position. Dr. Kinnamon said a committee has been formed and they are meeting to look at some of the description in the brochure going out. Stan Dupree, Interim Human Resources Executive Director, has advertised this position is "coming soon". We have a timeline drafted and anticipate the process being concluded in February, hopefully with an offer extended in March. There have been other discussions around some of the functions of the Vice President position. He is trying to address some of the areas that may have gaps.

X. ADJOURN TO CLOSED SESSION

1. **CONFERENCE WITH LABOR NEGOTIATOR**, Pursuant to Section 54957.6;
unrepresented groups & labor unions on campus include CTA, CODAA, and CSEA;
Agency Designated Representative: Stan Dupree
2. **CONFERENCE WITH LEGAL ANTICIPATED LITIGATION: Section 54956.9**
(b)(c) Specify number of potential cases: 7

XI. OPEN SESSION

No reportable action taken in closed session.

Gary Bergstrom presented a video in honor of Veterans Day.

Everyone was invited to stay for a special presentation and cake for Trustee Hayden.

XII. ADJOURN

Motion to adjourn by Michael O'Neill, second by John Marman. Meeting adjourned at 1:00 p.m.

By: Becky Broughton, Clerk

DESERT COMMUNITY COLLEGE DISTRICT
COLLEGE OF THE DESERT
RESOLUTION # 111312-1

In Support of "Regional Plan for College and Career Readiness"

WHEREAS, a large number of students in the Coachella Valley graduate from high school not prepared for college and/or a career; and

WHEREAS, providing support services and a clear pathway in the transition from high school to college increases students chances at success; and

WHEREAS, a quality education program focused on college and career readiness is a gateway for many Coachella Valley students to a high quality career and college education; and

WHEREAS, the future economy of the region depends on an educated workforce; and

WHEREAS, the Coachella Valley Economic Partnership (CVEP) has initiated a partnership with the education community and the development of a plan to stimulate an increase in the number of students prepared for jobs in the Coachella Valley; and

WHEREAS, the Regional Plan for College and Career Readiness has the potential to add millions of dollars of new economic benefit to the region; and

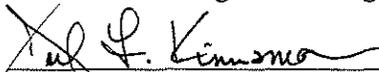
WHEREAS, College of the Desert has collaborated with all three of the region's school districts (PSUSD, DSUSD and CVUSD), other college and county partners to complete an in-depth review of the plan and provided input for a final draft; and

WHEREAS, the plan sets five year goals in four areas; 1) transforming teaching and learning, 2) creating and supporting career academies in high schools, 3) linking business and education and 4) improving college and career readiness including scholarships and financial aid strategies; and

NOW THEREFORE BE IT RESOLVED that College of the Desert, in collaboration with the Coachella Valley Economic Partnership, PSUSD, DSUSD, CVUSD, CSUSB and Riverside County Department of Education, hereby agree to implement the Regional Plan for College and Career Readiness for a period of five years.

PASSED AND ADOPTED BY THE Governing Board of the Desert Community College District this 13th day of November, 2012.

I, Joel L. Kinnamon, Ed.D., Secretary of the Governing Board of the Desert Community College District, State of California, do hereby certify that the foregoing resolution was duly adopted by the said Board at a regular meeting held November 13, 2012.


Secretary, Board of Trustees or
Authorized Agent of the Board

**DESERT COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES**

Meeting Date: 11/13/2012

AREA: President

ITEM #: 2

- | |
|---|
| <input type="checkbox"/> CONSENT |
| <input checked="" type="checkbox"/> ACTION |
| <input type="checkbox"/> INFORMATION |

TITLE: APPROVAL OF NOMINATION FOR TRUSTEE EMERITUS

BACKGROUND:

In recognition of Trustee Charles Hayden's significant contributions to the College over the past twenty-nine years in his role as Desert Community College District Trustee, the Superintendent/President and the Board of Trustees have concurred to nominate him for Trustee Emeritus.

FISCAL IMPLICATIONS:

None.

RECOMMENDATION:

To approve this nomination for Trustee Emeritus for Charles H. Hayden, Jr.

Administrator Initiating Item: Joel Kinnamon	Cabinet Review & Approval: 11/5/2012 Chair & Vice Chair Review: 11/8/2012
--	--

 **Board of Trustees Election** – CSEA congratulates to Dr. Bonnie Stefan on her re-election as trustee for her district. We congratulate as well and welcome Mary Jane Sanchez as she joins the Board as its newest trustee. Our thanks go to Chuck Hayden for almost three decades of service to the College of the Desert.

 **CSEA Chapter News** – Together we – trustees, administration, faculty, classified staff, community members and most importantly students – made a difference that will have both immediate and lasting effects on our students and how we educate and provide services to them at College of the Desert. On the night of the election – a few hours after tucking my toddler in for bed and much past my own bedtime – I refreshed my browser one last time hoping that proposition 30 would show YES. For the first time at 10:59 pm Proposition 30 was ahead by 8441 votes and Proposition 32 was on its way to failing. By morning the months of hard work by so many of us had paid off. The excerpt posted on csea.com shares some of the story:

CSEA activism leads to huge victories **Volunteers help pass Prop. 30 and defeat Prop. 32**

11/7/12

The hours and miles that CSEA members and staff logged getting the word out about two important propositions paid off as Californians voted to protect education funding and working families.

With 100 percent of precincts reporting, Prop. 30 passed with nearly 54 percent of voters approving The Schools and Local Public Safety Protection Act. Meanwhile, Prop. 32 was handed a clear defeat with more than 56 percent of voters rejecting the Special Exemptions Act.

CSEA members and staff volunteers worked for months informing California voters about propositions 30 and 32. They reached approximately 200,000 voters by phone and walked precincts for countless hours.

"No other union had more volunteers and reached so many voters in the external campaign," said Association President Allan Clark. "From gathering signatures for Prop. 30 to GOTV, we led the way. None of this could have been possible without the teamwork demonstrated by all. I am forever grateful for your effort, and knowing that we accomplished this together makes the victory even sweeter!"

Proposition 30 will raise about \$6 billion for public schools and colleges. It puts an end to an era of cuts that has devastated California's public education system. . . .

Proposition 32 took aim at unions by trying to silence workers' political voice while providing loopholes for corporations to keep pouring money into anti-worker initiatives and candidates. An effective grassroots campaign led to a clear defeat of Prop. 32.

Corporate interests and out-of-state billionaires poured millions in shady contributions to their anti-worker campaigns but CSEA members and other pro-education, pro-worker activists got the truth out very effectively.

"For more than a year, CSEA has been engaged in the toughest and most costly election battle in our history," Clark said. "While our opposition has poured millions into buying ads to defeat us, we have something they will never have—the heart and soul of CSEA's member-staff partnership."

I would like to thank Dr. Kinnamon and the Board for the resolutions in support of Proposition 30 and in opposition to 32. Also our thanks go to those leading the effort in our chapter: Mary Lisi, Michael St. Clair, Patricia Reyes, Jesus Madrid and Maryanne Gaughan. They volunteered to phone bank and precinct walk to encourage our members and our community to exercise our right to vote.

 **CSEA NEWS** – The CSEA Governmental Relations Office has nonetheless not relented in its pursuits to support legislation that benefits classified staff. Below is additional news regarding CSEA sponsored bills that will take effect on January 1, 2013:

Governor signs CSEA sponsored legislation

10/8/12

Governor Jerry Brown signed all four CSEA-sponsored bills that reached his desk at the end of the 2012 legislative session. CSEA members and staff worked hard through the last days of the session to ensure the passage and signature of all of CSEA's sponsored legislation.

The four bills signed into law, which take effect on January 1, 2013, are:

- **60-Day Layoff Notice:** Assembly Bill 1908, by Assembly Member Luis Alejo, which extends the current 45-day layoff notice to 60 days for classified school employees. AB 1908 provides classified school employees two additional weeks of notification in the event that a district determines that layoffs must happen.
- **Right to Reasonable Release Time:** Assembly Bill 1203, by Assembly Member Tony Mendoza, which allows school districts to provide release time for classified employees who are not *elected* officers of their union as long as the union provides reasonable notice and pays all the costs associated with granting release time. This may be needed occasionally when a non-elected member may be better suited for specific activities (such as to testify at hearings on a topic related to their expertise), or to participate in their organization's activities.
- **Permanent Employment:** Assembly Bill 2307, by Assembly Member Betsy Butler, which specifies that an employee who is placed on the 39-month re-employment list and is subsequently re-employed in a new position retains the right to be returned to the re-employment list if they fail to complete the probationary period in the new position. While some districts return employees who do not successfully complete their probation in the new position to the 39-month re-employment list, the practice is not consistent across districts and AB 2307 makes the practice uniform.
- **Eligibility for County Board of Education Election:** Assembly Bill 1662, by Assembly Member Paul Fong, which allows school employees to run for county boards of education where they reside, as long as it is not within the jurisdiction of the district where they work. This allows CSEA members to run for county boards, while avoiding questions of conflict of interest.

 **Unfair Labor Practice** – CSEA has filed with PERB for the reduction of one full time position with benefits to two part time positions without benefits in the Financial Aid Office. We are now waiting for a response from the District and then from PERB. The lawyer for the district has requested an extension to prepare a response. The district has expressed interest in negotiating a settlement. We look forward to open dialogue on this issue.

 **Budget** – I hope that with the success of Proposition 30 we will see a reduction in stress and anxiety of staff. Even before the election, Dr. Kinnamon had already placed service to students first by reviewing the need to fill a position in the Library. Thank you Dr. Kinnamon. As the Chancellor's Office provides more concrete figures of the budgetary impact of the success of the Proposition, I hope that we can review the current budget and the five year plan. Of particular interest would budget items that have been approved but not implemented such as the position in the warehouse. We would like to be the discussions early so that we can be part of the solution. The classified staff has continued

to be flexible and to compromise through negotiations of positions and even accepting a step freeze to reduce layoffs early in the financial crisis. We hope that through shared governance we can all work together to find equitable solutions to provide excellent education and service to the students who attend our institution.

Lauro Jiménez

President, CSEA Chapter 407

COD Board of Trustees

Alumni Association Report

November 9, 2012

The Annual Alumni Thanksgiving Pie Social will be held on Wednesday, November 14 from 9:30-11:00 am at the Alumni Center.

The Annual Alumni Donut Social will be held on Wednesday, December 12 from 9:30-11:00 am at the Donald & Peggy Craven's Student Center Conference room.

The Street Fair continues to do well. Much of our attendance is dependent upon the weather. In the past months we have had live radio remote broadcasts from KPLM, the EAGLE, the Crush and KDES. On the Friday and Saturday immediately following Thanksgiving we will have the Desert Carolers singing holiday songs. This will happen during our giant 3-day Street Fair weekend, November 23, 24 and 25.

The Alumni Association is a "Silver" co-sponsor of the Dance under the Stars Choreography Festival. The Alumni have been a sponsor of this event since its inception.

The Alumni/Pathways Scholarship Club students have met several times. These students are planning:

- UCLA & USC College tours

- A winter social – perhaps at the Palm Springs Tram

- Ice Castle Ice Skating Social

- End of year celebration

Academic Senate President
Report to the Board of Trustees

November 13, 2012

Meet The Faculty

The third Meet The Faculty is November 13 from 12:30 to 1:45 in the Hilb. It's a popcorn party but the emphasis this month will be on communication between faculty and students. We hope you can join us.

Collegial Consultation

The State Academic Senate and the Community College League offer information presentations to better define and improve collegial consultation on local campuses.

Dr. Kinnamon and I have invited them to College of the Desert; we would like to include the Board of Trustees as well as administration, faculty, students, and staff and are currently looking for some available dates.

Contracts and Classes

Faculty remain concerned with the contract extensions approved at the last Board meeting; they were not pleased that their motion to delay the decision was ignored; they question whether we are allocating our funds appropriately to maximize the education we can provide to students; they want to know which of the many stories they hear and actions they see represent the "real" budget.

To discuss these issues openly, the next Academic Senate meeting will be a Faculty Forum. Dr. Kinnamon has agreed to attend; we also welcome Board members. The meeting is Thursday, November 15, 2012 from 12:30 – 1:45 in the Cravens Multi-Purpose room. The agenda will include open discussion on:

- Contracts or Classes or Both?
- Will the "real" budget please stand up?
- Has the faculty documentation workload doubled?

Grants

College Planning Council assigned Grants to the Budget Sub-Committee; the Budget Sub-Committee created a task force to review the Grants manual and Grants procedures. Members of the task force include Dr. Edwin Deas, Chair; Pam Hunter; John Jaramillo; Adrian Gonzalez; Zerryl Becker.

The Senate has two concerns:

- Grants that impact instruction or the 10+1 areas covered by the COD Collegial Consultation policy should be reviewed and approved by the Academic Senate before the college commits to the grant.
 - The State Academic Senate is actively discussing this issue this week at Fall Plenary.
 - A copy of the grant authorization form from Santiago Canyon College which shows how the Senate should be included in the process is attached to this report.
- "Soft" dollars provided by grants should be included in budget planning; too often we hear that an expense is covered by "soft dollars" and therefore we don't need to decide if it an expense we should incur; if it is an expense that enhances the primary objectives of the college.
 - The 50% rule only applies to the general fund - and we all know that there are some issues with that "rule" – but I think we can all agree that the intent is that at least 50% of the college budget be spent on instruction.
 - If, for example, our general fund budget is \$30 million but our total budget is \$40 million and we meet the "rule" by spending \$15 million on instruction, then we are really spending \$15 million out of \$40 million on instruction which is 37% and not 50%.
 - It is important that know this and actively decide if this is appropriate.

Faculty / Administration Ratios

San Francisco City College was mentioned at the last Board meeting as a reason why COD should extend administrative contracts – apparently they are facing some accreditation issues because they do have enough administrators on campus.

I have attached to the bottom of this report a comparison of San Francisco and COD for Fall 2011 to show you how far COD is from having this concern.

- San Francisco has 12,000 FTES, 40 administrators, and 810 full time faculty. That's a ratio of 20 faculty per administrator.
- College of the Desert has 3500 FTES, 18 administrators, and 106 full time faculty. That's a ratio of 6 faculty per administrator.

Also included in the attached report are numbers – from the Chancellor's Office Data Mart - for most of the California Community College single college districts, sorted by FTES with those closest to COD highlighted.

College of the Desert does not have the lowest ratio but compared to Mt. San Jacinto at 9.38 faculty per administrator; Chaffee at 12.63; and Victor Valley at 9.75 one has to question whether our 5.67 faculty per administrator indicates that more full time faculty and/or fewer administrative positions would place greater emphasis on teaching and learning.

Data alone can never tell the complete story; I present this only as a point of reference.

Thank you,

Zerryl Becker, Academic Senate President

Chancellor's Office Data Mart
Fall 2011

	FTES	Non Credit	Credit	Educational Administrator	Tenured	Adjunct	Classified Admin	Classified Professional	Classified	Total	FT Faculty / Educ Admin
Desert	3802.37	219.09	3583.28	18.00	106.00	313.00	8.00	12.00	188.00	645.00	5.89
San Francisco	12613.05	0.00	12613.05	40.00	810.00	1006.00		81.00	732.00	2669.00	20.25
Lake Tahoe	601.77	16.22	618.00	5.00	40.00	127.00	1.00	4.00	73.00	250.00	8.00
Barstow	651.52	23.69	675.22	10.00	37.00	104.00	11.00		55.00	217.00	3.70
Feather River	684.17	26.50	710.67	4.00	23.00	59.00	14.00	7.00	54.00	161.00	5.75
Copper Mountain	750.60	40.27	790.88	9.00	33.00	94.00		5.00	50.00	191.00	3.67
Palo Verde	758.84	4.08	762.91	5.00	37.00	62.00	1.00	1.00	62.00	168.00	7.40
Lassen	816.88	8.01	824.89	6.00	31.00	73.00	12.00	2.00	52.00	176.00	5.17
Siskiyous	1054.76	45.66	1100.42	10.00	47.00	142.00		16.00	69.00	284.00	4.70
Mendocino	1344.79	35.55	1380.33	8.00	52.00	221.00	11.00		81.00	373.00	6.50
Marin	2198.37	0.00	2198.37	21.00	85.00	258.00	4.00	15.00	190.00	573.00	4.05
Gavilan	2213.42	250.47	2463.88	19.00	75.00	230.00	6.00	16.00	113.00	459.00	3.95
Redwoods	2467.17	0.00	2467.17	18.00	87.00	218.00	35.00	60.00	122.00	540.00	4.83
Compton	2508.45	27.92	2536.37	12.00	85.00	184.00	6.00	11.00	98.00	396.00	7.08
Monterey	2654.65	196.69	2851.33	10.00	99.00	272.00	9.00	19.00	174.00	583.00	9.90
Hartnell	3434.77	8.69	3443.47	18.00	89.00	262.00	9.00	11.00	129.00	518.00	4.94
Ohlone	3850.03	0.00	3850.03	15.00	115.00	315.00	24.00	29.00	149.00	647.00	7.67
Allan Hancock	3945.21	345.87	4291.08	31.00	138.00	401.00		24.00	185.00	779.00	4.45
Merced	4278.93	404.57	4683.50	27.00	175.00	307.00	18.00	2.00	261.00	790.00	6.48
Victor Valley	4367.32	66.90	4434.22	12.00	117.00	449.00	2.00	19.00	172.00	771.00	9.75
Sequoias	4554.86	267.17	4822.03	33.00	155.00	272.00	3.00	7.00	189.00	659.00	4.70
Citrus	4726.18	47.06	4773.24	25.00	155.00	199.00	6.00	38.00	266.00	689.00	6.20
Antelope Valley	4743.60	4.36	4747.95	24.00	181.00	403.00		32.00	193.00	833.00	7.54
Mount San Jacinto	4990.02	302.54	5292.56	16.00	150.00	713.00	15.00	80.00	241.00	1215.00	9.38
Butte	5143.78	356.58	5500.36	20.00	168.00	513.00	24.00	20.00	250.00	995.00	8.40
Cabrillo	5178.36	110.20	5288.56	16.00	204.00	360.00	18.00		252.00	850.00	12.75
Rio Hondo	5712.96	235.67	5948.64	21.00	192.00	360.00	9.00	3.00	259.00	844.00	9.14
Chaffey	6761.59	143.04	6904.63	15.00	194.00	620.00	18.00	22.00	252.00	1121.00	12.93
Sierra	7093.15	172.84	7265.99	19.00	221.00	631.00	23.00		226.00	1120.00	11.63
San Joaquin	7328.65	88.05	7416.71	14.00	204.00	280.00	38.00	28.00	421.00	985.00	14.57
Cerritos	8271.33	180.81	8452.14	21.00	289.00	462.00	26.00	5.00	286.00	1089.00	13.76
El Camino	8362.02	5.46	8367.49	25.00	321.00	521.00	34.00	57.00	365.00	1323.00	12.84
Southwestern	8434.34	59.30	8493.65	23.00	203.00	709.00	29.00		344.00	1308.00	8.83
Palomar	8551.00	410.98	8961.98	19.00	272.00	814.00	18.00	36.00	383.00	1542.00	14.32
Long Beach	9091.00	101.89	9192.89	25.00	314.00	585.00	24.00	26.00	466.00	1440.00	12.56
Pasadena	10355.39	494.02	10849.41	29.00	361.00	719.00	6.00	2.00	332.00	1449.00	12.45
Santa Monica	10992.60	255.75	11248.35	46.00	310.00	959.00	53.00		461.00	1829.00	6.74
Mount San Antonio	11297.13	1518.30	12815.44	37.00	392.00	802.00	36.00	3.00	529.00	1799.00	10.59

**Request for Authorization to Apply for a Grant
College Council
Santiago Canyon College**

1. GENERAL INFORMATION:

Project Title: _____

Project Initiator: _____

Project Administrator: _____

Project Coordinator: _____

Grantor Agency: _____

Grantor Agency Deadline for Proposal: _____

Funding Period: _____

2. PROJECT DESCRIPTION/PLAN:

Estimated grant amount: _____

Match required: Yes No

Estimated match amount: _____

In-kind/Cash match requirement: Yes No

Where will funds for match originate? _____

Comments about match: _____

3. WHAT ARE THE PROJECTED FACILITIES REQUIREMENTS, IF ANY, AND HOW WILL THEY BE MET?

4. ANTICIPATED PROJECT PERSONNEL:

Position Needed	FTE	Hourly	Existing/New	Funded Match	Stipend or
				In-Kind	Release Time

Is the Project Coordinator involved in any other grants (i.e. manager/coordinator or participant). If so, what amount of release time does she/he receive for the other grant participation?

5. CURRICULUM (PROGRAM/COURSE)IMPACT:

6. IMPLICATIONS FOR THE COLLEGE/DISTRICT:

- How does this project relate to the goals and objectives of the college?
- How does this project relate to the goals and objectives of the program to which the grant relates?
- Where is the need for this project identified in the related program's EMP/DPP/Program Review?
- Will this project impact other departments/units? Yes No
- If yes, identify which department/unit and explain how you plan to include them in the planning process.
- Please list each department, the chair(s) to whom you spoke and whether or not the faculty in the department are willing to participate in the proposed project.
 - Department _____ Chair(s) _____ Willing to Participate Yes No
 - Department _____ Chair(s) _____ Willing to Participate Yes No
 - Department _____ Chair(s) _____ Willing to Participate Yes No
 - Department _____ Chair(s) _____ Willing to Participate Yes No
- How will project facilities requirements, if any, be met?

7. LONG TERM IMPLICATIONS FOR THE COLLEGE/DISTRICT:

- When funding ends, will this project be institutionalized? Yes No
- If so, what is the estimated cost to fund this project?
- If not, what will happen to this project and the personnel involved with it?

8. HAVE THE FOLLOWING BEEN ADVISED OF THIS PROPOSAL?

- Academic Senate President Curriculum Committee Chair Department Chair(s) of Department Impacted by Project
- EMPC Chair RSCCD Research & Grants office

9. Operational Signatures: (Obtain signatures in the order below)

Project Initiator: _____ Date

Project Administrator: _____ Date

Vice President: _____ Date

10. Recommendations:

College Council Recommendation: Yes No Date: _____

Academic Senate President Recommendation: Yes No

Academic Senate President: _____ Date

11. Final Approval:

College President: _____ Date

John Marman

Since our Oct. meeting: I have attended several Athletic contests and meetings about publicity for the College, and an Emeritus luncheon, the YMCA HoeDown, CV Diabetes walk-COD Veterans Facility ribbon cutting, was a rep in the PD golf cart parade, and helped set up a COD athletes Community Service day @ The CV "FIND" Food Bank.

College of the Desert Board of Trustees Meeting

Football Program

November 13, 2013

At the request of College of the Desert, Commissioner Sartoris of the Southern California Football Association (SCFA) conducted an independent investigation of the football program. In addition, a team of staff members conducted a review of various aspects of the Athletic Program that were outside the scope of the SCFA. The areas reviewed included: Student Discipline; Student Housing; Student Success Among Student-Athletes; Financial Aid Among Student-Athletes; and the Varsity Club.

The Commissioners investigation resulted in the following findings:

Findings:

Upon review of eligibility paperwork and first contact documents and with information from the interviews that were conducted, the following findings were determined:

1. The college football program was determined to be in compliance with Bylaw 2.3-*First Contact*.
2. The college football program was determined to be out of compliance with 2.11- *Subsidizing, Inducements, and Special Privileges.*" Bylaw 2.11.4 states that "in general the giving of special privileges or special consideration to student athletes is forbidden by the *Constitution and Bylaws*. Student athletes may only receive services that are available to all eligible students."
3. The college was found to be out of compliance with Bylaw 2.4.1 - requirement to complete a Form C when an out-of-district student athlete first steps on to the campus.

Identified Infractions:

1. In checking the claim that furniture was being provided to the student athletes, the following was established:
 - In a written statement by Dean Dowty, athletic director and head football coach, it was verified that student athletes are assisted with the procurement of furniture for apartments.
 - A storage facility was kept off campus where furniture was kept for the purpose of having it available for student athletes.
 - The annual rent paid for the storage facility was \$1760.00 and was paid with funds from the "Varsity Club" account (a district held fundraising deposit account set up for use by the athletic department).
 - The furniture was primarily procured from donations from the community and from "hand-me-downs" from former student athletes.

- Some furniture was also kept on campus for the use of student athletes.
 - This practice appeared to be a long standing service provided to student athletes going many years to when the college had a waiver to recruit out-of-state athletes.
 - The general student population did not have access to this furniture.
2. In checking the claim that transportation was being provided to athletes as a special privilege, the following was established:
- Occasionally, transportation was provided to athletes when they needed a ride to/from the airport.
 - The general student population did not have access to this service.
3. Procedures for completion of the Form C - *Out-of-Recruitment Area Student Contact Record* were not followed.

Specific Findings:

- The practice of the athletic department in providing furniture for out-of-district student athletes and providing transportation are considered special privileges since the same service was not provided to the general student population, and is prohibited by CCCAA Bylaw 2.11.2 and Bylaw 2.11.4
- The practice of not requiring individual out-of-district student athletes to complete the Form C - *Out-of-Recruitment Area Student Contact Record* when they first step on the campus, but instead waiting for a general team eligibility paperwork meeting to have the Form C's completed as a group is a violation of Bylaw 2.4.1.

Additional Consideration

The fact that College of the Desert has recently concluded a probationary period (July 2011) is a factor when considering appropriate sanctions.

Article 7.4.12.10.2 Penalties for additional violations, which result in probation, by a college, which occur during the year of formal probation or within three (3) years following the probation year shall include:

A. The college shall be again placed on probation or its probation extended and shall be banned from participation in any postconference competition in one (1), some, or all intercollegiate sports of the college.

and

D. Other penalties as shall be imposed by the conference commissioner, the conference, or the CCCAA Board.

Sanctions:

The following penalties and sanctions are being imposed under the provisions of CCCAA Article 7.3 and 7.4.12:

1. The College of the Desert intercollegiate football program will be placed on probation for two (2) years. The supervision of the probation shall be the college president and the SCFA conference commissioner. The conditions of the probation will include the following provisions:
 - A. The college will create an oversight plan to "monitor all areas of the football program relating to Bylaw 2.11-*Subsidizing, Inducements, and Special Privileges.*" The college will specifically monitor student athlete housing and verify that no special privileges are provided to student athletes, other than what is provided to the general student population.
 - B. The college will cease the practice of storing furniture by the athletic department to provide for student athlete use, unless this furniture is available to the general student population.
 - C. The college will cease the practice of providing transportation services to student athletes, unless there is a mechanism to provide the same services to the general student population.
 - D. The college oversee the application of Bylaw 2.4.1, which requires that a Form C, *Out-of-District Student Contact Record*, be filled out individually on the first-person-to-person visit within a district's recruiting area and discontinue the practice of having all the out-of-district students complete this form at the same time, at the team eligibility paperwork meeting.
 - E. A monthly report will be made to the commissioner, by the college president or designee, as to the oversight activities taking place. The first report will be due December 1, 2012. Besides verifying the provisions of the college's oversight activities, the report will include an accounting of the number of out-of-district and out-of-state initial contacts which are made with the college and include a copy of the student's online questionnaire. Copies of the students Form C will be forwarded to the commissioner as soon as the student first steps on the campus and completes the form.
2. The College of the Desert football program will be suspended from post conference competition for the 2012 football season. This suspension may be extended for additional year(s) if the probation reporting requirements, as listed above, are not met or additional violations are committed.

Additional procedural recommendation:

The practice of logging all initial contacts and requiring the online questionnaire to be completed before any recruitment activity begins for out of district student athletes, is high commendable. It is strongly recommended that the online questionnaire, which the college requires of all out-of-district or out-of-state student, which verifies initial contact with the college, include information completed by the student as to how the student learned about College of the Desert. The question, "Did anyone at the college contact you first" should be also included on the questionnaire. This will further help verify first contact compliance.

The College of the Desert Athletic Review resulted in the following recommendations:

1. The Athletic Department, in collaboration with the VP of Student Affairs, will develop a formal team-level disciplinary process that will include training workshops for coaches and student-athletes.
2. The Office of Student Life will take the lead on developing a list of student-friendly housing options for all students.
3. The Athletic Department will not facilitate or participate in the transfer of furniture between students and/or between donors and students.
4. The Counselor for Athletics will develop and implement a series of workshops that address student success, student behavior, and acculturation to the local community.
5. The Varsity Club requisition process will include a dean level review.

The College of the Desert Superintendent/President additional recommendation:

1. Require an additional eligibility review of all athletes that is independent and reports directly to the Superintendent/President
2. Implement zero tolerance programs for drug and substance abuse for student athletes.

College of the Desert

Special Report to the Superintendent/President: Review of Athletic Program

November 2012

Submitted By:

Adrian Gonzales, Interim Vice President of Student Affairs

Leslie Young, Dean of Health Sciences & Education

Annebelle Nery, Dean of Enrollment Services

Wade Ellis, Director of Fiscal Services

Dean Dowty, Coordinator of Athletics

Executive Summary

At the request of the Superintendent/President a team of staff members conducted a review of various aspects of the Athletic Program. The areas under review included: Student Discipline; Student Housing; Student Success Among Student-Athletes; Financial Aid Among Student-Athletes; and the Varsity Club. The intent of this review was not to single out any particular individuals or team sports, but rather to identify whether any of the areas under review could benefit from additional support or improvement.

From this review, several action steps have been identified, they include:

6. The Athletic Department, in collaboration with the VP of Student Affairs, will develop a formal team-level disciplinary process that will include training workshops for coaches and student-athletes.
7. The Office of Student Life will take the lead on developing a list of student-friendly housing options for all students.
8. The Athletic Department will not facilitate or participate in the transfer of furniture between students and/or between donors and students.
9. The Counselor for Athletics will develop and implement a series of workshops that address student success, student behavior, and acculturation to the local community.
10. The Varsity Club requisition process will include a dean level review.

Although specific timelines are discussed in the pages that follow, it is anticipated that all of these action steps will be developed and implemented by the end of the Spring 2013 semester.

Area of Review: Student Discipline

Background Information:

The Office of the Vice President of Student Affairs is responsible for enforcing formal student discipline on campus. The College has an established Student Code of Conduct and clearly defined disciplinary process that is outlined in the COD Catalog, the Schedule of Classes, the Student Handbook, and on the COD Website. The Student Code of Conduct applies to all on-campus activities and to college sanctioned off-campus activities.

When students violate the Student Code of Conduct, the incident is documented and an investigation is conducted by the VP of Student Affairs (or his delegate). If warranted, disciplinary action is applied and can range from a verbal warning to expulsion from college. All documented incidents are kept on file in the VP's office for a maximum of seven years.

Although student athletes are held accountable for adhering to the Student Code of Conduct, they are also subject to team related disciplinary action at a more informal level. Members of the football program are required to sign an "Honor Code Contract," however; it does not appear as though all student-athletes are required to sign a similar document for their respective team sport. Anecdotal evidence suggests that student-athletes are subject to informal discipline at the team level if they are found to have violated the "honor code" or other team rules; however, there does not appear to be a formal documentation process for team related disciplinary actions.

Findings:

As part of this review, staff reviewed three years of formal student discipline records maintained by the Office of the VP of Student Affairs. This review revealed the following:

	2009 - 2010	2010 - 2011	2011 - 2012
Behavioral	4	6	17
Drug/Alcohol	0	4	8
Violence	7	1	4
Other	2	1	1
TOTAL	13	12	30
Type of Student			
General Population	7	11	25
Student-Athlete	6 (46%)	1 (9%)	5 (20%)

As there were no formal records kept for team-level disciplinary action, there is no comparison data available.

Recommendations:

A formal team-level disciplinary process should be developed and applied equally across all teams. This process should include a process to notify all student-athletes about an established "honor code", a documentation process that records initial attempts at intervention, and a notification process that informs the appropriate dean and athletic director about the application of team-level disciplinary actions. The process should also include a linkage to formal student discipline through the VP office when appropriate.

To achieve this, the Dean of Health Sciences & ECE, the Coordinator of Athletics and the VP of Student Affairs will meet prior to the end of the Fall 2012 semester to formalize the team-level disciplinary process. By March 2013, the process will be published in the Student Athlete Handbook and on the athletics webpage. By the end of the Spring 2013 semester, the Counselor for Athletics and the Coordinator of Athletics will be responsible for developing and providing on-going training sessions for all current coaches and student-athletes that reviews both the team-level and formal disciplinary processes.

Area of Review: Student Housing

Background Information:

Currently there are three areas on campus that provide some form of housing services to students -- the Office of Student Life, the International Education Program (IEP) and the Athletics Department. The most formal and comprehensive services are provided by the staff of the IEP, while the least comprehensive come from the Athletics Department.

Findings:

The IEP provides international students with a list of student-friendly apartment complexes in close proximity to the COD Palm Desert campus and offers a host-family program where students can establish a lease agreement with a host family. IEP students also have an assigned counselor that will provide advice about addressing concerns related to host-family/roommate relationships and where to acquire furniture. However, there is no formal supervision or monitoring of the living environment unless a concern is raised by an IEP student.

The Office of Student Life does not have a formal process for notifying students about available housing options for college students nor does it facilitate a formal "housing board" that matches students who are looking for housing with those who have an available apartment. It does have a process for posting flyers on ASCOD bulletin boards for up to 5 days. The Office of Student Life does not provide students with information about furniture options nor does it provide supervision of the living environment.

The Athletic Department provides student-athletes with a list of apartment complexes that are student friendly. Student-athletes are expected to make contact with a housing complex and establish their own lease agreements. Student-athletes are provided with informal information about teammates who may be looking for a roommate; however this is no formal matching process. As with the IEP, student athletes do have an assigned counselor, but there appears to be no formal intervention process for student athletes who are having difficulty with their housing/roommate situations.

The Athletic Department does not provide formal supervision of the living environment, however, there have been instances where a coach(es) has lived in the same apartment complex as a group of students/student-athletes. This appears to have happened through coincidence rather than by design.

In the past, the Athletic Department has assisted departing student-athletes with handing off furniture from student-to-student or from donor-to-student; however, this was an informal process. At times, funds from the Varsity Club were used to pay for storage and transportation of the furniture. It does not appear as though the College's general resources were utilized to pay for storage or transportation of furniture.

Recommendations:

The Office of Student Life should take the lead in establishing a general list of student-friendly apartment complexes that can be made available and distributed to all interested students. Similarly, the OSL should explore the possibility of establishing a "roommate finder" bulletin board to be made available to all students.

The Counselor for Athletics should develop and present workshops on how to address student-to-student conflicts, especially in relation to roommate relationships.

The Athletic Department should refrain from facilitating the transfer of furniture from student-to-student and/or donor-to-student.

To achieve these recommendations, the Director of Student Life will be responsible to developing a student housing list that will be made available to all interested parties by the March 2013. During the Spring 2013 semester the Director of Student Life will also work with the Associated Students of College of the Desert (ASCOD) to determine if the general student body would benefit from a "roommate finder" bulletin board. If it is determined that such a service is needed, the Director and the ASCOD President will meet with the VP of Student Affairs to develop an action plan for future implementation.

By the end of the Fall 2012 term, the VP of Student Affairs, that Coordinator of Athletics and the Athletic Counselor will meet to establish a series of workshop topics that will be delivered to all student-athletes by the Athletic Counselor on an annual basis. These workshops will begin no later than March 2013.

Lastly, the Dean of Health Sciences and the Coordinator of Athletics will work collaboratively to ensure that the Athletic Department is not involved with storing or transferring of furniture for student-athletes.

Area of Review: Student Success Among Student-Athletes

Background Information:

The College provides student-athletes with an assigned counselor and level three priority enrollment. In past years the College offered the F.A.S.T. program (Football Academic Success Team) whereby student athletes on the football team had access to a team of faculty mentors who would provide academic support during a study hall setting. Unfortunately, due to lack of funding, this effort ended several years ago.

The assigned Counselor for Athletics teaches a three-unit college success course available to all students and provides one-on-one and group counseling services with a particular focus on development of educational plans, transfer assistance, and maintenance of athletic eligibility. Aside from the counseling support, there does not appear to be any other significant student success support mechanisms in place for student-athletes.

Findings:

The College conducted a three year review of student success rates among student-athletes. The data elements that were reviewed included: student grade point average, degree/certificate completion, retention rates (defined as completion of courses in a single semester), success rates (defined as earning a grade of C or higher), persistence rates (defined as fall to fall enrollment). The findings were as follows:

Student Success

	2009 - 2010	2010 - 2011	2011 - 2012
# of student-athletes	255	298	290
Mean GPA (men)	2.72	2.63	2.64
Mean GPA (women)	2.93	2.92	3.01
AA degrees awarded	31	33	18
Certificates awarded	7	7	0
Retention Rate	99%	99%	99%
Success Rate	77%	78%	80%
Persistence Rate	47%	45%	Not available

Residency

	2009 - 2010	2010 - 2011	2011 - 2012
# of Student-Athletes	255	298	290
CA Resident (in district)	119	137	109
CA Resident (contiguous)	51	71	62
CA Resident (non-contiguous)	11	23	22
Non-CA Resident	74	67	96

The data demonstrates that student athletes as a whole tend to perform well academically. From the data it appears that student athletes complete the courses with passing grades; however their fall to fall persistence is low. There also appears to be a significant decrease in the number of degrees/certificates awarded in 2011 – 2012. With regard to residency over the three year period, 28% of student-athletes were out of state residents. The percentage of out of area (non-resident plus CA resident from non-contiguous areas) is 34%.

Recommendations:

Although student-athletes appear to do well academically, given the number of student athletes from outside the local area, the College should utilize the Counselor for Athletics to provide monthly or bi-weekly workshops focused on student development issues such as academic planning, transfer issues, good citizenship, and study skills. Also, given that that over 1/3 of student-athletes are coming from outside the local area it is recommended that the Counselor for Athletics develop and deliver acculturation workshops for non-local student athletes.

By the end of the Fall 2012 term, the VP of Student Affairs, that Coordinator of Athletics and the Athletic Counselor will meet to establish a series of workshop topics that will be delivered to all student-athletes by the Athletic Counselor on an annual basis. These workshops will begin no later than March 2013.

Area of Review: Financial Aid Among Student-Athletes

Background:

As with all students, student-athletes are eligible to receive state and federal financial aid awards in the form of grants, work-study, and/or loans. The College does not provide athletic scholarship funds; however student-athletes can apply for academic scholarships that are available to any COD student. Student-athletes are provided with financial aid information from the COD Financial Aid Office and through the assigned counselor for athletics.

Some student-athletes are hired as student workers on campus and they are hired through the same process required for all COD student workers. Student-athletes who are hired as student workers are supervised by department staff and are required to submit monthly timesheets that are reviewed and approved by their assigned supervisor. Funding for student worker positions can come from federal work-study funds, Alumni work-study funds, and/or department funds.

Findings:

College staff reviewed the number of students hired through federal and Alumni work-study funds, as well as the number of student workers hired in the Athletic department. Staff also looked at the amount of loans taken about by COD students and the associated default rates, the findings are as follows:

	2009 – 2010	2010 – 2011	2011 – 2012
Student Workers (Federal Work-study)	67	64	62
Student Workers (Alumni Work-study)	50	50	78
Student Workers hired in Athletic Department*	18	16	13
Total Loan Borrowers	7	254	425
Student-Athlete Loan Borrowers	0	27**	59**

Note*: Student workers in hired in the athletic department are both student-athletes and non-student athletes.

Note**: Student-Athlete loan borrowers are primarily participants in varsity football. Of the loan borrowers in 2010 – 2011, 96% of borrowers (26 out of 27) were football players; for 2011 – 2012, 93% of borrowers (55 out of 59) were football players.

Default rates among loan borrowers are calculated on a three-year time frame. The three-year cohort default rate among all loan borrowers is 24.4%. The three-year cohort default rate among student athletes is not currently available as there were no student-athletes that took out a loan in 2009 – 2010.

Recommendations:

There does not appear to be any abnormalities with the dissemination of financial aid information to student-athletes and with the hiring and supervision of student-athletes as student workers on campus. The football players appear to be the largest number of loan borrowers among student-athletes. It is likely that this is due to the high number of out-state/out-area football players in comparison to other athletic teams on campus.

There are no recommendations at this time.

Area of Review: Varsity Club

Background:

The Varsity Club is an athletic booster club that raises funds to support all athletic programs on campus. Funding comes from gate receipts from athletic events, fundraising activities, sports camps, and contributions from the golf center and outside donors. All funds are recorded and deposited through the Athletic Office and are audited annually by outside independent auditors. Requisition of funds are initiated through the Athletic Office and are reviewed and approved by the Vice President of Academic Affairs. Once approved a check is issued by the Bursar's Office. In the past, funds have been expended on a variety of supplies and services that support the athletic programs, such as uniform mending, trainer supplies, laundry detergent, and equipment.

Findings:

Staff reviewed funds deposited into the Varsity Club account with a particular focus on deposits coming from outside donors and found the following:

	2009 - 2010	2010 - 2011	2011 - 2012
# of donors	3	4	4
Total Contributed	\$2,820	\$13,800	\$11,050

There does not appear to be any significant abnormalities related to the Varsity Club activities.

Recommendations:

In order to better align the Varsity Club account with the typical requisition process on campus, it is recommended that the Dean of Health Sciences & ECE become involved with the review and approval of requisitions.

To achieve this, prior to the end of the Fall 2012 term, the Dean of Health Sciences & ECE will meet with the Director of Fiscal Services and the VP of Academic Affairs to discuss the current Varsity Club requisition process with the intent of inserting a dean level review of all funds managed by the Varsity Club. It is expected that the Dean will become part of the review process by the start of the Spring 2013 semester.



September 17, 2012

Dr. Joel L. Kinnamon
Superintendent/President
College of the Desert

Dear Dr. Kinnamon

As you know the SCFA has been conducting an investigation into possible violations of Bylaw 2, of the California Community College Athletic Association (CCCCAA) *Constitution and Bylaws*. At your request, this office commenced an investigation into alleged recruiting violations which appeared in your local newspaper. I want to take this opportunity to commend you for your proactive action in initiating an investigation into alleged violations of the CCCCCAA Constitution and Bylaws by your intercollegiate football program. As stated in Article 7.5.5.1 of the CCCCCAA Constitution, "*The primary entity responsible for the application and implementation of the CCCCCAA Constitution and Bylaws, rules, regulations, and procedures is the member college.*" Your attention to alleged violations and your subsequent request for an investigation is exemplary and certainly shows your commitment to the mission of the SCFA and the CCCCCAA, which is to provide an educational experience for our student athletes through a competitive environment which emphasizes sportsmanship, integrity and "playing by the rules".

The investigation that took place included the following:

Eligibility paperwork for the football program was provided and reviewed from the last three years. Dowty Dowty, the athletic director/football coach, was interviewed on a number of occasions both on campus and by phone conversation. Additionally, interviews took place on campus with the college's Eligibility Clerk, Public Information Officer, five (5) assistant football coaches, as well as, four (4) student athletes (all of which were students from outside the college's permissible recruitment area).

The primary focus of the investigation was to review all documentation relating to compliance with Bylaw 2 of the CCCAA constitution, including initial contact by out-of-district and out-of-state students and recruitment of those students, as well as a review of the assistance that the college provides to student athletes in comparison to what is provided for non-athletic students in the college's general population.

In addition to the above investigation activity, the most recent Athletic Program Review (April 2011) conducted by the Foothill Conference was reviewed and discussed with the Foothill Conference Commissioner. It was noted that, while there were no recruiting violations reported in that Program Review, the college was at the end of a probationary period (July 2011) stemming from violations in another sport.

Findings:

Upon review of eligibility paperwork and first contact documents and with information from the interviews that were conducted, the following findings were determined:

1. The college football program was determined to be in compliance with *Bylaw 2.3-First Contact*.
2. The college football program was determined to be out of compliance with 2.11- *Subsidizing, Inducements, and Special Privileges*." Bylaw 2.11.4 states that " in general the giving of special privileges or special consideration to student athletes is forbidden by the *Constitution and Bylaws*. Student athletes may only receive services that are available to all eligible students"
3. The college was found to be out of compliance with Bylaw 2.4.1 - requirement to complete a Form C when an out of district student athlete first steps on to the campus.

Identified Infractions:

1. In checking the claim that furniture was being provided to the student athletes, the following was established:
 - In a written statement by Dean Dowty, athletic director and head football coach, it was verified that student athletes are assisted with the procurement of furniture for apartments.
 - A storage facility was kept off campus where furniture was kept for the purpose of having it available for student athletes.
 - The annual rent paid for the storage facility was \$1760.00 and was paid with funds from the "Varsity Club" account (a district held fundraising deposit account set up for use by the athletic department).
 - The furniture was primarily procured from donations from the community and from "hand-me-downs" from former student athletes.
 - Some furniture was also kept on campus for the use of student athletes.

- This practice appeared to be a long standing service provide to student athletes going many years to when the college had a waiver to recruit out-of-state athletes.
 - The general student population did not have access to this furniture.
2. In checking the claim that transportation was being provided to athletes as a special privilege, the following was established:
- Occasionally, transportation was provided to athletes when they needed a ride to/from the airport.
 - The general student population did not have access to this service.
3. Procedures for completion of the Form C - *Out-of-Recruitment Area Student Contact Record* were not followed.

Specific Finding

- The practice of the athletic department in providing furniture for out-of-district student athletes and providing transportation are considered special privileges since the same service was not provided to the general student population, and is prohibited by CCCAA Bylaw 2.11.2 and Bylaw 2.11.4
- The practice of not requiring individual out-of-district student athletes to complete the Form C - *Out-of-Recruitment Area Student Contact Record* when they first step on the campus, but instead waiting for a general team eligibility paperwork meeting to have the Form C's completed as a group is a violation of Bylaw 2.4.1.

Additional Consideration

The fact that College of the Desert has recently concluded a probationary period (July 2011) is a factor when considering appropriate sanctions.

Article 7.4.12.10.2 Penalties for additional violations, which result in probation, by a college, which occur during the year of formal probation or within three (3) years following the probation year shall include:

A. The college shall be again placed on probation or its probation extended and shall be banned from participation in any postconference competition in one (1) , some, or all intercollegiate sports of the college.

and

D. Other penalties as shall be imposed by the conference commissioner, the conference, or the CCCAA Board.

Sanctions:

The following penalties and sanctions are being imposed under the provisions of CCCAA Article 7.3 and 7.4.12:

1. The College of the Desert intercollegiate football program will be placed on probation for two (2) years. The supervision of the probation shall be the college president and the SCFA conference commissioner. The conditions of the probation will include the following provisions:

A. The college will create an oversight plan to "monitor all areas of the football program relating to Bylaw 2.11-*Subsidizing, Inducements, and Special Privileges.*" The college will specifically monitor student athlete housing and verify that no special privileges are provided to student athletes, other than what is provided to the general student population.

B. The college will cease the practice of storing furniture by the athletic department to provide for student athlete use, unless this furniture is available to the general student population..

C. The college will cease the practice of providing transportation services to student athletes, unless there is a mechanism to provide the same services to the general student population.

C. The college oversee the application of Bylaw 2.4.1, which requires that a Form C, *Out-of-Recruitment Area Student Contact Record*, be filled out individually on the first-person-to-person visit within a district's recruiting area and discontinue the practice of having all the out-of-district students complete this form at the same time, at the team eligibility paperwork meeting.

D. A monthly report will be made to the commissioner, by the college president or designee, as to the oversight activities taking place. The first report will be due December 1, 2012. Besides verifying the provisions of the college's oversight activities, the report will include an accounting of the number of out-of-district and out-of-state initial contacts which are made with the college and include a copy of the student's online questionnaire. Copies of the students Form C will be forwarded to the commissioner as soon as the student first steps on the campus and completes the form.

2. The College of the Desert football program will be suspended from postconference competition for the 2012 football season. This suspension may be extended for additional year(s) if the probation reporting requirements, as listed above, are not met or additional violations are committed.

Additional procedural recommendation.

The practice of logging all initial contacts and requiring the online questionnaire to be completed before any recruitment activity begins for out of district student athletes, is high commendable. It is strongly recommended that the online questionnaire, which the college requires of all out-of-district or out-of-state student, which verifies initial contact with the college, include information completed by the student as to how the student learned about College of the Desert. The question, " Did anyone at the college contact you first" should be also included on the questionnaire. This will further help verify first contact compliance.

Due Process

The college has the right to due process, under the provisions of Article 7.4 of the CCCAA Constitution. Article 7.4.8.3 specifies that the college "shall have the right to appeal decisions rendered by the conference commissioner." It further states that "all such appeals must be submitted to the conference commissioner in writing and signed by the college president within ten (10) days of the conference commissioner's ruling." Any appeal will be directed to the SCFA Appeals Board. (See Article 7.4.8.4)

Again, Dr Kinnamon, I would like to express my appreciation for your cooperation and for the cooperation of your college personnel in this matter. You have shown exemplary leadership and integrity. In my opinion, your commitment to thoroughly investigate the alleged violations is to be applauded. I have full confidence that we can work together to complete the conditions of the probation and that College of the Desert's reputation as an outstanding educational institution, which provides an excellent athletic program with life-long educational experiences, will continue forward.

Respectively yours,



Jim Sartoris
SCFA, Commissioner
2214 W. Clark Ave
Burbank, Ca 91506
(818) 841-0446
(818) 861-7955- fax

BRABO & CARLSEN, LLP
CERTIFIED PUBLIC
ACCOUNTANTS

MICHAEL J. BRABO, CPA
WAYNE E. CARLSEN, CPA

*Member of the Private Companies
Practice Section of the American Institute
of Certified Public Accountants*

September 3, 2012

To the Board of Directors
College of the Desert Foundation
43-500 Monterey Avenue
Palm Desert, CA 92260

In planning and performing our audit of the financial statements of College of the Desert Foundation for the year ended June 30, 2012, we considered the Foundation's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

We have included the following recommendations for your consideration, which we believe should enhance the overall system of internal controls and operating efficiency. The cost of implementing any additional procedures or controls should be weighed against the benefits to be gained. This letter does not affect our report dated September 12, 2012, on the financial statements of College of the Desert Foundation.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Foundation personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. We would like to thank Joanne Padgham and her staff and members of the audit committee for all their assistance and cooperation in the performance of our audit.

Sincerely,

BRABO & CARLSEN, LLP
Certified Public Accountants



Wayne Carlsen, CPA

WEC/lmf

PRIOR YEAR RECOMMENDATIONS

Accounting Policies and Procedures Manual

The Foundation does not have a formalized accounting policies and procedures manual.

It is the Board of Director's responsibility to implement its own controls and then have procedures in place in order to effectively communicate and monitor these controls to its management personnel.

We recommend that the Foundation document its current accounting policies and procedures. This is important to assure the Board that the Foundation is operating as is expected. Written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate, untimely or fraudulent accounting transactions and records. A well-devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and possibly allow for delegation to other employees of some accounting functions.

It was noted during this year's audit that this recommendation had not been implemented. We again suggest that the Foundation should consider this.

Segregation of Duties

Due to the size of your accounting department it is difficult to have certain accounting functions segregated to improve the internal controls of the Foundation.

In order to improve on the controls it is recommended that the treasurer or someone from the finance committee review the monthly bank statements and bank reconciliations. We also recommend that the monthly journal entries be reviewed and approved. The bank reconciliations and journal entries should be initialed in order to confirm that the procedures are being performed.

It was noted during our audit that this suggestion was implemented.

Disbursement Procedures

Payments made to the College of the Desert are requested by the College for payment by the Foundation using a "goldenrod" form. After these amounts have been approved for payment by the Foundation they are sent back to the College and subsequently an invoice is presented by the College for the approved payment amounts.

We suggest that a list of all of the invoices presented to the Foundation by the College be maintained and compared to the final invoice presented for payment to assure the total amounts agree.

It was noted during our audit that this suggestion was implemented.

CURRENT YEAR RECOMMENDATIONS

Temporarily Restricted Funds

The Foundation has a voluminous number of temporarily restricted funds for many programs that we feel could be consolidated or eliminated. This will facilitate the monthly accounting process resulting in a more meaningful financial presentation of the fund restriction purpose and balances. We also suggest that the Board implement a policy to determine when a contribution should be held in a separate fund with the donor's name or included with a scholarship program.

Alumni Association

The Foundation is currently receiving some of the funds raised by the Alumni Association to hold for specific programs at the College. The Alumni Association then sends a request to the Foundation for distribution from the Foundation for a program and also requests the Foundation to return the funds if they have not been distributed for a specific purpose after a specified time period. Since these are not assets of the Foundation, we suggest that the Foundation return any funds that it is currently holding and no longer accept these donations from the Alumni Association. This will also result in the reduction in the number of temporarily restricted funds currently being accounted for by the Foundation.

Financial Statements

COLLEGE OF THE DESERT
FOUNDATION

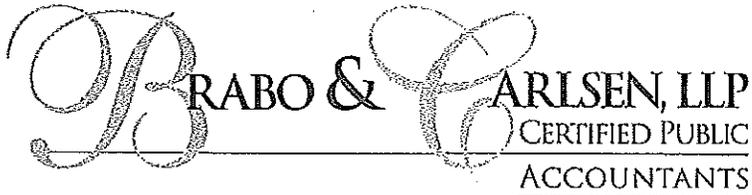
JUNE 30, 2012

COLLEGE OF THE DESERT FOUNDATION

JUNE 30, 2012

CONTENTS

INDEPENDENT AUDITOR'S REPORT	.....	1
FINANCIAL STATEMENTS		
Statement of Financial Position	.....	2
Statement of Activities	.....	3
Statement of Cash Flows	.....	4
Statement of Functional Expenses	.....	5
NOTES TO FINANCIAL STATEMENTS	.....	6



MICHAEL J. BRABO, CPA
WAYNE E. CARLSEN, CPA

*Member of the Private Companies
Practice Section of the American Institute
of Certified Public Accountants*

INDEPENDENT AUDITORS' REPORT

Board of Directors
College of the Desert Foundation
(An Auxiliary Organization of
Desert Community College District)
Palm Desert, California

We have audited the accompanying statement of financial position of College of the Desert Foundation (An Auxiliary Organization of Desert Community College District) as of and for the year ended June 30, 2012, and the statements of activities, cash flows, and functional expenses for the year then ended. The financial statements are the responsibility of College of the Desert Foundation's management. Our responsibility is to express an opinion on the financial statements based on our audit. The prior year summarized comparative information was derived from the Foundation's June 30, 2011 financial statements. In our report dated September 14, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of College of the Desert Foundation (An Auxiliary Organization of Desert Community College District) as of June 30, 2012, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

September 12, 2012

COLLEGE OF THE DESERT FOUNDATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2011)

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$ 3,080,370	\$ 3,326,998
Investments	18,135,256	17,485,794
Pledges receivable, net	1,642,124	2,296,617
Accrued interest receivable	60,003	61,167
Prepaid expenses	102,628	-
Property and equipment, net	2,639	3,221
Split interest agreements	537,283	587,329
Other assets	351,010	336,549
TOTAL ASSETS	<u><u>\$ 23,911,313</u></u>	<u><u>\$ 24,097,675</u></u>
LIABILITIES		
Accounts payable	\$ 835,352	\$ 439,079
Accrued expenses	179,829	92,060
Deferred revenue	58,050	-
TOTAL LIABILITIES	<u>1,073,231</u>	<u>531,139</u>
NET ASSETS		
Unrestricted		
Undesignated	678,606	653,455
Board designated	600,000	600,000
	<u>1,278,606</u>	<u>1,253,455</u>
Temporarily restricted	5,102,618	6,000,016
Permanently restricted	16,456,858	16,313,065
NET ASSETS	<u>22,838,082</u>	<u>23,566,536</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 23,911,313</u></u>	<u><u>\$ 24,097,675</u></u>

The accompanying notes are an integral part of these financial statements.

COLLEGE OF THE DESERT FOUNDATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2012	2011
REVENUES AND SUPPORT					
Donations	\$ 327,378	\$ 730,026	\$ 109,235	\$ 1,166,639	\$ 1,337,246
Grants	667	106,702	66,886	174,255	161,824
Memberships	3,220	1,000	-	4,220	9,600
Scholarship donations	-	396,390	16,525	412,915	420,487
Special events	627,302	-	-	627,302	304,601
Investment income, net	195,787	(78,667)	(14,974)	102,146	2,347,963
Change in value of split interest agreement	-	29,171	-	29,171	40,397
Loss on disposal of equipment	-	-	-	-	(15,250)
In-kind revenue	74,296	-	-	74,296	-
Other income	331	-	-	331	4,530
Satisfaction of program restrictions	2,115,899	(2,115,899)	-	-	-
Total revenues and support	3,344,880	(931,277)	177,672	2,591,275	4,611,398
EXPENDITURES					
Program services	2,260,384	-	-	2,260,384	1,631,744
Management and general	435,637	-	-	435,637	331,478
Fundraising	259,716	-	-	259,716	180,285
Special events - direct expense	363,992	-	-	363,992	98,805
Total expenditures	3,319,729	-	-	3,319,729	2,242,312
CHANGE IN NET ASSETS	\$ 25,151	\$ (931,277)	\$ 177,672	\$ (728,454)	\$ 2,369,086
NET ASSETS AT BEGINNING OF YEAR	\$ 1,253,455	\$ 6,000,016	\$ 16,313,065	\$ 23,566,536	\$ 21,197,450
CHANGE IN NET ASSETS FOR THE YEAR	25,151	(931,277)	177,672	(728,454)	2,369,086
INTER-FUND TRANSFERS	-	33,879	(33,879)	-	-
NET ASSETS AT END OF YEAR	\$ 1,278,606	\$ 5,102,618	\$ 16,456,858	\$ 22,838,082	\$ 23,566,536

The accompanying notes are an integral part of these financial statements.

COLLEGE OF THE DESERT FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (728,454)	\$ 2,369,086
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	1,475	1,696
Loss on sale of assets	-	15,250
Unrealized (gain) / loss	586,183	(1,493,991)
(Increase) Decrease in:		
Pledges receivable	654,493	999,958
Accrued interest receivable	1,164	(25,648)
Prepaid expenses	(102,628)	-
Split interest agreements	50,046	(40,397)
Other assets	(14,461)	-
Increase (Decrease) in:		
Accounts payable	396,273	319,992
Accrued expenses	87,769	23,747
Deferred revenue	58,050	-
CASH PROVIDED BY OPERATING ACTIVITIES	<u>989,910</u>	<u>2,169,693</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(893)	(1,831)
Proceeds from sale of investments	6,574,539	6,871,174
Purchases of investments	(7,810,184)	(7,624,748)
CASH USED BY INVESTING ACTIVITIES	<u>(1,236,538)</u>	<u>(755,405)</u>
NET INCREASE (DECREASE) IN CASH	(246,628)	1,414,288
CASH AT BEGINNING OF YEAR	<u>3,326,998</u>	<u>1,912,710</u>
CASH AT END OF YEAR	<u>\$ 3,080,370</u>	<u>\$ 3,326,998</u>

The accompanying notes are an integral part of these financial statements.

COLLEGE OF THE DESERT FOUNDATION

Schedule 1

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

	Programs Services	Management and General	Fund Raising	Totals	
				2012	2011
College support	\$1,353,614	\$ -	\$ -	\$1,353,614	\$ 798,807
Scholarships	581,156	-	-	581,156	547,082
Salaries and related expenses	217,966	245,212	81,737	544,915	600,238
Bad debt	-	-	-	-	9,500
Bank & credit card charges	-	8,044	-	8,044	4,546
Depreciation	-	1,475	-	1,475	1,696
Equipment & maintenance	-	25,534	-	25,534	13,809
Insurance	-	5,151	-	5,151	5,028
Marketing & development	107,648	-	123,356	231,004	38,845
Membership expenses	-	2,675	1,375	4,050	3,533
Office expenses	-	14,792	-	14,792	12,572
Postage & printing	-	8,784	-	8,784	19,224
Professional services	-	40,166	36,000	76,166	82,693
Recognition	-	7,480	17,248	24,728	3,290
Rent & Utilities	-	74,296	-	74,296	-
Telephone	-	2,028	-	2,028	2,744
	<u>\$ 2,260,384</u>	<u>\$ 435,637</u>	<u>\$ 259,716</u>	<u>\$ 2,955,737</u>	<u>\$ 2,143,507</u>

The accompanying notes are an integral part of these financial statements.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

College of the Desert Foundation (the Foundation) is a non-profit auxiliary organization of Desert Community College District. The Foundation was formed July 27, 1983. The purpose of the Foundation is to enhance the quality of education by advancing the College of the Desert (The College) through building relationships, securing philanthropic support and stewarding assets. The Foundation operates primarily in the Coachella Valley of Southern California. It receives substantially all of its revenues from residents of this area and is subject to economic factors which may affect charitable giving in Southern California.

The Foundation and the College are financially interrelated organizations as defined by ASC Topic 958-605, "Transfers of Assets to a Nonprofit Charitable or Charitable Trust that Holds Contributions for Others". Under ASC 958-605, the Foundation reflects contributions received for the benefit of the College as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Net Asset Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset types established according to their nature and purpose. Separate accounts are maintained for each net asset type; however, in the accompanying financial statements, net asset types that have similar characteristics have been combined into groups as follows:

The Unrestricted Net Assets represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation, as well as all property, plant and equipment of the Foundation.

The Temporarily Restricted Net Assets represents the temporarily restricted resources that are received with temporary donor stipulations that limit the use of the donated assets.

The Permanently Restricted Net Assets represents the permanently restricted resources that are subject to permanent restriction by the donor requiring that the principal be invested and only the income be used for general benefit of the College, its students, or a group affiliated with the College.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash accounts on deposit at financial institutions. For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Investments

Investments are carried at fair value using quoted market prices with gains and losses included in the statement of activities. Investments include certificates of deposit, equities, U.S. government bonds, and corporate bonds. The funds are subject to gains or losses of principal based on fluctuations in market prices.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable

Pledges are recorded as receivables and recognized as revenue in the year made. Pledges receivable over a period of more than one year are discounted on a net present value of 4%.

Allowance for Doubtful Accounts

The Foundation uses the allowance method to account for doubtful pledges and accounts. Management has determined all receivables to be collectible at June 30, 2012.

Property and Equipment

The Foundation's property and equipment are recorded at cost and are depreciated using an accelerated depreciation method over the estimated useful lives.

Contributions

Contributions received, including unconditional promises to give, are recognized as revenues or gains in the period received.

Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted revenues. Temporarily restricted net assets are reclassified to unrestricted net assets when an expense is incurred that satisfies the donor-imposed restriction or when a time restriction has been met.

Donated Occupancy and Other Items

The Foundation occupies office space located on the College of the Desert campus. The value of this and other donated items are recorded at estimated fair market value at the date of the donation. Some Foundation members have made significant contributions of their time in the advancement of its programs and objectives. The value of donated volunteer services is not reflected in the accompanying financial statements since no objective basis is available to measure the value of such services.

Allocation of Functional Expenses

The costs of providing programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, based on management's estimates, certain costs have been allocated among the programs, fundraising, and the general and administrative activities.

Income Taxes

The Foundation is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and operates as a public charity. The Foundation is also exempt from California income taxes under similar state statutes.

The Foundation's policy is to record income tax related interest and penalties in operating expenses. For the year ended June 30, 2012 there was no interest or penalties expense recorded and no accrued interest and penalties.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Foundation's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they are filed. The Foundation's Forms 199, California Exempt Organization Annual Information Return, are subject to examination by the Franchise Tax Board, generally for four years after they are filed.

Advertising Costs

Advertising costs are expensed as incurred by the Foundation. Total advertising costs for the year ended June 30, 2012 were \$215,296.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

The Foundation's financial instruments are measured using FASB ASC 820 (formerly SFAS No. 157 Fair Value Measurements), which, among other things, establishes a hierarchal framework for disclosure of and measurement of investments at fair value. Cash, most receivables, accounts payable and accrued liabilities are settled so close to the balance sheet date that the fair value does not differ significantly from the stated amounts.

Fair values of financial instruments are measured and reported using of the following categories:

Level I Inputs – Quoted prices are available in active markets for identical investments as of the reporting date.

Level II Inputs – Pricing inputs are available in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III Inputs – Pricing inputs are unobservable and determination of fair value requires significant management judgment or estimation.

Comparative Data

The financial statements contain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Subsequent Events

Subsequent events have been evaluated through September 12, 2012, which is the date the financial statements were available to be issued.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1: INVESTMENTS

Investments at June 30, 2012, stated at fair value based on quoted market price are summarized as follows:

Equities	\$ 9,115,635
Government securities	791,395
Corporate bonds	<u>4,306,355</u>
	14,510,385
Certificates of deposit	<u>3,624,871</u>
	<u>\$18,135,256</u>

The investment return consists of the following for the year ended June 30, 2012:

Interest and dividends	\$ 553,055
Realized gains on investments	203,921
Unrealized losses on investments	(577,714)
Investment fees	<u>(77,116)</u>
	<u>\$ 102,146</u>

NOTE 2: PLEDGES RECEIVABLE

Pledges receivable at June 30, 2012, are stated at fair value based on management's estimate of a discount to present value of 4%, and are comprised of the following:

Pledges receivable in less than one year	\$ 753,045
Pledges receivable in one to five years	<u>980,000</u>
Total	1,733,045
Less: Unamortized discount	<u>(90,921)</u>
Pledges receivable, net	<u>\$1,642,124</u>

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at June 30, 2012:

Office furniture and equipment	\$10,335
Less accumulated depreciation	<u>(7,696)</u>
Property and equipment, net	<u>\$ 2,639</u>

NOTE 4: SPLIT INTEREST AGREEMENTS

The Foundation has a beneficial interest in various irrevocable charitable remainder trusts and pooled income funds including a pooled income fund administered by the Community College League of California. The assets are held in various stocks, bonds, and other assets in the names of the individual donors' trusts, and are accounted for in the endowment fund. The trusts provide for payments to the grantor or other designated beneficiary over the trust's terms.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 4: SPLIT INTEREST AGREEMENTS (Continued)

At the end of the trust's term, the remaining assets are available to the Foundation. Fair value is based on the present value of the estimated future benefits to be received, which take into account required annual distributions to the donor, the donor's life expectancy, and the assumed rate of return on the investments over the years. The trusts are revalued on an annual basis, and the change in the present value of the trusts' assets is recorded as a gain or loss in the statement of activities.

A summary of the changes in split interest agreements for the year is summarized as follows:

Balance, at June 30, 2011	\$ 587,329
Net changes in current fair market values	<u>(50,046)</u>
Balance at June 30, 2012	<u>\$ 537,283</u>

NOTE 5: INVESTMENTS IN CALIFORNIA COMMUNITY COLLEGES SCHOLARSHIP ENDOWMENT

Investment in California Community Colleges Scholarship Endowment is a pooled investment fund held by the Foundation for California Community Colleges (FCCC) and is permanently restricted for community colleges scholarships. Management and investment oversight is the responsibility of the FCCC, as directed by the donor, Bernard Osher from the Osher Foundation.

The initial gift from the Osher Foundation of \$25 million and any match from the Osher Foundation are considered gifts to the FCCC and remain assets of the FCCC per the grant agreement. Subsequent fundraising by College of the Desert Foundation (CODF) that results in monies transferred to FCCC may remain permanently restricted assets of CODF and will be reflected as such on all financial reporting. However, all donations to the endowment must be left in the fund permanently and cannot be returned or used for other purposes.

The Osher Foundation will provide a 50 percent match for each dollar raised through 2012. The match will be reconciled annually through 2012 based on the amount raised that fiscal year by the FCCC and individual colleges. Contributions received from CODF and invested in the endowment on or before June 30 of a given year, and the match dollars subsequently applied to those contributions begin earning interest and result in scholarship distribution one year later. Earnings on both the dollars raised by CODF and the match provided by the Osher Foundation, net of investment expenses, will be distributed as scholarship funds to CODF. The earnings from the dollars raised by CODF and the corresponding match amount will be set aside for scholarships for College of the Desert students.

NOTE 6: ENDOWMENT FUNDS

The Foundation's endowment consists of funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 6: ENDOWMENT FUNDS (Continued)

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted funds that is not classified in permanently restricted net assets may be classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Foundation has adopted an investment policy, approved by the Board of Directors for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Therefore, the Foundation expects its endowment assets, over time to exceed the average annual return of the applicable benchmark index with a lower than benchmark volatility over a three to five year rolling time period. Actual returns in any given year may vary from this expectation. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Foundation's Board approved spending policy was created to protect the values of the endowments. The Board approved a policy that all endowments are first subject to an annual administrative fee of 2% calculated at the end of each quarter, based on the market value balance that is deposited into the operating fund of the Foundation. The total endowment spending rate of no more than 5% per year is determined by the investment committee at their January meeting using the average market value of the funds on June 30th for each of the three years immediately preceding the fiscal year the payout is to be made.

Endowment Net Asset Composition by type of fund as of June 30, 2012 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>
Donor Restricted Endowment Funds	\$ -	\$ 726,011	\$16,456,858	\$17,182,869
Board Designated Endowment Funds	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Total Funds	<u>\$ 600,000</u>	<u>\$ 726,011</u>	<u>\$16,456,858</u>	<u>\$17,782,869</u>

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 6: ENDOWMENT FUNDS (Continued)

Changes in endowment net assets as of June 30, 2012 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>
Endowment net assets, beginning of the year	\$ 600,000	\$1,184,291	\$16,313,065	\$18,097,356
Contributions	-	26,255	192,646	218,901
Net gains/(losses) on investments	-	43,807	(14,974)	28,833
Amounts appropriated for expenditures	-	(528,342)	-	(528,342)
Inter-fund transfers	-	-	(33,879)	(33,879)
Endowment net assets, end of the year	<u>\$ 600,000</u>	<u>\$ 726,011</u>	<u>\$16,456,858</u>	<u>\$17,782,869</u>

NOTE 7: FAIR VALUE MEASUREMENTS

Assets measured at fair value at June 30, 2012 are as follows:

	<u>Prices in Active Markets (Level I)</u>	<u>Prices in Inactive Markets (Level II)</u>	<u>Estimates No Active Markets Level III)</u>
<u>Measured on a Recurring Basis</u>			
Equities	\$12,028,847	\$ -	\$ -
Government securities	791,395	-	-
Corporate bonds	1,690,143	-	-
Split interest agreements	-	-	537,283
Investment in FCCC	-	351,010	-
Total	<u>\$14,510,385</u>	<u>\$ 351,010</u>	<u>\$ 537,283</u>
<u>Measured on a Nonrecurring Basis</u>			
Non-cash contributions	\$ -	\$ 74,296	\$ -
Total	<u>\$ -</u>	<u>\$ 74,296</u>	<u>\$ -</u>

NOTE 8: RESTRICTIONS OF NET ASSET BALANCES

Temporarily restricted net assets consist of the following at June 30, 2012:

Split interest agreements	\$ 537,283
Various donor restricted funds	3,328,142
Osher endowment	15,461
Foundation scholarships	<u>1,221,732</u>
	<u>\$5,102,618</u>

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 8: RESTRICTIONS OF NET ASSET BALANCES (Continued)

Permanently restricted net assets consist of the following at June 30, 2012:

Scholarship endowments	\$ 5,486,436
Osher endowment	336,549
General endowments	<u>10,633,873</u>
	<u>\$16,456,858</u>

NOTE 9: NET ASSETS RELEASED FROM RESTRICTION

The sources of net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes for the year ended June 30, 2012 were as listed below:

Scholarships and grants	<u>\$ 2,115,899</u>
-------------------------	---------------------

NOTE 10: LEASE COMMITMENTS

The Foundation leases a copier under a 60-month operating lease agreement that commenced May 2010 and expires April 2015.

Minimum required future rental payments under leases as of June 30, 2012, are:

<u>Year ending June 30</u>	
2013	\$ 4,034
2014	4,034
2015	<u>3,360</u>
Total minimum future rental payments	<u>\$11,428</u>

Rental expenses for operating agreements were \$4,034 for the year ended June 30, 2012.

NOTE 11: INTER-FUND TRANSFERS

Inter-fund transfers consist of a reclassification of a donor contribution from the permanently restricted fund to the temporarily restricted fund during the year ended June 30, 2012.

NOTE 13: CONCENTRATION OF CREDIT RISK

At June 30, 2012, the Foundation had on deposit with a local bank amounts in excess of \$250,000. Deposits in excess of \$250,000 are not insured by the Federal Depository Insurance Company; however the bank is participating in the FDIC's Transaction Guarantee Program that fully insures all non-interest bearing accounts until December 31, 2012. Given the existing size of operations it is not unusual for this limit to be exceeded on a periodic basis. The Foundation is aware of this matter and evaluates alternatives for safeguarding cash while at the same time maximizing operational performance.

The Foundation also maintains accounts with multiple brokerage firms. The accounts contain cash and securities and sometimes exceed the amount guaranteed by the Securities Investor Protection Corporation which is \$500,000 with a limit of \$250,000 for cash.