AGENDA
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
STUDY SESSION OF THE BOARD OF TRUSTEES
March 10, 2021
Closed Session at 5:00 p.m.; Open Session at 6:00 p.m.
This meeting will be held telephonically via Zoom.
Members of the public should **NOT** come to District Office to participate.
Join this Zoom Meeting – https://smccd.zoom.us/j/87618958307
Dial-In: 1-669-900-9128 – Webinar ID: 876 1895 8307

NOTICE ABOUT PUBLIC PARTICIPATION AT BOARD MEETINGS

Observing the Meeting
Members of the public who wish to observe the meeting may do so by accessing the link or calling the following telephone number above at the beginning of the meeting.

Providing Public Comment During the Meeting on NON-AGENDA Items
To make a comment regarding a non-agenda item, members of the public, once in the Zoom meeting (via above link), can utilize the "raise hand" function on the bottom right corner of the screen. This will allow for the Board President to recognize members for comment and will allow staff to activate audio access to individual participants. Members of the public who "raise their hand" will be called upon in the order they appear. Members of the public making comment are reminded of the 3-minute time limit for comment.

For members of the public who do not have access to a computer or smart device, time will be allotted at the end of public comments for members of the public to comment using a phone.

Providing Public Comment During the Meeting on AGENDA Items
To make a comment regarding an item on the published agenda, members of the public, once in the Zoom meeting (via above link), can utilize the "raise hand" function on the bottom right corner of the screen. This will allow for the Board President to recognize members for comment and will allow staff to activate audio access to individual participants. Members of the public who "raise their hand" will be called upon in the order they appear. Members of the public making comment are reminded of the 3-minute time limit for comment.

For members of the public who do not have access to a computer or smart device, time will be allotted at the end of public comments on the agenda item for members of the public to comment using a phone.

Accommodations
Persons with disabilities who require an accommodation or service should contact the contact the Chancellor's Office at (650) 358-6877 at least 24 hours prior to the Board meeting.

5:00 p.m.   Call to Order

CLOSED SESSION ITEMS FOR DISCUSSION

1. Conference with Labor Negotiators
   Agency Designated Representative: Mitchell Bailey and Laura Schulkind
   Employee Organizations: AFT and CSEA

2. Conference with Legal Counsel – Existing Litigation: Three cases
   a. Peasegood v. San Mateo County Community College District – Case No.: 19 CIV 06689
   b. Mayeli v. San Mateo County Community College District – Case No.: 20 CIV 02463
   c. Grigorescu v. Board of Trustees of the San Mateo County Community College District et al - Case 3:18-cv-05932-EMC

3. Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): Two Cases

4. Employee Discipline, Dismissal, Release

PUBLIC COMMENTS ON CLOSED SESSION ITEMS ONLY

RECESS TO CLOSED SESSION

RECONVENE TO OPEN SESSION

6:00 p.m. Call to Order / Roll Call / Pledge of Allegiance

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION

DISCUSSION OF THE ORDER OF THE AGENDA

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

MINUTES

21-03-01 Approval of the Minutes of the January 7, 2021 Special Closed Session Meeting
21-03-02 Approval of the Minutes of the January 13, 2021 Study Session
21-03-03 Approval of the Minutes of the January 19, 2021 Special Closed Session Meeting
21-03-04 Approval of the Minutes of the January 27, 2021 Regular Meeting
21-03-05 Approval of the Minutes of the February 6, 2021 Retreat
21-03-06 Approval of the Minutes of the February 9, 2021 Special Closed Session Meeting
21-03-07 Approval of the Minutes of the February 17, 2021 Special Closed Session Meeting
21-03-08 Approval of the Minutes of the February 24, 2021 Regular Meeting and Special Closed Session Meeting
21-03-09 Approval of the Minutes of the March 3, 2021 Special Closed Session Meeting

NEW BUSINESS

21-03-01A Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel *(Time Allotted: 5 minutes)*

21-03-02A Re-employment of Contract and Regular Faculty for the 2021-2022 Academic Year *(Time Allotted: 5 minutes)*

Other Recommendations

21-03-101B Adoption of Resolution No. 21-03 Authorizing the Issuance and Sale of 2021 General Obligation Refunding Bonds in an Aggregate Principal Amount not to Exceed $360,000,000
(Time Allotted: 10 minutes)

21-03-102B Consideration of Endorsement of SB 659 *(Time Allotted: 10 minutes)*

STUDY SESSION

21-03-01C Discussion of Board Governance Relating to Proposed Internal Audit Function and External Performance Review of Select District Operations
(Time Allotted: 60 minutes)

21-03-02C Discussion of RFP Process for Selecting Vendor to Operate the San Mateo Athletic Club *(Time Allotted: 60 minutes)*

21-03-03C Discussion of Future Study Session and Informational Report Topics
(Time Allotted: 20 minutes)

INFORMATION REPORTS

21-03-04C Discussion of Short-term Contract Extension with EXOS for the Operation of the San Mateo Athletic Club *(Time Allotted: 10 minutes)*

COMMUNICATIONS

STATEMENTS FROM BOARD MEMBERS

RECONVENE TO CLOSED SESSION (if necessary)

RECONVENE TO OPEN SESSION (if necessary)

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION (if necessary)

ADJOURNMENT

Minutes of the Special Closed Session Meeting of the Board of Trustees
San Mateo County Community College District
January 7, 2021
San Mateo, CA

The meeting was called to order at 5:02 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION
President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda, including (1) Consideration of Employee Discipline, Dismissal, Release.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY
None

RECESS TO CLOSED SESSION
The Board recessed to Closed Session at 5:04 p.m.

RECONVENE TO OPEN SESSION
The Board reconvened to Open Session at 6:45 p.m.

REPORT OF ACTION TAKEN DURING CLOSED SESSION
President Nuris announced that the Board took no action in closed session.

ADJOURNMENT
The meeting was adjourned by consensus at 6:46 p.m.

Submitted by

Michael Claire, Secretary

Minutes of the Study Session of the Board of Trustees
San Mateo County Community College District
January 13, 2021 – San Mateo, CA

This was conducted remotely via Zoom. A video recording of the meeting can be accessed at: https://smccd.edu/boardoftrustees/meetings.php.

The meeting was called to order at 5:00 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober, Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION

President Nuris said that during closed session, the Board will take up items as listed on the printed agenda, including: (1) Hold Conference with Labor Negotiators for Employee Organizations: AFT; (2) Consideration of Employee Discipline, Dismissal, Release; (3) Hold a Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): Two cases; (4) Consider Public Employee Performance Evaluation: Review of Goals – Chancellor.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY

None.

RECESS TO CLOSED SESSION

The Board recessed to closed session at 5:02 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to open session at 6:14 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober, Trustee Maurice Goodman, Trustee Lisa Petrides; Trustee John Pimentel; Student Trustee Jade Shonette

Others Present: Chancellor Michael Claire, Chief Financial Officer Bernata Slater; Skyline College President Melissa Moreno, College of San Mateo Interim President Kim Lopez, Cañada College President Jamillah Moore, District Academic Senate President Jeramy Wallace

DISCUSSION OF THE ORDER OF THE AGENDA

(Time Stamp: 01:23)

President Nuris announced that staff requested Agenda Item 21-01-1C be removed and brought back at a future meeting.

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION

(Time Stamp: 02:21)

None.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

(Time Stamp: 02:30)

- Frank Elliott spoke about the status of the San Mateo Athletic Club contract.

- Monica Malamud spoke about concerns with the AFT negotiation schedule.
- Shaun Perisho spoke about trends in the District budget and the disparity between various salaries.
- Sam Chuang spoke about the progress of the SMAC contract and concerns with transparency.

MINUTES

Approval of the Minutes of the February 26, 2020 Regular Meeting (21-01-1)
(Time Stamp: 15:45)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the March 5, 2020 Special Closed Session Meeting (21-01-2)
(Time Stamp: 17:07)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved. President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: Vice President Holober suggested that the notation about recordation in the meeting date of the current meeting be removed from the minutes formatting. Staff acknowledged that the request would be implemented for all of the minutes presented.

Approval of the Minutes of the March 11, 2020 Special Closed Session Meeting (21-01-3)
(Time Stamp: 19:42)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the March 17, 2020 Emergency Closed Session Meeting (21-01-4)
(Time Stamp: 20:30)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved. President Nuris, Vice President Holober and Trustee Goodman voting Aye.

Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the March 25, 2020 Special Closed Session Meeting (21-01-5)
(Time Stamp: 21:14)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

NEW BUSINESS

Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel (21-01-1A)
(Time Stamp: 22:35)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved unanimously, all members voting Aye

Summary of Discussion: None.

Public Comment: None.

Consideration of Options for College Ridge Lease-Leaseback Project, Phase 2 Construction at Skyline College (21-01-2A)
(Time Stamp: 23:09)

Motion to Approve by: Vice President Holober

Second by: Trustee Pimentel

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Vice Chancellor Nunez summarized the status of the College Ridge project and the steps taken throughout the Request for Proposal (RFP) process. Trustee Goodman asked about the impact of allowing the previous contractor, SummerHill Homes, to withdraw from the agreement. Vice Chancellor Bailey noted that in 2018, the Board had stated its interest in ensuring that this was a Project Labor Agreement (PLA) project and although speculative, it is possible there could have been a conflict with SummerHill agreeing to support a PLA project. Trustee Goodman questioned the decision to go with a lease-leaseback project. Vice Chancellor Nunez responded that an analysis had been done which determined that lease-leaseback was the best delivery method moving forward. Mr. Strugar-Fritsch noted some of the drawbacks encountered during the process that contributed to the cost escalation of the project. President Nuris stated that further delays would likely increase the cost of the project.

Trustee Pimentel asked about the impact a higher bid would have on housing costs to faculty and staff and what input faculty and staff have in the housing process. Vice Chancellor Bailey stated rental prices would not be affected and that faculty and staff are represented on the Educational Housing Corporation Board. Vice President Holober reported additional background on the history of the project and noted it might be worthwhile for the Educational Housing Board to review faculty and staff rental payments in relation to higher project costs. Trustee Goodman suggested the Educational Housing Board provide an update to the Board at a future date. President Nuris suggested staff complete the RFP process and bring their final recommendation to the Board for approval. Trustee Petrides asked for clarification on the financing of the project. Chief Financial Officer Slater explained the Other Post-Employment Benefits (OPEB) funding option recommended. Vice President Holober noted he will have many questions regarding the use of the OPEB fund.

Public Comment:

- Maxine Terner spoke about the usage of abbreviations in staff reports.

Appointment of Board Members to the San Mateo County Colleges Foundation Board of Directors (21-01-3A)
(Time Stamp: 59:07)

Motion by: Trustee Petrides to nominate Trustee Goodman and Trustee Pimentel

Second by: Vice President Holober

Action: The nominations of Trustee Goodman and Trustee Pimentel were approved unanimously, all members voting Aye

Summary of Discussion: Trustee Pimentel and Trustee Goodman agreed to serve on the San Mateo County Colleges Foundation Board of Directors.

Public Comment: None.

STUDY SESSION

Review of Board Minutes Process and Policy (21-01-2C)
(Time Stamp: 1:07:00)

Summary of Discussion: Vice Chancellor Bailey introduced the video recording platform, Panopto, which can be used to integrate the video component of a Board meeting with written minutes. It also allows users to locate agenda topics by time stamp and to search for specific words within the video recording. Trustee Pimentel stated he is glad a new format is being implemented but would like to ensure that the spirit of the discussion and any dissenting points are captured in the minutes. Trustee Petrides asked about captioning and Vice Chancellor Bailey responded that transcripts would be available. Trustee Petrides also asked about viewing options for the public, if names of attendees were noted, and if consent was required before being recorded. Chancellor Claire suggested surveying other municipalities and districts about their policies regarding video recordings and public participation. Vice President Holober stated that legal counsel should be consulted. He also noted gaps in the dates of meeting minutes that were approved and that Board policy regarding the recordkeeping of Board minutes should be reviewed and updated.

Chief Information Officer, Daman Grewal, demonstrated the capabilities of the Panopto system which includes closed captioning, speed adjustments, search features and sharing options. Trustee Pimentel noted it would useful for participants to have the option to present their image or share their screen with the Board. President Nuris suggested the Board discuss this topic further at a future meeting.

Trustee Pimentel requested from staff a timeline with specific dates outlining when past minutes would be completed and a draft of a revised Board minutes policy. Trustee Pimentel suggested the creation of a sub-committee, working with staff, to review and update all Board policies and procedures and, if needed, to consult with outside experts.

Trustee Goodman asked about the vacant Executive Assistant to the Board position. Chancellor Claire responded that staff was assessing the needs of the Board and the Chancellor's Office before posting the position. Trustee Goodman and the other trustees thanked Mr. Grewal and his team for their guidance and research and recommended moving forward with the Panopto platform to record future Board meetings.

Public Comment: None.

Discussion of Expansion of Tuition Waiver (21-01-3C)
(Time Stamp: 1:57:18)

Summary of Discussion: Vice Chancellor McVean presented the District Strategic Plan on Success, Equity, and Social Justice. Data representing the connections between education, income and race/ethnicity was shown highlighting the social disparities between communities in San Mateo County. Chancellor McVean gave an overview of the District's current tuition and fees for resident and non-resident students and the District's ability to waive enrollment fees only in certain circumstances. Chancellor McVean presented the District's enrollment and tuition fee revenue for the past two fiscal years.

Trustee Goodman asked how the District's Promise Scholars program compares to City College of San Francisco's "free community college" program for residents. Vice Chancellor McVean stated that San Francisco had passed a parcel tax to provide a restricted source of funds to pay the enrollment fees for City College students who resided in San Francisco. Trustee Goodman asked if there was a way to expand the Promise Scholars program to cover not only fees but other items such as food and books for those students most in need.

Vice President Holober asked if there was a mechanism for the District to waive the requirement of charging an enrollment fee. Vice Chancellor McVean stated there were several options the District could take in order to obtain a waiver. Vice President Holober asked if expanding the Promise Scholars program would allow the District to pay for the enrollment fees of additional students. Vice Chancellor McVean clarified that the expansion of the Promise Scholars program hinges on the District being able to identify additional flexible funding to pay the enrollment fees for additional students. Vice President Holober noted the District does not receive apportionment funding from the State of California and therefore no reduction penalty could be enforced on the District.

Trustee Petrides stated that material costs are 50-70% of a community college student's total education costs and these costs can be reduced through the use of open educational resources. Vice Chancellor McVean discussed Additional Fees such as Health and Parking Fees and Associated Student Fees and the annual revenues generated by these fees.

Vice Chancellor McVean presented several Strategic Plan considerations in removing cost barriers for students most in need. Trustee Pimentel clarified that by discussing "tuition-free" college, he was considering the most vulnerable students who were unable to pay for or access community college, and that there were many avenues to explore in lessening the costs and removing other barriers for these students.

Public Comment:

- Loretta thanked the Board for their efforts and work.
- Monica Malamud spoke about free tuition for all students.

Discussion of Potential Topics for Annual Board Retreat (21-01-4C)
(Time Stamp: 2:48:52)

Summary of Discussion:
Trustee Goodman stated he would like the Board to review the resolution regarding the issue of parity for adjunct faculty. Other potential topics would include student housing, the creation of a Board policy sub-committee to review District hiring practices and anti-racism, environmental justice, and alleviating food insecurity among students.

Trustee Holober stated he would like the Board to review Board governance practices and discuss the creation of an independent, internal auditor position that would report to the Board and assist the Board in reviewing policies and practices.

Trustee Petrides noted she would like the Board to discuss the District's use of data around planning and instruction as it pertains to student achievement. Another topic for discussion would be transformative curriculum as it relates to relevant workforce needs.

Trustee Pimentel stated he had a list of topics he would like the Board to review: the reasons behind declining enrollment, student success metrics, the broader culture of transparency, the expansion of workforce training, the consideration of satellite campuses, student housing, the automatic enrollment of high school students, goals for the new Cañada athletic facility, the function of the International Education Program, expansion of the childcare programs, adult education, diversity in hiring practices, and the District's employee evaluation process.

Trustee Goodman asked staff to report to the Board on steps already taken on some of the above items and to define which topics to prioritize for the Annual Board Retreat and which topics to reserve for future study sessions.

Trustees Holober, Pimentel, Goodman and Chancellor Claire agreed that the topic of Board Governance practices should be at the top of the agenda for the Annual Board Retreat.

Public Comment: None.

COMMUNICATIONS
(Time Stamp: 3:17:42)

None.

STATEMENTS FROM BOARD MEMBERS
(Time Stamp: 3:17:55)

President Nuris: He was pleased to hear that students from the College of San Mateo Nursing School would be assisting the County of San Mateo in administering the COVID vaccine. He also wanted to welcome Cheng Yu Hou, Chief Human Resources Officer, to his first Board Meeting.

Vice President Holober: He addressed the events that occurred at the Capitol Building on January 6, 2021, and stressed the need for all Americans to defend democracy.

Trustee Goodman: He stated that moving forward, it would be appropriate to have topics such as race, class, gender, equity and other issues that affect students on the agenda for open discussion between Board members and the public. He also commented that represented groups should have a time and place to speak on the agenda.

Trustee Petrides: None.

Trustee Pimentel: None.

Student Trustee Shonette: None.

President Nuris announced that the next meeting of the Board of Trustees would be on January 27, 2021, conducted via Zoom.

RECONVENE TO CLOSED SESSION

The Board recessed to Closed Session at 9:39 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to Open Session at 12:29 p.m.

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION (if necessary)

President Nuris announced that there were no reportable actions taken in Closed Session.

ADJOURNMENT

The meeting adjourned by consent at 12:30 a.m.

Submitted by

Michael Claire, Secretary

Minutes of the Special Closed Session Meeting of the Board of Trustees
San Mateo County Community College District
January 19, 2021
San Mateo, CA

The meeting was called to order at 5:58 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION

President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda, including (1) Hold Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): Two cases; and (2) Consideration of Employee Discipline, Dismissal, Release.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY

- Nancy Littlefield spoke about a presumed protest to the RFP process for SMAC.
- Frank Elliott spoke about finalizing a contract for operating SMAC and the need for a contingency plan beyond April 1.

RECESS TO CLOSED SESSION

The Board recessed to Closed Session at 6:03 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to Open Session at 10:53 p.m.

REPORT OF ACTION TAKEN DURING CLOSED SESSION

President Nuris announced that the Board voted to cancel existing RFP #86826 and explore issuance of a reimagined RFP that will include options to expand the District's potential and service delivery to our students, faculty and greater San Mateo County community, and to reject the EXOS protest as moot.

The vote was approved with Trustees Nuris, Holober, Goodman and Pimentel voting Aye, and Trustee Petrides voting Nay.

ADJOURNMENT

The meeting was adjourned by consensus at 10:55 p.m.

Submitted by

Michael Claire, Secretary

Minutes of the Regular Meeting of the Board of Trustees
San Mateo County Community College District
January 27, 2021 – San Mateo, CA

This was conducted remotely via Zoom. A video recording of the meeting can be accessed at: https://smccd.edu/boardoftrustees/meetings.php.

The meeting was called to order at 5:00 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober, Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION

President Nuris said that during closed session, the Board will take up items as listed on the printed agenda, including: (1) Hold Conference with Labor Negotiators for Employee Organizations: AFT; (2) Hold a Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): Two cases.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY

None.

RECESS TO CLOSED SESSION

The Board recessed to closed session at 5:02 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to open session at 6:28 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober, Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel, Student Trustee Jade Shonette

Others Present: Chancellor Michael Claire, Chief Financial Officer Bernata Slater; Skyline College President Melissa Moreno, College of San Mateo Interim President Kim Lopez, Cañada College President Jamillah Moore, District Academic Senate President Jeramy Wallace

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION

(Time Stamp: 05:25)

President Nuris reported that there were no actions to report from Closed Session.

DISCUSSION OF THE ORDER OF THE AGENDA

(Time Stamp: 05:35)

President Nuris announced that staff asked that Agenda Items 21-01-06B, 21-01-07B, 21-01-08B and 21-01-09B, items relating to the District's Audit and which will be presented together, be moved to be considered immediately following the discussion of the order of the agenda. President Nuris further announced that staff asked that Agenda Item 21-01-10B, Approval of Compensation Agreement with City of San Mateo, be considered immediately following the consideration of the audit items.

The Board agreed to the reordering of agenda items.

NEW BUSINESS: Other Recommendations

Receipt and Acceptance of the 2019-20 District Audit Report (21-01-06B)
(Time Stamp: 06:48)

Motion to Approve by: Vice President Holober

Second by: Trustee Petrides

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Chief Financial Officer Bernata Slater introduced the 2019-20 Audit Report. Ms. Slater introduced Jennifer Richards, Managing Director, and Colleen Goeser, Audit Manager from Crowe LLP. Ms. Goeser presented information on the audit results including the District financial statements (unmodified opinion), State Compliance (modified opinion due to 50% law), and the Independent Audit Report on compliance of Federal Programs (Student Financial Aid, Higher Education Cluster, and the CARES Program). Ms. Goeser noted the District's response to 50% law and plans for future allocation of funds. Ms. Goeser also discussed the District's internal controls over financial reporting, including payroll controls and the reconciliation process. Vice President Holober asked if the audit includes a practice for ensuring Board approval for Payroll functions such as pay increases, granting of benefits, terminations, etc. Ms. Richards responded that the audit confirms authorization, internal controls, and the use of a personnel action form, but Board approval is outside the scope of the audit.

Public Comment: None

Receipt and Acceptance of the 2019-20 KCSM Audit Report (21-01-07B)
(Time Stamp: 25:50)

Motion to Approve by: Vice President Holober

Second by: Trustee Petrides

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Ms. Goeser presented information on the unmodified opinion audit results for the 2019-20 KCSM Audit Report. Ms. Goeser reported that KCSM increased its net position, although operating results decreased. Ms. Goeser also mentioned there is a COVID-19 impact disclosure that is new this year and included in all financial reports. The disclosure notes that COVID-19 has disrupted normal business operations and there is a high level of uncertainty going forward.

Public Comment: None

Receipt and Acceptance of the 2019-20 General Obligation Bond Financial and Performance Audit Reports (21-01-08B)
(Time Stamp: 28:18)

Motion to Approve by: Vice President Holober

Second by: Trustee Petrides

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Ms. Goeser reported an unmodified opinion on the 2019-20 General Obligation Bond Financial and Performance Audit Reports. Ms. Goeser explained that during the Performance Audit 34 expenditures (payroll related and non-payroll related) are randomly selected for review. Ms. Goeser reported that the Performance Audit results found that the District is spending funds in accordance with the Bond Measure approved by the voters and the Board of Trustees.

Trustee Pimentel referenced Ms. Terner's public comment and said his vote to approve this item is with the caveat that Ms. Terner's suggested analysis be included in the next audit. Trustee Pimentel asked staff to report back if a performance audit can be conducted to analyze the bond language compared to the actual project list. Vice President Holober requested that staff provide hard copies of the audit documents to Board members before future meetings.

Public Comment: Ms. Maxine Terner commented that she does not see the difference in the financial and performance audits and encouraged the auditors to read the bond measure language presented to the voters.

Receipt and Acceptance of the 2019-20 Retirement Futuris Public Entity Investment Trust Audit Report (21-01-09B)
(Time Stamp: 31:33)

Motion to Approve by: Vice President Holober

Second by: Trustee Petrides

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Ms. Goeser reported an unmodified opinion on the 2019-20 Retirement Futuris Public Entity Investment Trust Audit Report. Ms. Goeser said the focus of this audit is on reviewing the actuary report, which the District uses to estimate future liabilities, and the assets set aside in the fiduciary trust. In terms of post-employment benefits, Ms. Goeser reported that the District is in a very good financial position with the funds set aside in the fiduciary trust well above what future expected liability. Vice President Holober asked if the District has future projections for the Retirement Futuris Public Entity Investment Trust. Ms. Slater responded that the District performs an actuarial study each year. Ms. Slater said the District is fully funded with some excess funding, liability may shift slightly, but there is not an expectation of significant changes.

Public Comment: None

Approval of Compensation Agreement with City of San Mateo, Pursuant to Health and Safety Code Section 34180(f) (21-01-10B)
(Time Stamp: 47:08)

Motion to Approve by: Trustee Pimentel

Second by: Vice President Holober

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Barbara Christensen, Advisor and Consultant to the Chancellor's Office, introduced Kathy Kleinbaum, Assistant City Manager for the City of San Mateo. Ms. Kleinbaum presented information about the Compensation Agreement with the City of San Mateo regarding the disposition of two former Redevelopment Agency properties in downtown San Mateo in which the District is one of ten taxing entities that will receive a share of the property tax revenue. Ms. Kleinbaum gave a presentation outlining information about the former redevelopment properties, the Downtown Opportunity Sites Project (including a Multi-Family Residential Building and Parking Garage), the Public Private Partnership agreement, and the Property Disposition.

Public Comment: None

PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS

Contemporary Conversation Regarding Race, Class, Gender, Privilege and Equity: Discussion of Recent Violence at the U.S. Capitol and the of Impact of Change in Federal Administration on Higher Education and American Society (21-01-06C)
(Time Stamp: 57:14)

Summary of Discussion:

Vice President Holober said this topic is essential to discuss because its front and center to our nation, our colleges and our students. Vice President Holober said that racism, hatred and authoritarianism has always existed, but has recently been given license by our country's leadership.

Trustee Pimentel encouraged the Board to focus on offering a great product (Community College) at a great price. Trustee Pimentel said he'd like to see more focus on career technical education because that is what employers in San Mateo County are seeking. Trustee Pimentel also said he is appalled by the lack of basic civic and government understanding and suggested that as a District we focus on improving teaching in these areas.

President Nuris said the recent violence at the U.S. Capitol is not due to lack of education, it is due to lack of respect and sensibility. President Nuris said that, due to COVID-19, there has not been an opportunity to gauge the feelings of our students. President Nuris said our students need help processing recent events because they will inherit this country and be our future leaders.

Trustee Petrides said it is important to think about race, class, gender, privilege and equity through all curriculum and consider the full education of an individual, not just the attainment of a degree. Trustee Petrides also said civic understanding cannot always be taught by a book, but needs to be a learned experience.

District Academic Senate President, Jeramy Wallace said the majority of students in the District are students of color and they live civics every day. Mr. Wallace suggested bolstering teaching in ethnic studies and educational offerings that affirm the lived reality of our students of color.

Public Comment: None

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES
(Time Stamp: 1:21:48)

Chancellor Claire welcomed the new Chief Human Resources Officer, Cheng Yu Hou, to the District and thanked David Feune, Director of Human Resources, for his continued work.

Chancellor Claire thanked Trustee Pimentel for his input and direction on Board policies, particularly Board policy regarding minutes. Chancellor Claire acknowledged that Board minute taking has fallen behind and staff are working diligently to bring minutes up to date.

Cañada College President Jamillah Moore thanked the Board for attending Cañada College Cabinet for a "Meet and Greet" this past Monday. President Moore also announced that Cañada College will be hosting Dr. Coronel West and Dr. Rick Najera to have conversations about African Americans and Latinx to discuss anti-racism.

STATEMENTS FROM OTHER REPRESENTATIVE GROUPS
(Time Stamp: 01:27:13)

- ***AFT, Local 1493:*** Mr. Kolo Wamba, Physics Instructor at Skyline College and newly elected AFT Representative, made a statement regarding the need for a fair contract for Faculty and parity in part time pay with meaningful health benefits for Adjuncts.

- ***CSEA, Chapter 33:*** Ms. Annette Perot, CSEA Chapter 33 President, said CSEA members are working extremely hard to have a successful Spring 2021 Semester and look forward to a time when we can all return safely to campus.

- ***AFSCME, AFL-CIO, Local 829, Council 57:*** None

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS
(Time Stamp: 01:33:02)

- Lane Poms asked that the San Mateo Athletic Club Request for Proposal (RFP) process and timeline be made public so that the process is more inclusive to stakeholders.

- Sam Chuang spoke on behalf of the parents of the Age Group Swimmers and asked the Board for help to find a solution in returning the children to the pool.

- Brooke Anderson, attorney with the law firm Nixon Peabody, spoke on behalf of EXOS in regards to the RFP for the San Mateo Athletic Club management contract, noting that EXOS has issued a formal protest to the notice of intent to award the RFP to Power Wellness.

- Chris Jaffe advocated for more consideration to return the Age Group Swimmers back to the pool.

(Time Stamp: 1:52:59)

- Frank Elliott suggested the formation of an oversight committee to govern the activities and management at the San Mateo Athletic Club.

- Maxine Terner expressed concern regarding lack of financial information in staff reports and minutes regarding certain projects.

- Matthew Metzger commented about the San Mateo Athletic Club and expressed frustration that quality swim instructors are leaving the San Mateo Athletic Club and many swimmers are leaving the club and the sport.

MINUTES

Approval of the Minutes of the March 11, 2020 Study Session (21-01-06)
(Time Stamp: 01:46:36)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the March 25, 2020 Regular Meeting (21-01-07)
(Time Stamp: 01:47:28)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the April 7, 2020 Study Session (21-01-08)
(Time Stamp: 01:47:51)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the April 13, 2020 Special Closed Meeting (21-01-09)
(Time Stamp: 01:48:12)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the April 14, 2020 Special Closed Meeting (21-01-10)
(Time Stamp: 01:48:40)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the April 22, 2020 Regular Meeting (21-01-11)
(Time Stamp: 01:49:07)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the May 6, 2020 Special Closed Session (21-01-12)
(Time Stamp: 01:49:32)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the May 7, 2020 Special Closed Session (21-01-13)
(Time Stamp: 01:49:58)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the May 8, 2020 Special Closed Session (21-01-14)
(Time Stamp: 01:50:17)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the May 13, 2020 Regular Meeting (21-01-15)
(Time Stamp: 01:50:41)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the June 2, 2020 Special Closed Session (21-01-16)
(Time Stamp: 01:51:02)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

Approval of the Minutes of the June 10, 2020 Study Session (21-01-17)
(Time Stamp: 01:51:29)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: President Nuris, Vice President Holober and Trustee Goodman voting Aye. Trustee Pimentel and Trustee Petrides abstain. The motion passed.

Summary of Edits or Corrections: None.

NEW BUSINESS

Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel (21-01-4A)
(Time Stamp: 02:02:36)

Motion to Approve by: Vice President Holober

Second by: Trustee Petrides

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Trustee Pimentel asked about the creation of the new District Public Information Officer position and what the District's current operations for marketing, public information and community outreach look like. Chancellor Claire responded that each College has a Marketing & Community Relations Department and at the District level the Public Information Officer is the Chief of Staff. Trustee Pimentel said there are areas for improvement when it comes to responding to public inquiries, community outreach and recruitment.

Public Comment: None.

Approval of Revisions to Student Assistant Salary Schedule (21-01-5A)
(Time Stamp: 02:08:30)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved unanimously, all members voting Aye

Summary of Discussion: None.

Public Comment: None.

NEW BUSINESS: Approval of Consent Agenda
(Time Stamp: 02:09:21)

Approval of Curricular Additions, Deletions and Modifications – Cañada College, College of San Mateo and Skyline College (21-01-01CA)

Approval of District Organizational Memberships (21-01-02CA)

Approval of 2021-22 Integrated District Budget Planning Calendar (21-01-03CA)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved unanimously, all members voting Aye

Summary of Discussion: None.

Public Comment: None.

NEW BUSINESS: Other Recommendations

Approval of Contract Award for District Independent Audit Services for CWDL, Certified Public Accountants (21-01-11B)
(Time Stamp: 02:10:05)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Vice President Holober gave his support in favor of the contract award, but in light of the topic, asked to revisit his earlier questions regarding the audit. Vice President Holober asked if it would be possible to have the auditors include Board approval in their list of items particularly payroll and Human Resources changes. Chancellor Claire confirmed that this update to the audit can be made.

Public Comment: None

Approval of Contract Award for College Ridge Housing Lease-Leaseback Project, Phase 2 at Skyline College (21-01-12B)
(Time Stamp: 02:13:43)

Motion to Approve by: Trustee Goodman

Second by: Trustee Pimentel

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Mr. Jose Nuñez, Vice Chancellor of Facilities Planning, Maintenance & Operations, presented a brief history of the project including project delivery method selection (Lease-Leaseback), and a timeline of previous bidding history. Mr. Nuñez explained the Request for Proposal (RFP) best value scoring and technical review process. Mr. Nuñez reported Guzman Construction Group as staff's recommendation for this project due to their high scoring technical skills and safety record. Mr. Nuñez also noted that Guzman Construction Group is a locally and minority owned business.

Trustee Pimentel asked for further justification for the selection of the Guzman Construction Group. Mr. Nuñez explained that Guzman Construction Group is not the lowest bid, but it is the best value. Mr. Nuñez said the lowest bid is not always in the best interest of the District and he noted various projects in the past that have been problematic because the lowest bidder was selected. Ms. Yanely Pulido, Director of General Services, said the process is fair and equal, under consultation with our legal team, and the RFP is very clear in terms of the scoring methodology.

Trustee Pimentel asked about the original estimated cost of the project. Mitchell Bailey, Chief of

Staff, explained that Summerhill was originally intended to build the project, but there was a conflict that could not be resolved. Mr. Bailey said that through that process there was a general estimate of project cost. Ms. Pulido said she has a legal memo she will share with Trustee Pimentel as to why Summerhill did not move forward with the vertical construction.

Vice President Holober asked about the selection interview process and how the scoring was set for the interviews. Mr. Strugar-Fritsch said the interview is weighted heavily with an interview rating form because it shows how well the construction team can articulate their approach to the project and answer any questions.

Vice President Holober also asked when the Board will discuss funding for this project. Chancellor Claire said he recommends a separate conversation with the Board regarding funding to be scheduled as soon as possible.

Public Comment: Maxine Terner expressed her dissatisfaction with the staff report and asked for the total project cost.

Adoption of Resolution 21-01 Authorizing Use of Design-Build Project Delivery Method of College of San Mateo Building 36 Mechanical Engineering Project (21-01-13B)
(Time Stamp: 02:56:41)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Through a roll-call vote, President Nuris voted Aye. Vice President Holober, Trustee Goodman, Trustee Petrides and Trustee Pimentel voted Nay. The motion failed.

Summary of Discussion: Mr. Jose Nuñez, Vice Chancellor of Facilities Planning, Maintenance & Operations, gave an overview of the College of San Mateo Mechanical Engineering Project. Mr. Nuñez said there is a sense of urgency on this project because the ideal time for equipment installation is during winter break. Mr. Chris Strugar-Fritsch, Director of Capital Projects, said this particular project is well suited for Design Build because the Design Build delivery method allows the planning team to run some activities concurrently.

Vice President Holober expressed his concern with the Design Build delivery method and said he'd prefer to weigh the pros and cons and explore different delivery methods before deciding. Vice President Holober suggested that staff brief the Board on various delivery methods at a future meeting before a decision is made.

Public Comment: None

Approval of Extension to Contract with Swinerton Management and Consulting for Capital Improvement Program Management Services (21-01-14B)
(Time Stamp: 03:19:25)

Motion to Approve by: Trustee Goodman

Second by: Trustee Pimentel

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Mr. Jose Nuñez, Vice Chancellor of Facilities Planning, Maintenance & Operations, said this contract was brought to the Board five years ago, understanding then that it was a seven-year process, but because of public contract code the District was only able to execute a five-year contract. Mr. Nuñez said this extension gives the District an opportunity to review fees. Mr. Chris Strugar-Fritsch said the current contract amount is $25 million.

Public Comment: Ms. Maxine Terner expressed her concerns with the staff report related to this agenda item and asked if there are additional costs associated with extending the contract.

INFORMATIONAL ITEMS

Update on the Accrediting Commission for Community and Junior Colleges (ACCJC) Follow-up Report for College of San Mateo (21-01-05C)
(Time Stamp: 03:24:22)

Summary of Discussion: None. The report was recorded as received.

Public Comment: None

COMMUNICATIONS
(Time Stamp: 03:25:07)

None

STATEMENTS FROM BOARD MEMBERS
(Time Stamp: 03:25:15)

None.

President Nuris announced that the next meeting of the Board of Trustees would be the Board's annual retreat on Saturday, February 6, 2021, conducted via Zoom.

RECONVENE TO CLOSED SESSION

The Board recessed to Closed Session at 9:49 p.m.

RECONVENE TO OPEN SESSION
The Board reconvened to Open Session at 11:14 p.m.

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION (if necessary)

President Nuris announced that there were no reportable actions taken in Closed Session.

ADJOURNMENT
The meeting adjourned by consent at 11:15 p.m.

Submitted by

Michael Claire, Secretary

Minutes of the Annual Retreat of the Board of Trustees
San Mateo County Community College District
February 6, 2021 – San Mateo, CA

This was conducted remotely via Zoom. A video recording of the meeting can be accessed at: https://smccd.edu/boardoftrustees/meetings.php.

The meeting was called to order at 9:00 a.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober, Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel

Others Present: Chancellor Michael Claire, Chief Financial Officer Bernata Slater, Skyline College President Melissa Moreno, College of San Mateo Interim President Kim Lopez, Cañada College President Jamillah Moore

DISCUSSION OF THE ORDER OF THE AGENDA

Video Part 1 (Time Stamp: 1:24)

The Board agreed to reorder the retreat topics to improve the flow of the discussion.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

(Time Stamp: 3:38)

There were no statements from the public.

RETREAT – INFORMATIONAL AND DISCUSSION ITEMS

Discussion of Interest in Defining and Achieving Environmental Justice

(Time Stamp: 4:25)

Summary of Discussion: Chancellor Claire introduced Joe Fullerton, SMCCCD Energy and Sustainability Manager. Trustee Petrides asked Mr. Fullerton to provide an overview of SMCCCD's sustainability efforts. Mr. Fullerton stated that you cannot have a discussion about equity and social justice without discussing the climate crisis. Mr. Fullerton shared that he is working with the State Chancellors Office on the Community College response to the climate crisis and that the SMCCCD is considered among the leaders in sustainability efforts regarding community colleges. Trustee Goodman asked if any environmental technologies have been accelerated due to COVID. Mr. Fullerton responded that his department has used this time to accelerate work on various district projects that were already underway. Mr. Fullerton also stated that COVID will require improved building ventilation, which will require more energy. Vice Chancellor Nunez stated that the SMCCCD is starting the process of developing a *Sustainability Strategic Plan*.

Trustee Petrides asked if faculty involved with sustainability efforts have the ability to share curriculum. Vice Chancellor McVean mentioned that the Colleges have a Climate Fellows program and that sustainability is part of the Guided Pathways programs. President Nuris asked about the level of collaboration among the three colleges regarding sustainability curriculum. Trustee Petrides asked if sustainability is a graduation requirement and also if there is a link between sustainability and the social justice efforts of the colleges. Mr. Fullerton stated that each college has an interdisciplinary sustainability committee. Chancellor Claire stated that curriculum considerations are important policy issues and that there is an opportunity to engage the Academic Senate on these matters. Chancellor Claire suggested that staff provide a summary of academic programs across the district that support sustainability efforts. Trustee Goodman asked if there was sufficient funding to enact a *Sustainability Strategic Plan.*

President Nuris summarized the discussion and asked for further follow-up on the following:

- Academic Senate engagement
- Action items that have been accelerated as a result of COVID
- Curriculum sharing and open licensing opportunities
- Continuous review of sustainability practices other educational entities
- Policy support needed from the Board

President Nuris asked staff to come back to the Board with a follow-up report at future date.

Discussion of Best Practices in Human Resources that Achieve Diversity, Equity, Inclusion and Fairness
(Time Stamp: 46:31)

Summary of Discussion: Chancellor Claire introduced Cheng Yu Hou, SMCCCD's Chief Human Resources Officer. Mr. Hou shared his vision for Human Resources which is based upon innovation, collaboration, and accountability. Mr. Hou stated that he has three major priorities: ensure equity and a sense of belonging, build the groundwork to enhance stakeholder engagement, and ensure accountability through analytics. Mr. Hou outlined several projects that will be launched over the next year to meet these priorities.

Trustee Petrides asked Mr. Hou to share what is on his immediate "to do" list. Mr. Hou stated that he is still in a listening mode and that he continues to meet with many stakeholder groups.

Trustee Goodman asked Mr. Hou about how he might work to deconstruct practices in support of the District's anti-racism efforts. Mr. Hou shared employee demographic data trends concerning applicant pools and employee demographics and stated that understanding the data is the first step. Mr. Hou stated that the District needs to be more intentional in its recruiting efforts to close gaps. Also, the district should collect data that is more refined and that provides information about intersectionality.

Vice President Holober encouraged Mr. Hou to improve the progressive discipline process, particularly the training of managers to ensure consistency. Vice President Holober also requested improving the process for job reclassifications, including benchmarking, as well as the processes for filling positions on an interim basis, and formalizing procedures to ensure that the Board has approved personnel actions.

President Nuris shared that the Board is prepared to support Mr. Hou's work and encouraged him to report back to the Board on progress. President Moreno stated that Skyline has enjoyed a diverse pool of candidates for recent positions and that she believes that the College and District' public anti-racism stance has contributed to a greater diversity of applicants.

Discussion of Board Governance Practices to Ensure Transparency, Accountability and Collaboration
(Time Stamp: 1:13:35)

Summary of Discussion: Vice President Holober started the discussion by making the following points:

The Board acts as the stewards for the SMCCCD and the Board reports to the people of San Mateo County. Serving as an elected trustee is like walking a tightrope. On the one hand the Board wants to work in a supportive and collaborative way with the chancellor and the senior administration. On the other hand, the Board needs to maintain sufficient independence.

Vice President Holober shared two specific proposals:

1) That the Board engage independent entities to conduct performance audits on various District operations and Trustee Holober shared some examples that would lend itself to performance audit: District contracting practices, District travel practices, District structure, and a review of the international educational program

2) That the Board establish an internal auditor position. Potential duties could include working with the Board to identify outside entities to conduct performance audits, a comprehensive review of district policies, a review of whistle blowing procedures, and compliance with rules and regulations. Vice President Holober would prefer that the internal auditor report to the Board.

Trustee Pimentel agreed with Trustee Holober's observation. He asked that the Board consider action on these items at the next available Board meeting. Trustee Petrides also supported Trustee Holober's observation. She also asked to hear from administrators.

Chancellor Claire acknowledged the responsibility that the Board has to the public. He shared his goal of improving the relationship and communication between the Board and senior administration as his highest priority, and that it is important to restore trust. Chancellor Claire also reminded Board members that while there are always opportunities to improve, the educational foundation and fiscal foundation of the District are built on two independent activities: a peer-reviewed accreditation evaluation and an independent financial audit, conducted in accordance with generally accepted auditing standards. With respect to accreditation there are 127 individual standards and there were only two recommendations across the three college for the 2019 accreditation visit. With respect to the financial audit, internal controls for major transaction processing systems were reviewed in detail and were tested by the independent auditor. The auditor found no internal control weaknesses.

President Moreno stated that it is important for the Board trust what we do and she is in support of any action that will help to build trust.

President Nuris questioned the current need for an internal auditor. He stated that the critical elements to move forward are a unified Board that provides clear direction and mutual understanding that the Board is responsible for major policy decisions. President Nuris stated that he believes that the district has a chancellor that understands this and that this understanding trickles down to the administration as a whole. He also stated that the Board must work with the chancellor to set a culture for the District, including honesty and transparency. He stated that the Board must set the example and that we cannot create culture by decree. He also stated that we must move in measured steps.

Trustee Petrides stated that this is not about cleaning house—instead, like all democratic institutions, there must be a structure for continuous improvement. The role of the Board is about setting those conditions for continuous improvement.

Trustee Goodman stated that what rings true to him was something that was stated earlier: innovation, collaboration, and accountability. Trustee Goodman emphasized that the Board has one employee and there has to be trust and opportunities and conditions that foster trust. Trustee Goodman stated that it is important to understand roles. That the Board, does not "do" but rather creates goals in collaboration with administration, listens, supports, and scrutinizes. Also, the Board serves as a fiduciary. Furthermore, Board members retain independent thinking and free speech. At the same time Board must act as a whole and that individual Board members cannot direct staff.

Trustee Goodman again emphasized that the Board has one employee and that the chancellor is accountable to the Board to ensure that administrators are doing their jobs, and that individual administrators are not undermining the goals of the Board. Trustee Goodman stated that the Board should not create a long-term position to do the job of the Board and that a Board best practice is to have one employee that is accountable to the Board. Trustee Goodman stated that the Board can use outside independent experts similar to how the Board uses legal counsel. Trustee Goodman stated that ee need to retain the lessons learned from the past, but it is time to move on and do a reset.

Vice President Holober stated that a proper governance structure is one that is one that is ruled by law and not by individual personalities. Vice President Holober stated that the Board needs to create a set of rules and regulations that outlive individuals and future Boards. Vice President Holober stated that he feels that there is trust but that the Board should also verify. Vice President Holober stated that there are 20 California community colleges with an independent audit function and that this is not an unusual position for community colleges. Vice President Holober stated that the Board needs to bridge the gap of an annual evaluation of the chancellor to find a balance where the Board is not micromanaging, but at the same time is actively reviewing operations. Vice President Holober requested that the creation of an internal auditor be placed on a future agenda for action.

Trustee Goodman asked that when looking at other districts, the Board must ask: does the internal auditor report directly to the Board or to the chancellor? He again emphasized the responsibility of the Board and the necessity of the Board being held accountable. Trustee Goodman stated that he would not support an action on the establishment of an internal auditor without further discussion and an "apples to apples" comparison with other districts.

Vice President Holober stated that he expects administration to seek out and implement best practices. However, that's also the responsibility of the Board. Vice President Holober feels that the Board's leadership role would be enhanced with independent information.

Trustee Pimentel stated that he starts from a position of trust and that he supports the current executive team. Trustee Pimentel shared his own experience as a former consultant and stated that improvement is an iterative process. Trustee Pimentel stressed that this is not about questioning the current executive team but about working together to improve. He is open to using whatever structure is necessary to get to the best decisions possible and that the path forward is to make create a function that is additive but not destructive to the culture of the organization.

President Nuris requested that the Board perform a needs assessment first. President Nuris stated that the Board should identify areas to review first before taking the step of bringing on an internal auditor or engaging external performance audits.

Trustee Pimentel responded to President Nuris and referred to a memo that he sent to the Board that identified areas to review. He also referred to the items that Vice President Holober surfaced earlier in the conversation. Trustee Pimentel stated that reviewing items is the first step and that this could be the topic of the next Board meeting.

Vice President Holober restated his firm commitment to establishing an internal audit function. He suggested a subcommittee of the Board to work with staff to prepare a draft job description. He also reaffirmed the need for performance audits.

Trustee Goodman reaffirmed his position that he wants a limited scope and not to assign someone else to do the Board's job. Trustee Goodman wants to make sure that the administration has the support it needs. He also stated his concern of establishing another administrative position that takes away dollars from students.

Chancellor Claire stated that there is no disagreement as to where we all want to be at the end; the real question is how do we get there? Chancellor Claire stated that regardless of the specific direction, he recommends the establishment of a Board audit subcommittee. He also stated that Staff is preparing a "6 month look ahead" of Board agenda items which will help identify staff recommendations that require more Board scrutiny, well in advance of an item being brough forward for action. Finally, he stated that there is an opportunity to form a Board subcommittee to work with staff on areas of Board concern. He cited the current SMAC RFP process as an example.

Trustee Pimentel asked for perspective from the college presidents on the discussion. Interim President Lopez stated that she has never worked for a district that hired an internal auditor that directly reported to the Board. Interim President Lopez supports the idea of working with external resources to find best practices. She sees this as her job. President Moreno came in as president on a foundation of transparency. Trustee Moreno feels that SMCCCD outperforms most other districts. She feels that the District Office has strong talent. President Moreno stated she is concerned about accreditation standards regarding an internal audit direct report to the Board. President Moore echoed the statements of other her colleagues. President Moore shared her experience at Compton and the impact of losing trust when an internal auditor reported directly to the Board. She urged that we be clear on the lines of reporting and responsibility.

Vice President Holober requested that the Board form a subcommittee with staff to examine the job duties of an internal auditor. President Nuris stated that we should do a needs assessment first before taking action on an internal auditor. He agreed that the Board should form a subcommittee. Trustee Pimentel volunteered to serve on a subcommittee as long as the ultimate action is additive and not destructive. Vice President Holober also agreed to serve on the subcommittee. Trustee Pimentel suggested that the Board prepare a needs assessment first and bring the needs assessment to a future Board meeting. President Nuris asked the chancellor to prepare a work with the Board subcommittee to prepare a needs assessment report for Board review. Trustee Goodman emphasized the need for trust and for administration to feel comfortable in being candid with the Board.

Break
(Time Stamp: 2:52:00)

Discussion of Use of Data as it Pertains to Student Achievement and Discuss Transformative Curriculum to Meet Community Needs
(Time Stamp: 3:23:54)

Summary of Discussion: Chancellor Claire stated that after conferring with staff he felt that the discussion on the use of data and discussion of transformative curriculum could be addressed as related issues. Trustee Petrides started the discussion and acknowledged that there are good practices in place but asked two questions: 1) what are the policy issues on how can the board support continuous improvement and capturing data not just for compliance? and 2) data transparency—particularly for students. In other words, students may not know how the institution uses data and how the use of that data impacts them.

Vice Chancellor McVean stated that staff has worked with the Board through its *Strategic Plan* to identify metrics, particularly concerning the District's completion agenda. He also referred to the District Scorecard that goes beyond compliance reporting that is mandated by the state.

Trustee Petrides asked President Moreno to discuss the work at Skyline to make data more accessible for faculty. Skyline has created a number of public dashboards to increase accessibility. Trustee Petrides asked what does the future hold post-pandemic? What data will we collect and how will we collect it? Interim President Lopez stated that a post-Covid institution will look different and in statewide surveys students are responding that they support a hybrid environment.

President Nuris asked about the use of data to ease the student transfer process. Vice Chancellor McVean discussed the use of the Sales Force CRM to capture higher fidelity data including where students are experiencing barriers to forward motion.

Chancellor Claire stated that his vision is to get beyond the basics—that traditional community college research does not tell us anything that we do not already know. Chancellor Claire is interested in using big data techniques and predictive analytics as long as they are used ethically.

Vice President Holober stated his preference is to disaggregate data for domestic and international students. He also stated that he would prefer an unduplicated headcount of degree awards when we report to the public or advertise student accomplishments.

President Nuris asked to shift the conversation to a discussion on transformative curriculum. Trustee Petrides stated her interest in the discussion of the role of Online Educational Resources (OER) on curriculum and in reducing student costs. Trustee Petrides summarized changes in OER policy and financing at the Federal level including rules concerning open licensing. She stated that many states, including California, have created OER initiatives. Trustee Petrides stated that students are often the biggest advocates for OER. Trustee Petrides shared the current status of OER, which includes an increase in open pedagogy and practices that are now competitive with publisher models. Trustee Petrides expressed her interest in having a future Board discussion regarding a Board policy statement on OER.

Vice Chancellor McVean stated that OER could have a major impact as we transition to a post-Covid institution. He stated that costs of textbooks are a major cost in implementing the Promise Scholars Program. Vice Chancellor McVean stated that he is in full support of accelerating adopting an OER model. Trustee Holober stated his support and is interested in getting a participatory governance process started that could lead to a Board policy statement on OER. Chancellor Claire stated that he will reach out to the Academic Senate on this matter.

Discussion of Investing Resources to Allow for Reduced Student Costs for Attending SMCCCD Colleges ("Free SMCCCD")
(Time Stamp: 4:12:57)

Summary of Discussion: Trustee Pimentel started the discussion of this topic. He stated that the most fundamental thing that we can do to impact equity is to make our colleges more accessible by reducing or eliminating college fees. Trustee Pimentel stated that prior to 1985 community college was free. Trustee Pimentel stated that he would like to discuss four items: (1) The goals of offering free tuition; (2) Facts concerning free tuition; (3) The trade-offs in terms of how we allocate resources; and (4) Implementation.

In terms of facts, the District has a $208M budget with capital improvement and other resources, we get about $500M per year. Trustee Pimentel stated that he feels we are making a large investment to serve relatively few graduates. Trustee Pimentel also stated that he and Trustee Goodman have reached out to San Mateo County to discuss ways in which the District can partner with the County and the private sector. Trustee Pimentel asked for feedback from fellow board members and college representatives on the overall concept. Trustee Pimentel also stated that a post-Covid hybrid model should be part of the discussion.

Trustee Goodman stated his support of the concept. Trustee Goodman stated that he sees this effort as a continuation of the Big Lift. He stated that many program elements are already under development including continued expansion of OER, early access to college thought dual enrollment, and legislative action to minimize costs for students. Trustee Goodman is interested in exploring a "Big Launch" program with outreach to eighth graders. Trustee Goodman stated that both the District and the County have a responsibility to respond to this important need for residents.

Trustee Petrides was in full agreement with the comments made. Trustee Petrides mentioned the national college promise initiative and support that they might provide. She also stated that there are ways to build regional partnerships without overrunning existing efforts in the community. Trustee Petrides is interested in establishing goals and identifying who we need to talk to.

Vice President Holober stated his support of the program. He also asked that any potential agreement with the County be brought back for full Board approval. Vice President Holober stated that we need to make sure that resident students who are most in need receive the resources.

President Nuris stated his support to partner with the County of San Mateo. He also stated that we need to build strong relationships with our feeder districts.

Trustee Pimentel stated that we need to get the people to think that a K-14 is a baseline expectation. Trustee Pimentel mentioned that he has initiated an informal conversation with Sequoia regarding automatic enrollment. Vice President Holober stated that he supports this activity and would like to put this item on a future Board agenda as an item for follow-up.

Chancellor Claire stated his full support of the Board conversation. He stated that the Promise Scholars Program is implemented at all three colleges and he recognized Vice Chancellor McVean for his leadership in this area. Chancellor Claire reiterated the importance of a strong connection with the K-12 system. Chancellor Claire stated that the majority of students transfer to the three local CSUs and to UC Davis. On that note he is interested in working with the Board to establish a comprehensive San Mateo County Promise Program with strong connections to both the K-12 system and to SMCCCD students' top transfer destinations.

Vice President Holober asked staff about efforts over the summer to bridge students from high school to college.

Vice Chancellor Bailey stated the need for greater flexibility regarding the expenditure of local unrestricted general funds. Vice Chancellor Bailey asked for, and the Board granted, permission to continue to pursue legislative issues that would provide for greater flexibility on use of funds. Trustee Goodman also encouraged the District to pursue fee waiver opportunities through legislative action. Vice Chancellor Bailey agreed that would be included in the language.

The college presidents are in full support of expanding programs that increase student access and student completion.

Trustee Pimentel acknowledged the financial resources required as well as the impact on the 50% law. He recognized that there will be tradeoffs that will need to be made.

CFO Slater expressed her support of the program. She mentioned external support, which is somewhat limited, including a special state allocation, income from the housing program, and income from SMAC.

STATEMENTS FROM TRUSTEES

President Nuris: Expressed his appreciation for the day.

Vice President Holober: Shared an email from an adjunct faculty member.

Trustee Goodman: Stated that this was a good start to moving forward.

Trustee Petrides: Stated appreciation for the day's conversation.

Trustee Pimentel: Thanked the Board and the staff for a productive retreat.

Student Trustee Shonette: Stated appreciation for the retreat and reminded the Board about the importance of supporting international students from Myanmar.

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION
President Nuris announced that during closed session, the Board will take up items as listed on the printed agenda, including: (1) Hold a Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): Two cases; and (2) Consider Employee Discipline, Dismissal, Release

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY
(Time Stamp: 5:22:06)

None.

RECESS TO CLOSED SESSION
(Time Stamp: 5:22:20)

The Board recessed to closed session at 2:15 p.m.

RECONVENE TO OPEN SESSION
Board Retreat - Video Part 2 (Time Stamp: 00:20)

Vice President Holober announced that pursuant to California Government Code Section 54957.1 the following reportable action was taken in closed session this afternoon with all trustees present: Pursuant California Government Code Section 54957 (a)(5), the Board by a unanimous approval, voted to rescind and otherwise terminate its relationship with the Chancellor-Emeritus. There were no other actions taken.

ADJOURNMENT
(Time Stamp: 1:38)

The meeting adjourned by consent at 7:43 pm

Submitted by

Michael Claire, Secretary

Minutes of the Special Closed Session Meeting of the Board of Trustees
San Mateo County Community College District
February 9, 2021
San Mateo, CA

The meeting was called to order at 7:34 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION
President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda, including (1) Hold Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): Two cases.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY
None

RECESS TO CLOSED SESSION
The Board recessed to Closed Session at 7:36 p.m.

RECONVENE TO OPEN SESSION
The Board reconvened to Open Session at 8:32 p.m.

REPORT OF ACTION TAKEN DURING CLOSED SESSION
President Nuris announced that the Board took no action in closed session.

ADJOURNMENT
The meeting was adjourned by consensus at 8:33 p.m.

Submitted by

Michael Claire, Secretary

Minutes of the Special Closed Session Meeting of the Board of Trustees
San Mateo County Community College District
February 17, 2021
San Mateo, CA

The meeting was called to order at 7:36 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION
President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda, including (1) Hold Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): Two cases.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY
None

RECESS TO CLOSED SESSION
The Board recessed to Closed Session at 7:37 p.m.

RECONVENE TO OPEN SESSION
The Board reconvened to Open Session at 10:16 p.m.

REPORT OF ACTION TAKEN DURING CLOSED SESSION
President Nuris announced that the Board took no action in closed session.

ADJOURNMENT
The meeting was adjourned by consensus at 10:16p.m.

Submitted by

Michael Claire, Secretary

Minutes of the Regular Meeting of the Board of Trustees
San Mateo County Community College District
February 24, 2021 – San Mateo, CA

This was conducted remotely via Zoom. A video recording of the meeting can be accessed at: https://smccd.edu/boardoftrustees/meetings.php.

The meeting was called to order at 5:08 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober, Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION

President Nuris said that during closed session, the Board will take up items as listed on the printed agenda, including: (1) Hold a Conference with Labor Negotiators for Employee Organizations: AFT and CSEA; (2) Hold a Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): One case; (3) Hold a Conference with Legal Counsel – Anticipated Litigation: Initiation of litigation pursuant to pursuant to Gov. Code: § 54956.9, subd. (c): One Case; (4) Consideration of Employee Discipline, Dismissal, Release; and (5) Consideration of Ratification of November and December 2020 Confidential District Warrants.

ANNOUNCEMENT OF SPECIAL CLOSED SESSION ITEMS FOR DISCUSSION

President Nuris said that jointly with the regular closed session meeting, the Board would hold a special closed session and will take up items as listed on the printed agenda, including: (1) Hold a Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): One case.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY

Jessica Silver-Sharp and Timothy Rottenberg, adjunct faculty members at Skyline College, spoke about part-time faculty pay parity.

RECESS TO CLOSED SESSION

The Board recessed to closed session at 5:12 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to open session at 6:28 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober, Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel, Student Trustee Jade Shonette

Others Present: Chancellor Michael Claire, Chief Financial Officer Bernata Slater; Skyline College President Melissa Moreno, College of San Mateo Interim President Kim Lopez, Cañada College President Jamillah Moore, District Academic Senate President Jeramy Wallace

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION
(Time Stamp: 01:14:40)

President Nuris stated that no reportable actions were taken in Closed Session.

<u>DISCUSSION OF THE ORDER OF THE AGENDA</u>
(Time Stamp: 01:14:50)

President Nuris announced that staff asked that Agenda Items 21-02-09 and 21-02-10 pertaining to Board minutes from September 23 and October 14 be removed, as there was an error in the minutes. Revised minutes will be presented at their next meeting. President Nuris further announced that staff asked that Agenda Item 21-02-02C, a Discussion of 2021 General Obligation Refunding Bonds Issued in an Aggregate Principal Amount of $187 Million, be moved up in the agenda to be presented immediately following discussion on the order of the agenda. The Board agreed to the reordering of agenda items.

INFORMATIONAL ITEMS

<u>Discussion of 2021 General Obligation Refunding Bonds Issued in an Aggregate Principal Amount of $187 Million (21-02-02C)</u>
(Time Stamp: 01:16:05)

> ***Summary of Discussion:*** Chief Financial Officer Bernata Slater said that there is an opportunity to take advantage of historically low interest rates and refinance the District's general obligation bonds. The resulting savings would go 100% to the taxpayers. The transaction would be similar to refinancing a mortgage to take advantage of lower interest rates. John Sheldon, underwriter and managing director at Morgan Stanley, presented the proposal. Chris Lynch, the District's bond counsel, was on hand to answer questions. Should the Board decide to move forward, staff will present the necessary documents at the March 10 board meeting for board approval.
>
> Mr. Sheldon said that based on current market conditions, the District can efficiently refund about $161 million of its outstanding general obligation bonds, most of which are in the 4-5% interest rate range. Current rates are about 3%. Depending on rates when the District refinances, this will save taxpayers as much as $28 million over the next 25 years.
>
> Trustee Pimentel asked if it is possible to refinance more quickly to take advantage of maximum savings to the taxpayers. Sheldon advised that even if the Board met earlier, rating agencies are busy and unlikely to rate the bonds before March 10.
>
> Vice President Holober asked what the District is doing in order not to call the bonds that are callable between 2022 and 2028. Mr. Sheldon advised that the proceeds of the reissued bonds are held in escrow during the transaction and used to make payments on the old bonds. The new bonds are structured such that they mature and pay interest to investors in a similar fashion as the original bonds, but at lower interest rates for taxpayers.
>
> President Nuris said the will of the Board seems to be to move forward with the transaction and suggested that staff come back with the item for possible Board action in its meeting on March 10.
>
> ***Public Comment:*** Maxine Turner asked about the cost of the refinancing, and are the projected savings the net of the cost of reissuance of the bonds.

<u>PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS</u>

<u>Contemporary Conversation Regarding Race, Class, Gender, Privilege and Equity: Celebrating Black History Month (21-02-01C)</u>
(Time Stamp: 01:48:25)

> ***Summary of Discussion:*** Chancellor Claire noted that this topic is too important to squeeze into a routine agenda item and proposed bringing it back for a future Board study session. He asked the

College Presidents to summarize their Black History Month events and anti-racism efforts.

Skyline College President Melissa Moreno said that the college held a three-part discussion series called “Belonging at Skyline, Fostering a Culture of Place.” Discussions focused on the book *Belonging: A Culture of Place*, by Bell Hooks, and the documentary film *I Am Not Your Negro*, written by James Baldwin. The commemoration ends with a panel discussion called “Legacy: A Celebration of Black Excellence,” about how to manifest a legacy for the next generations. The College is engaging in intergroup dialogue as a way to support difficult conversations about race and other topics. President Moreno said she is currently participating in Skyline College’s Equity Training Series.

Trustee Goodman asked if a training program could be created for the Board on equity and anti-racism. President Moreno and Chancellor Claire said that the District Anti-Racism Council is working on such a training program for employees and that the Board could participate in that. CSM Interim President Kim Lopez said that the District Anti-Racism Council is putting together a three-part program, called the Ideal Program, that is envisioned as a professional development program for all District employees, which also would be appropriate for the Board.

CSM Interim President Kim Lopez said that she attended the event presented by Cañada College with Dr. Cornel West, which she found a moving way to begin Black History Month. CSM professor Jeramy Wallace facilitated a panel discussion on James Baldwin, the Capitol riot, and what it means to be an American. CSM also presented two student forums, moderated by faculty members Rudy Ramirez and Tatiana Irwin, and Director of Equity Dr. Jeremiah Sims, that discussed anti-blackness and working toward social justice.

Cañada College President Jamillah Moore discussed the event the College presented to kick off Black History Month, with Dr. Cornel West and Rick Nejera, on the shared history between LatinX and African Americans. The event was well attended and significant in the way it helped to acknowledge the isolation experienced by students of color, and to provide hope for those students. President Moore said the event raised $5,000 to support student basic needs. The Associated Students of Cañada College held a Black Excellence Event featuring a movie based on Madame C.J. Walker. The event “Black Minds, Black Scholars, Black Lives: Creating Sustainable Change Together,” encouraged people to come together and communicate.

Vice President Holober said he attended the Cornel West and Rick Nejera event and was impressed by its warmth and positivity. Trustee Petrides said she also attended the event and was impressed with the richness and depth of the student questions. Board President Nuris said that Board members agree that the discussion is about more than celebrating Black History Month, but recognizing the circumstances of the world today and current events. The District needs to build on this momentum, and continue to offer community education about cultural awareness and equity. Student Trustee Jade Shonette said the Cañada College Black Student Union is celebrating Black History for the rest of the semester, with events every few weeks. Trustee Goodman said he recently presented on Black History Month to the San Mateo County Board of Supervisors. He said this experience reinforced the need to recognize the obligation we all have to make change, fight racism and systems of oppression, and continue to do the work to ensure students see themselves as people who matter to this District. He discussed the different emotional responses evoked by the phrase “Black Lives Matter,” and the way recent events have illustrated the racial disparity that has always existed in America.

Public Comment: None

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES
(Time Stamp: 02:20:35)

Chancellor Claire reported that longtime Cañada College professor Jane Weidman passed away. He asked that the Board meeting be adjourned in her memory, to which President Nuris agreed.

Chancellor Claire also noted that there are five finalist candidates for President of College of San Mateo. There will be open forums in March. He also recognized Trustee Pimentel for his work on championing an item previously discussed with the Board, which has resulted in SB 659, a bill crafted by the District in partnership with Senator Becker to build greater flexibility in the use of unrestricted Fund 1 dollars, collection of fees, and support basic student needs. Trustee Pimentel has worked with State Senator Becker on suggestions for drafting the bill, which was introduced last week. The Chancellor also informed the Board that has decided to fill the position of Board Clerk.

STATEMENTS FROM OTHER REPRESENTATIVE GROUPS
(Time Stamp: 02:26:05)

- ***AFT, Local 1493:*** Timothy Rottenberg, part-time faculty member at Skyline College and part-time representative for AFT Local 1493, spoke about the desire to have a load-based, mirrored salary schedule for part-time instructors.

- ***AFSCME, AFL-CIO, Local 829, Council 57:*** Joe Puckett recognized facilities leaders and staff for their outstanding work. AFSCME Business Agent Tina Acree advocated for the creation of an independent auditor reporting to the Board.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS
(Time Stamp: 02:32:54)

- Michael Phipps, adjunct faculty member at Skyline College, spoke about the issue of salary parity for the District's part-time faculty.

- Sam Chung, a SMAC member, spoke on behalf of age-group swimmers and frustrations working with the District Emergency Operations Center.

- Lucia Lachmayr, English instructor at Skyline College, advocated salary parity for part-time faculty.

MINUTES
(Time Stamp: 02:44:55)

Approval of the Minutes of the June 24, 2020 Regular Meeting (21-02-01)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. Trustees Nuris, Goodman and Holober voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the July 2, 2020 Special Closed Session Meeting (21-02-02)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. Trustees Nuris, Goodman and Holober voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the July 8, 2020 Study Session (21-02-03)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. Trustees Nuris, Goodman and Holober voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the July 22, 2020 Regular Meeting (21-02-04)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. Trustees Nuris, Goodman and Holober voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the August 13, 2020 Special Closed Session Meeting (21-02-05)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. Trustees Nuris, Goodman and Holober voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the August 19, 2020 Regular Meeting (21-02-06)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. Trustees Nuris, Goodman and Holober voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the September 3, 2020 Special Study Session (21-02-07)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. Trustees Nuris, Goodman and Holober voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the September 9, 2020 Regular Meeting (21-02-08)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. Trustees Nuris, Goodman and Holober voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the October 28, 2020 Regular Meeting (21-02-11)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved. Trustees Nuris, Goodman and Holober voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the November 18, 2020 Regular Meeting (21-02-12)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved. Trustees Nuris, Goodman and Holober voting Aye. Trustees Petrides and Pimentel abstaining from the vote.

Summary of Edits or Corrections: None.

Approval of the Minutes of the December 14, 2020 Regular Meeting (21-02-13)

Motion to Approve by: Trustee Petrides

Second by: Trustee Pimentel

Action: Approved. All Trustees voting Aye.

Summary of Edits or Corrections: None.

NEW BUSINESS

Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel (21-02-01A)
(Time Stamp: 02:49:52)

Motion to Approve by: Trustee Pimentel

Second by: Trustee Petrides

Action: Approved. Trustees Nuris, Holober, Petrides, and Pimentel voting Aye. Trustee Goodman abstaining from the vote.

Summary of Discussion: None.

Public Comment: None.

NEW BUSINESS: Approval of Consent Agenda
(Time Stamp: 02:50:36)

Approval of Curricular Additions, Deletions and Modifications – Cañada College, College of San Mateo and Skyline College (21-02-01CA)

Approval of Accrediting Commission for Community and Junior Colleges (ACCJC) Follow-up Report for College of San Mateo (21-02-02CA)

Ratification of November and December 2020 District Warrants (21-02-04CA)

Motion to Approve by: Vice President Holober

Second by: Trustee Petrides

Action: Approved unanimously, all members voting Aye.

Summary of Discussion: None.

Approval of Non-resident Tuition Fee, 2021-2022 (21-02-03CA)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Trustee Pimentel asked what the mission is of the International Students Program. Chancellor Claire, President Moreno, Interim President Lopez, and President Moore discussed the importance of international students as part of the global mission in each of the College's mission statements and the role they play in enriching the campus community. Student Trustee Shonette said she is an international student from the Bahamas and that international students bring a great deal to the District. Provost of International Education Jing Luan said ACCJC accreditation Standards 2 and 3 require internationalization of campuses. He said the program includes mostly students of color, many students who are part of honors programs, and that it brings economic impact to the community. Vice Chancellor Aaron McVean spoke about the campus culture and experience that is made possible by the presence of international students. The program is attractive to faculty who want to be part of a global campus culture.

Vice President Holober discussed the history of the growth and rationale for the program. He suggested that the Board hold a comprehensive review soon of the value and cost of the program. Trustee Goodman asked that the Board also consider the benefit of the program to the District's students. Trustee Pimentel asked about the rationale for limiting the capital outlay fee to $2 per unit for non-resident students. CFO Slater said the fee is kept low to stay competitive in the region. Trustee Pimentel asked if all three categories of non-resident students (out-of-state, undocumented, and international) are required to be charged the same fees, which CFO Slater said is the case. Vice President Holober asked if most of the District's undocumented students are also AB 540 students.

Vice Chancellor McVean stated the sensitivities around students reporting their citizenship status prevents the District from having an accurate count.

NEW BUSINESS: Other Recommendations

Ratification of Chancellor's Recommendation to Hold All Classes, Services and Operations, with Limited Exceptions, Online or Remotely for Summer 2021 Term and Fall 2021 Semester (21-02-101B)
(Time Stamp: 03:12:05)

Motion to Approve by: Vice President Holober

Second by: Trustee Goodman

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Chancellor Claire said that the District faculty, classified staff, and students have been working together on the recommendation to remain primarily online through fall. The timing is necessary because the Fall 2021 schedule of classes is being set now. Neighboring community college districts will also be taking the same cautious approach with reopening. The District's plan for reopening will be brought to the Board in a future item.

Vice Chancellor McVean presented the results of a recent survey of instructional faculty. Nearly 60% say we should stay in the same teaching modality for Fall 2021, and about 60% are "uncomfortable" or "very uncomfortable" with returning to in-person teaching in the fall. Concerns mostly focus on vaccination and the safety of returning to campuses. He said the approach this fall will be a gradual return of classes that are hard to teach online or classes that serve specific populations of students such as ESL learners.

District Academic Senate President Jeramy Wallace reiterated that the faculty and administration have been working collaboratively on this recommendation, and that the faculty have endorsed the recommendation. He said that the faculty support the return of more face to face instruction in areas that are difficult to teach online such as performing arts and STEM.

In response to a question from Vice President Holober, Vice Chancellor McVean said that enrollment headcount for the spring semester is up 1.5% from last year, but that overall units taken is down 10%, meaning that students are taking fewer units. Vice President Holober asked whether we are researching enrollment at districts teaching in-person, but the Chancellor answered that few if any districts are teaching primarily in-person.

Trustee Pimentel said that the faculty and staff have done a "heroic" job converting to online education, the health and safety of our faculty, staff and students is of utmost importance, and that he supports online education through summer. He suggested that, given the recent positive direction in testing and vaccination, it is premature to recommend online instruction for fall. He suggested the recommendation be split into two parts, so that a decision on fall term can be made after more data is available.

Chancellor Claire said the problem is that fall courses are being set up now and must be coded as online or in-person, and that employees are just not ready yet to return to campuses. District Academic Senate President Wallace said that it caused major problems when the District delayed its decision about the Fall 2020 teaching modality, with the fall schedule being released just before registration began. He also said it is far easier to go from online modality to in-person if conditions improve, than to start face-to-face and have to convert to online during the term.

Vice Chancellor McVean pointed out there is now a weekly recovery planning meeting to identify what students, programs and services can come back and under what circumstances, as conditions allow.

Public Comment: None.

Approval to Continue Accommodation for Students Impacted by Extraordinary Conditions – Fee Refunds (21-02-102B)
(Time Stamp: 03:39:43)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved unanimously, all members voting Aye

Summary of Discussion: None.

Public Comment: None.

Adoption of Districtwide American with Disabilities Act (ADA) Self-Evaluation and Transition Plan (21-02-103B)
(Time Stamp: 03:40:25)

Motion to Approve by: Vice President Holober

Second by: Trustee Petrides

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Vice Chancellor José Nuñez said that the Board received a full report of the District ADA Self-Evaluation and Transition Plan in August 2020. The report evaluated barriers to accessibility in physical facilities as well as programs. Since then, the District made the report available for public comment, held webinars, and collected public comments.

Public Comment: None.

Consideration of Board Member Compensation (21-02-104B)
(Time Stamp: 03:42:08)

Motion by: Vice President Holober to approve a five percent (5%) increase

Second by: Trustee Goodman

Action: Approved, with Trustees Nuris, Holober, Goodman and Petrides voting Aye, and with Trustee Pimentel voting Nay.

Summary of Discussion: Vice President Holober clarified that the motion is for a 5% increase. Chief of Staff Mitchell Bailey said that current monthly Trustee compensation is $794.

Public Comment: None.

Appointment of Board Member to the Educational Housing Corporation Board of Directors (21-02-105B)
(Time Stamp: 03:43:44)

Motion by: Trustee Pimentel to nominate Vice President Holober to serve on the Housing Corporation Board of Directors

Second by: Trustee Goodman

Action: Approved unanimously, all members voting Aye

Summary of Discussion: Chief of Staff Bailey explained that two members of the District Board of Trustees are traditionally appointed to serve on the Educational Housing Corporate Board. The retirement of Trustee Karen Schwartz in December leaves a vacancy. Meetings are quarterly. In response to a question from Trustee Petrides, Chief of Staff Bailey said that the board sets policy and oversees operations of the District's two employee housing locations.

Vice President Holober suggested periodically reports from the trustees serving on the Educational Housing Corporation Board to the San Mateo County Community College District Board, with which President Nuris agreed.

Public Comment: None.

Appointment of Student Representative to the Bond Oversight Committee (21-02-106B)
(Time Stamp: 03:48:22)

Motion by: Trustee Petrides to approve the appointment of student Anna Mahoney to the Bond Oversight Committee.

Second by: Trustee Pimentel

Action: Approved unanimously, all members voting Aye

Summary of Discussion: None.

Public Comment: None.

Acceptance of 2020-21 Mid-Year Budget Report and Approval of Budgetary Transfers and Income Adjustments (21-02-107B)
(Time Stamp: 03:49:43)

Motion to Approve by: Trustee Pimentel

Second by: Trustee Goodman

Action: Approved unanimously, all members voting Aye

Summary of Discussion: None.

Public Comment: None.

Authorization to Renew Contract with Constellation NewEnergy, Inc. for Purchase of Electricity (21-02-108B)
(Time Stamp: 03:50:41)

Motion to Approve by: Trustee Pimentel

Second by: Vice President Holober

Action: Approved unanimously, all members voting Aye

Summary of Discussion: None.

Public Comment: None.

Approval of Sole Source Resolution No. 21-02 Designating a Specific "Material, Product, Thing or Service on Construction Projects" in Order to Maintain a Uniformity of Specific Physical Monitoring and Access Systems throughout the District (21-02-09B)
(Time Stamp: 03:51:24)

Motion to Approve by: Vice President Holober

Second by: Trustee Petrides

Action: Role-call vote passed unanimously, all members voting Aye

Summary of Discussion: Trustee Pimentel noted that while he would typically be skeptical of sole-sourcing contracts, in this case it is appropriate. In response to a question from Vice President Holober, Vice Chancellor Nuñez said that this action formalizes the processes already in place and brings the District into compliance.

Public Comment: None.

INFORMATIONAL ITEMS

Discussion of 2021-2022 Preliminary Budget (21-02-03C)
(Time Stamp: 03:55:29)

Summary of Discussion: Chancellor Claire stated the Board last year requested input earlier in the budgeting process, and the District is at the first step of that process now. CFO Slater presented the preliminary budget. Current-year highlights include supporting students and staff during the pandemic, serving up to 2,000 Promise Scholars Program students, providing direct support to students with food insecurities, and supporting the community through the Second Harvest food distribution. Pandemic-related costs to the general fund will be about $4.4 million. Revenue losses are expected to be about $9.15 million.

CFO Slater said the Governor's budget is fairly flat this year, though there is continued uncertainty due to the pandemic. She summarized the state budget proposal for community colleges.

2021-22 budget assumptions include a property tax increase of 3.67% and an enrollment increase with the return to campuses in the spring. The general fund budget of $208.4 million for 2020-21 will change to $217.2 million in 2021-22, an increase of about $8.8 million. The District is again setting aside $700,000 toward compliance with the 50% law, for a total investment of $1.4 million over a two-year period.

Planned 2021-22 initiatives include continued support of the Promise Scholars Program for up to 2,000 students, one final year of support of $800,000 for the Equity Institute, $1 million for the Food Insecurity Initiative, and continued COVID-19 mitigation. Unknowns include property taxes, interest revenue, enrollment, insurance rates, operating costs of Cañada Building 1, negotiations, and state and federal funding changes or stimulus funds.

Looking at 2022-23 and out, possible factors include declines in property taxes, resident and non-resident tuition and enrollment levels, insurance rates, long-term COVID-19 mitigation, personnel costs, and the possibility of a new federal free college program.

Vice Holober asked about the process of budget-planning during the fiscal year and how that planning relates to changes in actual expenses. Pointing out that the six-month actual expenses appear to be less than budgeted expenses, the District could be facing a significant carryover.

Former Vice Chancellor Kathy Blackwood said that the District's revenue does not come in evenly over the year and that the budget includes significant unpaid obligations from prior fiscal years. This means that the District's six-month actuals cannot be used to project fiscal year actuals accurately. Vice President Holober suggested doing quarterly or semi-annual budget reviews. He also asked for a review of funded positions vs. cost savings from personnel vacancies. Chancellor Claire said he agrees with the need to track these expenses more accurately, while also planning for future calls on District funds such as upcoming ADA mitigation.

Responding to questions from Trustees Pimentel and Petrides about how and when Trustees can provide input or revisit funding priorities, Chancellor Claire said that budget planning and input process begins with the District strategic plan. Vice Chancellor McVean said the update of the strategic plan is nearly complete and that reports will be coming forward to the Board about setting priorities for the next five years.

Public Comment: None.

Discussion of Allocation of Higher Education Emergency Relief Fund (HEERF) Funds (21-02-04C)
(Time Stamp: 04:47:55)

Summary of Discussion: Vice Chancellor McVean reported that the District will receive stimulus funds from a second round of federal stimulus funding, called the Higher Education Emergency Relief Fund (HEERF II). The District also received federal CARES Act stimulus funding in 2020. The District allocated 75% of CARES Act funds directly to students, using the rest to fund pandemic-related expenses such as faculty professional development.

The District will be receiving $13.3 million in HEERF II funding in 2021, which is nearly twice the funding received under CARES. Of the HEERF II funds, $8.3 million will be distributed to students in the form of financial aid. About 80% of the financial aid will go to students during the spring semester, and 20% in the fall. About $5 million will be used to offset pandemic-related expenses at the College and District levels.

In response to a question from Trustee Petrides, Vice Chancellor McVean clarified that the stimulus funds are sent directly to students as financial aid, and that these funds are in addition to whatever financial aid the student was already receiving.

Public Comment: None.

2021 Contractor Prequalification Update (21-02-05C)
(Time Stamp: 04:57:12)

Summary of Discussion: Vice Chancellor Nuñez said that, in response to Trustee Goodman's request in January, General Services has reached out to 20 local chambers of commerce as well as many builder's exchanges and other professional organizations to invite a more diverse set of contractors to prequalify for District work. Trustee Petrides asked how the outreach affected the pool of applicants. Director of General Services Yanely Pulido said there was an overall increase in applications, though we do not yet have metrics on whether there was an increase in diversity. General Services will continue to work to develop increased outreach to more potential contractors. Vice President Holober recommended also reaching out to Black and Asian American engineers associations. Vice Chancellor Nuñez agreed, and noted that the exchanges are the primary source of information for contractors.

Public Comment: None.

Discussion of Future Study Session and Information Report Topics (21-02-06C)
(Time Stamp: 05:06:41)

Summary of Discussion: The Board agreed to table this item for consideration at a future meeting.

Public Comment: None.

District Financial Summary for Quarter Ending September 30, 2020 (21-02-07C)
(Time Stamp: 05:14:57)

Summary of Discussion: President Nuris noted the report has been received by the Board.

Public Comment: None.

Auxiliary Operations Financial Summary for Quarter Ending September 30, 2020 (21-02-08C)
(Time Stamp: 05:15:31)

Summary of Discussion: Trustee Pimentel asked the Chancellor to communicate with the board regarding upcoming staff and faculty salary increases during a time of flat to declining enrollment. Vice President Holober asked why the Board had not been asked to approve Board-directed expenses for the Promise Scholars Program. Chancellor Claire said his recollection is that the expense was presented in the budget last year, but that he would follow up with confirmation. Vice President Holober also asked about the deficits incurred by San Mateo Athletic Club while its revenues have dropped during COVID-19. Vice Chancellor Tom Bauer said that SMAC is collecting dues from about half of its members, while staffing costs are mostly fixed. EXOS had reduced its management fee when SMAC closed early in the pandemic, but has restored its regular fee with the return to providing onsite operations.

President Nuris acknowledged Board receipt of the report.

Public Comment: None.

COMMUNICATIONS
(Time Stamp: 05:22:23)

No communications to the Board have been received.

STATEMENTS FROM BOARD MEMBERS
(Time Stamp: 05:23:08)

Trustee Pimentel: Trustees Pimentel noted that he and Vice President Holober have had a robust discussion on creating an internal auditor position. Staff are developing a job description and scope of work that can be presented to the Board. President Nuris said he had understood that a needs assessment would first be done to determine whether the position was needed. Trustees Pimentel and Holober clarified that the scope of work for the position would constitute a needs assessment. Trustee Petrides said she also thought the Board had agreed that there was a need for an internal auditor, and that the Board committee would be studying the extent of that need and how to address it with staff or consultant options. Trustee Goodman agreed that there is a need, and that we are looking at possible solutions now. He said we should consider how other districts are approaching the issue. Vice President Holober said the internal auditor proposal will be brought to the Board at its next study session.

President Nuris: None.

Vice President Holober: Noted that it is good to see that we are allowing members of the public to appear on video during Zoom Board meetings. Is it possible also to allow members of the public to be able to see all the audience members? In response, District staff activated a Zoom feature allowing attendees to see the number of people in the audience. Further study will be necessary to allow audience members to be able to see each other on Zoom.

Trustee Goodman: None.

Trustee Petrides: None.

Student Trustee Shonette: None.

President Nuris announced that the next meeting of the Board of Trustees would be on March 10, 2021, conducted via Zoom.

RECONVENE TO CLOSED SESSION
(Time Stamp: 05:36:28)

The Board recessed to Closed Session at 10:46 p.m.

RECONVENE TO OPEN SESSION
(Time Stamp: 07:26:00)
The Board reconvened to Open Session at 12:35 a.m.

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION (if necessary)

President Nuris announced that the Board of Trustees voted unanimously to approve the stipulated amount of the Worker's Comp claim for a total payment of $122,032.74. There were no further reportable actions taken in Closed Session.

ADJOURNMENT
The meeting adjourned by consent at 12:36 a.m. in the memory of Jane Weidman.

Submitted by

Michael Claire, Secretary

Minutes of the Special Closed Session Meeting of the Board of Trustees
San Mateo County Community College District
March 3, 2021
San Mateo, CA

The meeting was called to order at 5:36 p.m.

Board Members Present: President Thomas A. Nuris, Vice President Richard Holober Trustee Maurice Goodman, Trustee Lisa Petrides, Trustee John Pimentel

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION
President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda, including (1) Hold Conference with Labor Negotiators - Employee Organizations: AFT.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY
None.

RECESS TO CLOSED SESSION
The Board recessed to Closed Session at 5:38 p.m.

RECONVENE TO OPEN SESSION
The Board reconvened to Open Session at 6:19 p.m.

REPORT OF ACTION TAKEN DURING CLOSED SESSION
President Nuris announced that the Board took no action in closed session.

ADJOURNMENT
The meeting was adjourned by consensus at 6:20 p.m.

Submitted by

Michael Claire, Secretary

BOARD REPORT NO. 21-03-01A

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Cheng Yu Hou, Chief Human Resources Officer
David Feune, Director, Human Resources

APPROVAL OF PERSONNEL ITEMS

New employment; changes in assignment, compensation, and placement; leaves of absence; changes in staff allocation and classification of academic and classified personnel; retirements, phase-in retirements, and resignations; equivalence of minimum qualifications for academic positions; and short-term temporary classified positions.

A. ADMINISTRATIVE APPOINTMENT, REAPPOINTMENT, ASSIGNMENT AND REASSIGNMENT

(NP = New position, * = New Employee)

Skyline College

Oyame KenZoe Brian Selassie-Okpe Executive Director Of the Equity Institute Equity Institute

New full-time, 12-month classified supervisory (exempt) employment (Grade 197E of the Academic-Classified Exempt Supervisory Salary Schedule 35; Salary Range: $164,376 - $208,236), effective March 29, 2021, replacing Lasana Hotep who resigned.

B. PUBLIC EMPLOYMENT

1. New Hires (NP = New Position, * = New Employee)

District Office

James Ferrell* Senior Buyer General Services

Correction: At its meeting on February 24, 2021, the Board approved Mr. Ferrell's new full-time, 12-month classified employment (Grade 34 of the Classified Salary Schedule 60; Salary Range: $81,420 - $104,124), effective March 8, 2021, replacing Samuel Haun who is retiring. A correction is being made to this item. The Office of the Human Resources was informed that Mr. Ferrell declined the full-time, 12-month classified employment offer. Therefore, with the adoption of this report, the Board rescinds its approval previously granted for this item.

Skyline College

Kalia Chavez Division Assistant (Strategic Partnerships and Workforce Development) Strategic Partnerships & Workforce Development

New full-time, 12-month classified employment (Grade 27 of the Classified Salary Schedule 60; Salary Range: $68,580 - $87,504), effective March 11, 2021. The position was previously Board approved on December 9, 2019.

2. Re-Employment

None

C. REASSIGNMENT THROUGH THE HIRING PROCESS

Skyline College

Rebecca Threewit	Staff Assistant	Marketing, Communications and Public Relations

Reassigned from a full-time Staff Assistant (Grade 21 of the Classified Salary Schedule 60; Salary Range: \$59,112 – \$75,552) into this full-time classified assignment at the same grade level of the same salary schedule, effective March 11, 2021, replacing Brittney Sneed who was reassigned.

D. TRANSFER/ADMINISTRATIVE REASSIGNMENT

None

E. CHANGES IN STAFF ALLOCATION

Cañada College

1. Recommend a change in staff allocation to add one full-time, 12-month Program Services Coordinator position at Grade 27 of the Classified Salary Schedule 60; Salary Range: \$68,580 - \$87,504 in the Student Services Division, effective March 11, 2021.

College of San Mateo

2. Recommend a change in staff allocation to add one Instructional Designer position (Faculty Salary Schedule 80) in the Academic Support and Learning Technologies Division, effective July 1, 2021.

3. Recommend a change in staff allocation to add one full-time, 12-month Instructional Technologist position at Grade 190S of the Classified Professional/Supervisory Salary Schedule 40; Salary Range: \$84,840 - \$108,648 in the Academic Support and Learning Technologies Division, effective July 1, 2021.

District Office

4. Recommend a change in staff allocation to delete one Deputy Chancellor position (1A0032) at Grade EA of the Executive Salary Schedule 10 in the Chancellor's Office, effective March 11, 2021.

Skyline College

5. Recommend a change in staff allocation to add one STEM/Biology Instructor position (Faculty Salary Schedule 80) in the Science, Math & Technology Division, effective March 11, 2021.

F. PHASE-IN RETIREMENT

None

G. LEAVE OF ABSENCE

None

H. PUBLIC EMPLOYEE RETIREMENT AND RESIGNATION

1. Retirement

District Office

Francisco Carlos Custodian Facilities

Retirement effective February 28, 2021, with 33.50 years of District service. Eligible for District retiree benefits.

William Woods Director of Public Safety Public Safety

Retirement effective May 7, 2021, with 5 years of District service. Not eligible for District retiree benefits.

2. Post-Retirement

None

3. Resignation

Cañada College

Michael Ryan Web Programmer Analyst Outreach/President's Office

Resignation effective March 5, 2021, with 3.5 years of District service.

Skyline College

Kimiko Petsche Office Assistant II Global Learning Programs and Services

Resignation effective February 18, 2021, with 1.5 years of District service.

I. ESTABLISHMENT OF EQUIVALENCY TO MINIMUM QUALIFICATIONS

None

J. PROFESSIONAL EXPERT/CONTRACT POSITIONS

Location	*Division / Department*	*No. of Pos.*	*Start and End Date*		*Services to be performed*
District Office	Auxiliary and Community Services	25	03/11/2021	07/31/2021	**Professional Expert CCCE Instructors –** Bay Area Pathways Academy (BAPA) for kids' summer program. This is to prepare classes and training.

Skyline College	Strategic Partnerships & Workforce Development	1	03/11/2021	06/30/2021	**Professional Expert Consultant (Non-Instructional) –** This position will support our ability to be responsive and inclusive of industry input in new program development in key Workforce Areas. This position will support projects related to the Technology and Artificial Intelligence workforce.
Skyline College	Strategic Partnerships & Workforce Development	1	03/11/2021	06/30/2021	**Professional Expert Consultant (Non-Instructional) –** This position will support our ability to be responsive and inclusive of industry input in new program development in key Workforce Areas. This position will support projects related to the Construction Trades workforce.

K. <u>SHORT-TERM, NON-CONTINUING POSITIONS</u>

Location	***Division / Department***	***No. of Pos.***	***Start and End Date***		***Services to be performed***
Cañada College	Enrollment Services / Financial Aid	1	03/11/2021	06/30/2021	**Program Services Coordinator:** This position will provide assistance in the coordination and delivery of student grant aide in accordance with Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and Higher Education Emergency Relief Fund II (HEERF II) regulations, support for the annual scholarship program and case management for foster youth, homeless youth, outreach and other equity-embedded efforts under the purview of the Financial Aid.
District Office	Human Resources	1	03/11/2021	06/30/2021	**Human Resources Representative:** This position will assist the Human Resources Office with workers' compensation and leave management projects.

San Mateo County Community College District March 10, 2021

BOARD REPORT NO. 21-03-02A

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Cheng Yu Hou, Chief Human Resources Officer
David Feune, Director, Human Resources

RE-EMPLOYMENT OF CONTRACT AND REGULAR FACULTY FOR THE 2021-22 ACADEMIC YEAR

The academic employees listed below were evaluated during the 2020-21 academic year in accordance with District policy and collective bargaining agreement and are recommended for re-employment pursuant to the Board of Trustee's authority by the California Education Code.

RECOMMENDATIONS

A. It is recommended that the following Contract I employees be re-employed in Contract II status for the 2021-22 academic year:

Andrea Fuentes	Christina Shih
Christopher Watters	Beatriz Qura Del Rio
Julie Luu	Susanne Schubert
Felicia Mazzi	Kolo Wamba
Shawn Perisho	

B. It is recommended that the following Contract II employees be re-employed in the first year of Contract III/IV status for the 2021-22 academic year:

Briana Avila	Ramakrishnan Kalyanaraman	Janice Sapigao
Michelle Beatty	Althea Kippes	Gampi Shankar
Aricka Bueno (Will remain on Contract II for the 2021-2022 academic year)	Mandy Lucas	
Kenny Gonzalez	Ame Maloney	
Alex Guiriba	Athena Nazario	
Emilie Hein	Angel Pilar	
Katie Hern	Joshua Rhodes	
Lezlee Inman	Kimberly Salido	

C. It is recommended that the following first-year Contract III/IV employees be advanced to their second year of Contract III/IV status for the 2021-22 academic year:

Yancy Aquino	Evan Kaiser	Hansen Sekona
Natalie Alizaga	David Lau	Keira Travis
Lindsey Ayotte	Ritu Malhotra	Kazumi Tsuchiyose
Vincent Chandler	Michael Marcial	Sanjyot Pia Walawalkar
Lydia Chen	Gerardo Pacheco Matus	Katherine Webster
Perry Chen	Melinda Nguyen	Todd Windisch
John Dao	Danielle Pelletier	Ellen Young
Jennifer De La Cruz	Elisha Polomski	
Jing Folsom	Patrice Reed-Fort	

D. It is recommended that the following second-year Contract III/IV employees be advanced to Regular (Tenure) status beginning with the 2021-22 academic year:

Rene Anderson	Mathew Montgomery	Kenyatta Weathersby
Christine Baird	Mounjed Moussalem	Elinor Westfold
Maggie M. L. Barrientos	Nicole Porter	Maureen Wiley
Brianna Clay	Kimberly Saccio-Kent	
Jose Gutierrez	Alberto Santellan	
Malathi Iyengar	Sumathi Shankar	
Lucy Jovel	Jessica Truglio	
Sarah Mangin-Hinkley	Ching-Yi (Miranda) Wang	

San Mateo County Community College District March 10, 2021

BOARD REPORT NO. 21-03-101B

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Bernata Slater, Chief Financial Officer

ADOPTION OF RESOLUTION NO. 21-03 AUTHORIZING THE ISSUANCE AND SALE OF 2021 GENERAL OBLIGATION REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $360,000,000

BACKGROUND

Outstanding Bonds. The District previously issued the following outstanding general obligation bonds (collectively, the "Outstanding Bonds"), which are subject to redemption on the listed dates:

Issuance Date	Principal Amount/ Name of Bonds	First Optional Redemption Date
6/5/2012	$107,595,000 San Mateo County Community College District (County of San Mateo, California) 2012 General Obligation Refunding Bonds	9/1/2022
10/9/2014	$121,805,000 San Mateo County Community College District (County of San Mateo, California) 2014 General Obligation Refunding Bonds	9/1/2024
6/18/2015	$127,000,000 San Mateo County Community College District (County of San Mateo, California) 2015 General Obligation Refunding Bonds (Election of 2014), Series A	9/1/2025
11/20/2018	$261,000,000 San Mateo County Community College District (County of San Mateo, California) 2018 General Obligation Bonds (Election of 2014), Series B	9/1/2028

Refunding Bonds. Under current market conditions, the District can issue refunding general obligation bonds ("Refunding Bonds") to refinance certain maturities of the Outstanding Bonds to provide savings for the District's property taxpayers. Based on interest rates as of March 1, 2021, the District estimates that it can issue approximately $188,775,000 principal amount of Refunding Bonds and achieve approximately 12.6% net present value of debt service savings, although the amount of debt service savings that actually will be achieved will depend upon market conditions on the pricing date. The proposed Resolution directs District staff to determine which maturities of the Outstanding Bonds should be refinanced, and directs that the Refunding Bonds shall not be issued unless the net present value of the debt service savings generated by such issuance is at least equal to 5% of the principal amount of the Outstanding Bonds to be refunded.

Federally Taxable Bonds. Because federal tax law no longer authorizes state and local agencies to issue tax-exempt refunding bonds to "advance refund" tax-exempt bonds (i.e., to issue refunding bonds more than 90 days prior to the first optional redemption date of the bonds to be refinanced), District staff expects the Refunding Bonds to be issued on a federally taxable basis.

Related Documents. The proposed Resolution *(Attachment A)* approves certain documents in connection with the proposed issuance of the Refunding Bonds, and the following documents are attached to this report:

- Bond Purchase Agreement, between the District and Morgan Stanley & Co. LLC, the underwriter of the Refunding Bonds (the "Underwriter"), which establishes the terms under which the Underwriter will purchase the Refunding Bonds from the District. *(Attachment B)*

- Preliminary Official Statement (see below for more information). *(Attachment C)*

- Escrow Deposit and Trust Agreement, between the District and The Bank of New York Mellon Trust Company, N.A. ("Escrow Agent"), under which the Escrow Agent would hold proceeds of the Refunding Bonds and federal securities in escrow for the benefit of the owners of the refunded Outstanding Bonds. *(Attachment D)*

- Costs of Issuance Custodian Agreement, between the District and The Bank of New York Mellon Trust Company, N.A., which provides for the payment of the costs of issuing the Refunding Bonds. *(Attachment E)*

The attached Preliminary Official Statement has been reviewed and approved for transmittal to the Board of Trustees by the District's financing team. The distribution of the Preliminary Official Statement by the District is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor in the proposed bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the bonds. If the Board of Trustees concludes that the Preliminary Official Statement includes all facts that would be material to an investor in the bonds, it must adopt a resolution that authorizes staff to execute a certificate to the effect that the Preliminary Official Statement has been "deemed final."

The Securities and Exchange Commission (the "SEC"), the agency with regulatory authority over the District's compliance with the federal securities laws, has issued guidance as to the duties of the Board of Trustees with respect to its approval of the Preliminary Official Statement. In its "Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors" (Release No. 36761 / January 24, 1996) (the "Release"), the SEC indicated that, if a member of the Board of Trustees has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the Preliminary Official Statement. In the Release, the SEC indicated that the steps that a member of the Board of Trustees could take include becoming familiar with the Preliminary Official Statement and questioning staff and consultants about the disclosure of such facts.

The Refunding Bonds are payable solely from ad valorem property taxes levied by the District and collected by San Mateo County, as described in the section of the Preliminary Official Statement captioned "SECURITY FOR THE BONDS."

However, investors in the Refunding Bonds consider information about the District's financial position to be material, and the District has included that information in Appendix A to the Preliminary Official Statement: "FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE DISTRICT AND SAN MATEO COUNTY." The District's audited financial statements for fiscal year 2019-20 is included in Appendix B to the Preliminary Official Statement.

RECOMMENDATION

It is recommended that the Board of Trustees adopt Resolution No. 21-03 authorizing the issuance and sale of 2021 General Obligation Refunding Bonds in an aggregate principal amount not to exceed $360,000,000.

RESOLUTION NO. 21-03
BY THE GOVERNING BOARD OF THE
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
STATE OF CALIFORNIA

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF 2021 GENERAL OBLIGATION REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $360,000,000

RESOLVED, by the Board of Trustees (the "Board") of the San Mateo County Community College District (the "District"), as follows:

WHEREAS, the District has previously issued the following outstanding General Obligation Bonds (collectively, the "Prior Bonds"):

- San Mateo County Community College District (County of San Mateo, California) 2012 General Obligation Refunding Bonds, issued on June 5, 2012, in the aggregate principal amount of $107,595,000;

- San Mateo County Community College District (County of San Mateo, California) 2014 General Obligation Refunding Bonds, issued on October 9, 2014, in the aggregate principal amount of $121,805,000;

- San Mateo County Community College District (County of San Mateo, California) 2015 General Obligation Refunding Bonds (Election of 2014), Series A, issued June 18, 2015, in the aggregate original principal amount of $127,000,000; and

- San Mateo County Community College District (County of San Mateo, California) 2018 General Obligation Bonds (Election of 2014), Series B, issued November 20, 2018, in the aggregate original principal amount of $261,000,000; and

WHEREAS, the Board has determined at this time to issue and sell its San Mateo County Community College District 2021 General Obligation Refunding Bonds in an aggregate principal amount not to exceed $360,000,000 (the "Refunding Bonds") for the purpose of refunding certain maturities of the outstanding Prior Bonds (such maturities, the "Refunded Bonds"), in whole or in part, and thereby realizing financial savings to the property taxpayers of the District; and

WHEREAS, the Board is authorized to provide for the issuance and sale of the Refunding Bonds under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Bond Law"); and

WHEREAS, the Board has determined at this time to authorize the issuance and sale of the Refunding Bonds pursuant to this resolution, in one or more series, delivered on a standard or forward delivery basis, and as bonds that are federally tax-exempt or taxable, in order to comply with the requirements of the Internal Revenue Code of 1986; and

WHEREAS, in accordance with California Government Code Section 5852.1, the Board has obtained and disclosed the information set forth in Appendix B hereto; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the San Mateo County Community College District as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

"Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

"**Board**" means the Board of Trustees of the District.

"Bond Counsel" means (a) the firm of Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

"**Bond Law**" means Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as amended from time to time.

"**Bond Purchase Agreement**" means one or more Bond Purchase Agreements between the District and the Underwriter, under which the Underwriter agrees to purchase the Standard Delivery Refunding Bonds and pay the purchase price therefor.

"**Bond Year**" means the one-year period beginning on September 2 in each year and ending on the next succeeding September 1; except that the first Bond Year begins on the Closing Date and ends on September 1, 2021 with respect to the Standard Delivery Refunding Bonds, and begins on the Settlement Date and ends on September 1, 2022 with respect to the Forward Delivery Refunding Bonds.

"**Closing Date**" means the date upon which there is a physical delivery of the Standard Delivery Refunding Bonds in exchange for the amount representing the purchase price of the Standard Delivery Refunding Bonds by the Underwriter.

"**Continuing Disclosure Certificate**" means the Continuing Disclosure Certificate which is executed and delivered by a District Representative.

"**Controller**" means the Controller of the County.

"**Costs of Issuance**" means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the Refunding Bonds and the refunding of the Refunded Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, title insurance premiums, fees and charges for preparation, execution and safekeeping of the Refunding Bonds and any other cost, charge or fee in connection with the original issuance of the Refunding Bonds and the refunding of the Refunded Bonds.

"**County**" means the County of San Mateo, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"**County Treasurer**" means the Treasurer-Tax Collector of the County.

"Debt Service" means the scheduled amount of interest and amortization of principal on the Refunding Bonds payable on the Refunding Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"**Debt Service Fund**" means the account established and held by the County under Section 4.02.

"**Depository**" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.09.

"**Depository System Participant**" means any participant in the Depository's book-entry system.

"**District**" means the San Mateo County Community College District, a community college district organized under the Constitution and laws of the State of California, and any successor thereto.

"District Representative" means the Chancellor, the Executive Vice Chancellor, the Chief Financial Officer, or any other duly appointed officer of the District authorized by the Chancellor to act as a representative of the District hereunder.

"**DTC**" means The Depository Trust Company, New York, New York, and its successors and assigns.

"**Fair Market Value**" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

"**Escrow Agent**" means The Bank of New York Mellon Trust Company, N.A., in its capacity as escrow agent for refunding and defeasance of the Refunded Bonds.

"**Escrow Agreement**" means each of one or more Escrow Deposit and Trust Agreements, dated as of the Closing Date or as of the Settlement Date, between the District and the Escrow Agent, relating to the refunding and discharge of the Refunded Bonds.

"**Federal Securities**" means United States Treasury notes, bonds, bills or certificates of indebtedness or those securities for which the faith and credit of the United States are pledged for the payment of principal and interest.

"**Forward Delivery Refunding Bonds**" means Refunding Bonds which are sold pursuant to the Forward Delivery Purchase Agreement and delivered on the Settlement Date,

"**Forward Delivery Purchase Agreement**" means the Forward Delivery Purchase Agreement between the District and the Underwriter, under which the Underwriter agrees to purchase the Forward Delivery Refunding Bonds and pay the purchase price therefor.

"**Information Services**" means "EMMA" or the "Electronic Municipal Market Access" system of the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the District may designate in a Written Request of the District delivered to the Paying Agent.

"**Interest Payment Date**" means each March 1 and September 1 during the term of the Refunding Bonds, on which interest shall be payable thereon, as set forth in the Bond Purchase Agreement.

"**Outstanding**," when used as of any particular time with reference to Refunding Bonds, means all Refunding Bonds except: (a) Refunding Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) Refunding Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) Refunding Bonds in lieu of or in substitution for which other Refunding Bonds have been authorized, executed, issued and delivered by the District under this Resolution.

"**Owner**," whenever used herein with respect to a Refunding Bond, means the person in whose name the ownership of such Refunding Bond is registered on the Registration Books.

"**Paying Agent**" means The Bank of New York Mellon Trust Company, N.A., the Paying Agent appointed by the Treasurer and acting as paying agent, registrar and authenticating agent for the Refunding Bonds, its successors and assigns, and any corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

"**Principal Office**" means the office or offices of the Paying Agent for the payment of the Refunding Bonds and the administration of its duties hereunder; the office or offices of successor Paying Agents will be identified in a written notice filed with the District by the Paying Agent.

"**Prior Bonds**" has the meaning given that term in the recitals of this Resolution.

"**Record Date**" means the 15th day of the month preceding an Interest Payment Date, whether or not such day is a business day.

"**Refunded Bonds**" means those maturities of the Prior Bonds being refunded with proceeds of the Refunding Bonds.

"**Refunding Bonds**" means the not to exceed $360,000,000 aggregate principal amount of San Mateo County Community College District 2021 General Obligation Refunding Bonds, issued in one or more series, at any time Outstanding under this Resolution.

"**Refunding Instructions**" means the Irrevocable Refunding Instructions dated as of the Closing Date, between the District and the Escrow Agent, relating to the refunding and discharge of certain of the Refunded Bonds.

"**Registration Books**" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Refunding Bonds under Section 2.08.

"**Resolution**" means this Resolution, as originally adopted by the Board and including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

"**Securities Depositories**" means DTC and, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

"**Settlement Date**" means the date upon which there is a physical delivery of the Forward Delivery Bonds by the District in exchange for the payment of the purchase price of the Forward Delivery Bonds by the Underwriter.

"**Standard Delivery Refunding Bonds**" means Refunding Bonds which are sold pursuant to the Bond Purchase Agreement and delivered on the Closing Date.

"**Tax Code**" means the Internal Revenue Code of 1986 as in effect on the Closing Date or Settlement Date, as applicable, or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date or Settlement Date, as applicable, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"**Tax-Exempt Refunding Bonds**" means those Refunding Bonds, the interest on which is intended to be excluded from gross income for federal income tax purposes under Section 103 of the Tax Code.

"**Taxable Refunding Bonds**" means those Refunding Bonds, the interest on which is not intended to be excluded from gross income for federal income tax purposes under Section 103 of the Tax Code.

"**Underwriter**" means Morgan Stanley & Co. LLC, as underwriter of the Refunding Bonds upon the negotiated sale thereof.

"**Written Request of the District**" means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized to act on behalf of the District under a written certificate of a District Representative.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Authority for this Resolution; Findings. This Resolution is entered into under the provisions of the Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Refunding Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Refunding Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

THE REFUNDING BONDS

Section 2.01. Authorization. The Board hereby determines that prudent management of the fiscal affairs of the District requires that the District issue refunding bonds under the Bond Law and hereby authorizes the issuance of the Refunding Bonds in the aggregate principal amount of not to exceed $360,000,000, subject to the terms of the Bond Law and this Resolution, for the purpose of providing funds to refinance the Refunded Bonds. The Refunding Bonds may be issued in one or more series, delivered on a standard or forward delivery basis, on a federally taxable and/or tax-exempt basis. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Refunding Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal of and interest and premium, if any, on all Refunding Bonds which may be Outstanding hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Refunding Bonds are designated the "San Mateo County Community College District 2021 General Obligation Refunding Bonds." The Refunding Bonds may be issued in one or more series if a District Representative determines it would be beneficial to the District to do so.

As provided in Section 53552 of the Bond Law, the Refunding Bonds shall not be issued unless the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds is less than the total net interest cost to maturity on the Refunded Bonds to be refunded plus the principal amount of the Refunded Bonds to be refunded. In addition, the Board hereby directs that the Refunding Bonds shall not be issued unless the net present value of the debt service savings generated by such issuance is at least equal to 5% of the principal amount of the Refunded Bonds to be refunded. Before issuing the Refunding Bonds, the District shall receive confirmation from the Underwriter that the requirements of Section 53552 of the Bond Law and that the savings threshold set forth in the immediately preceding sentence have been satisfied.

In the event that a District Representative determines that it is in the best interests of the District to refinance less than all of the outstanding Refunded Bonds, the Refunding Bonds shall be issued for the purpose of providing funds to refinance only the specific Refunded Bonds which are designated by a District Representative.

Section 2.02. Terms of Refunding Bonds.

(a) Form; Numbering. The Refunding Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of $5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Refunding Bonds maturing in the year of maturity of the Refunding Bond for which the denomination is specified. Refunding Bonds shall be lettered and numbered as the Paying Agent prescribes.

(b) Date of Refunding Bonds. The Standard Delivery Refunding Bonds shall be dated as of the Closing Date. The Forward Delivery Refunding Bonds shall be dated as of the Settlement Date.

(c) Maturities: Interest. The Refunding Bonds shall mature (or, alternatively, be subject to mandatory sinking fund redemption as hereinafter provided) on September 1 in each of the years and in the amounts to be determined upon the sale of the Refunding Bonds, as set forth in the Bond Purchase Agreement. The Refunding Bonds shall bear interest, payable semiannually on each Interest Payment Date, as set forth in the Bond Purchase Agreement

Each Refunding Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is authenticated before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the first Record Date, in which event it shall bear interest from the dated date of the Refunding Bonds; provided, however, that if at the time of authentication of a Refunding Bond, interest is in default thereon, such Refunding Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(d) Payment. Interest on the Refunding Bonds (including the final interest payment upon maturity or redemption) is payable by check or draft of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least $1,000,000 aggregate principal amount of the Refunding Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Refunding Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of and premium (if any) on the Refunding Bonds are payable in lawful money of the United States of America upon presentation and surrender at the Office of the Paying Agent.

(e) Provisions of Bond Purchase Agreement to Control. Notwithstanding the foregoing provisions of this Section 2.02 and the following provisions of Section 2.03, any of the terms of the Refunding Bonds may be established or modified under the Bond Purchase Agreement. In the event of a conflict or inconsistency between this Resolution and the Bond Purchase Agreement relating to the terms of the Refunding Bonds, the provisions of the Bond Purchase Agreement shall be controlling.

Section 2.03. Redemption of Refunding Bonds.

(a) Optional Redemption Dates and Prices. The Refunding Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, on the dates and at the respective redemption prices as set forth in the Bond Purchase Agreement.

(b) Mandatory Sinking Fund Redemption. If the Bond Purchase Agreement specifies that any one or more maturities of the Refunding Bonds are term bonds which are subject to mandatory sinking fund redemption, each such maturity of Refunding Bonds shall be subject to such mandatory sinking fund redemption on September 1 in each of the years and in the respective principal amounts as set forth in the Bond Purchase Agreement, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If any such Term Bonds are redeemed under the provisions of the preceding clause (a), the total amount of all future payments under this Subsection (b) with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments as determined by the District (written notice of which determination shall be given by the District to the Paying Agent).

(c) Selection of Refunding Bonds for Redemption. Whenever less than all of the Outstanding Refunding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Refunding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Refunding Bond will be deemed to consist of individual Refunding Bonds of $5,000 denominations each, which may be separately redeemed.

(d) Redemption Procedure. The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to (i) one or more of the Information Services, and (ii) to the respective Owners of any Refunding Bonds designated for redemption, at their addresses appearing on the Registration Books. Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Refunding Bonds. In addition, the Paying Agent will give notice of redemption by telecopy or certified, registered or overnight mail to each of the Securities Depositories at least two days prior to such mailing to the Refunding Bond Owners.

Such notice must state the redemption date and the redemption price and, if less than all of the then Outstanding Refunding Bonds are to be called for redemption, shall designate the serial numbers of the Refunding Bonds to be redeemed by giving the individual number of each Refunding Bond or by stating that all Refunding Bonds between two stated numbers, both inclusive, or by stating that all of the Refunding Bonds of one or more maturities have been called for redemption, and shall require that such Refunding Bonds be then surrendered at the Principal Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Refunding Bonds will not accrue from and after the redemption date.

Upon surrender of Refunding Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Refunding Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Refunding Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Refunding Bonds so called for redemption have been duly provided, the Refunding Bonds called for redemption will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all Refunding Bonds redeemed under this Section 2.03 and will furnish a certificate of cancellation to the District.

(e) Conditional Redemption Notice; Right to Rescind Notice of Optional Redemption. The District may send a conditional redemption notice that provides that redemption is subject to the availability of sufficient funds on the proposed redemption date. The District has the right to rescind any notice of the optional redemption of Refunding Bonds by written notice to the Paying Agent on or before the dated fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Refunding Bonds then called for redemption, and such cancellation will not constitute a default hereunder. The District and the Paying Agent have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under subsection (d) of this Section.

Section 2.04. Form of Refunding Bonds. The Refunding Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution and the Bond Purchase Agreement, as set forth in Appendix A hereto.

Section 2.05. Execution of Refunding Bonds. The Refunding Bonds shall be signed by the facsimile signature of the President and shall be attested by the facsimile signature of the Vice President/Clerk of the Board. Only those Refunding Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent is conclusive evidence that the Refunding Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

Section 2.06. Transfer of Refunding Bonds. Any Refunding Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Refunding Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Refunding Bond issued upon any transfer.

Whenever any Refunding Bond or Bonds is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Refunding Bond or Bonds, for like aggregate principal amount. No transfers of Refunding Bonds shall be required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond which has been selected for redemption.

Section 2.07. Exchange of Refunding Bonds. Refunding Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Refunding Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Refunding Bond issued upon any exchange (except in the case of any exchange of temporary Refunding Bonds for definitive Refunding Bonds). No exchange of Refunding Bonds is required to be made (a) 15 days prior to the date established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond after it has been selected for redemption.

Section 2.08. Registration Books. The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Refunding Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Refunding Bonds as herein before provided.

Section 2.09. Book-Entry System. Except as provided below, DTC shall be the Owner of all of the Refunding Bonds, and the Refunding Bonds shall be registered in the name of Cede & Co. as nominee for DTC. The Refunding Bonds shall be initially executed and delivered in the form of a single fully registered Refunding Bond for each maturity date of the Refunding Bonds in the full aggregate principal amount of the Refunding Bonds maturing on such date. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive Owner of the Refunding Bonds registered in its name for all purposes of this Resolution, and neither the Paying

Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District have no responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the Refunding Bonds under or through DTC or a Depository System Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal of or interest on the Refunding Bonds. The District shall cause to be paid all principal of and interest on the Refunding Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Refunding Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Refunding Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain certificated securities representing the Refunding Bonds and delivers a written certificate to DTC and the District to that effect, DTC shall notify the Depository System Participants of the availability through DTC of certificated securities representing the Refunding Bonds. In such event, the District shall issue, transfer and exchange Refunding Bonds as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Refunding Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver Refunding Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Refunding Bonds evidencing the Refunding Bonds to any Depository System Participant having Refunding Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Refunding Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Refunding Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Refunding Bond and all notices with respect to such Refunding Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the Refunding Bonds.

Section 2.10. Refunding Bonds Mutilated, Lost, Destroyed or Stolen. If any Refunding Bond is mutilated the District, at the expense of the Owner thereof, shall execute, and the Paying Agent shall authenticate and deliver, a new Refunding Bond of like maturity and principal amount in exchange and substitution for the Refunding Bond so mutilated, but only upon surrender to the Paying Agent of the Refunding Bond so mutilated. The Paying Agent shall cancel every mutilated Refunding Bond so surrendered to it. If any Refunding Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence is satisfactory to the District and indemnity satisfactory to it is given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like maturity and principal amount in lieu of and in substitution for the Refunding Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Refunding Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent in the premises.

Any Refunding Bond issued under the provisions of this Section 2.10 in lieu of any Refunding Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Refunding Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Refunding Bonds issued under this Resolution.

Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new Refunding Bond for which principal has or is about to become due for a Refunding Bond which has been mutilated, lost, destroyed or stolen, the Paying Agent may make payment of such Refunding Bond in accordance with its terms.

ARTICLE III

SALE OF REFUNDING BONDS; APPLICATION OF PROCEEDS

Section 3.01. Sale of Refunding Bonds; Approval of Sale Documents.

(a) Negotiated Sale of Refunding Bonds. The Board hereby authorizes the negotiated sale of the Refunding Bonds to the Underwriter. The Refunding Bonds shall be sold pursuant to (i) the Bond Purchase Agreement, in substantially the form on file with the Vice President/Clerk of the Board, with such changes therein, deletions therefrom and modifications thereto as a District Representative may approve, such approval to be conclusively evidenced by the execution and delivery of such agreement and (ii) the Forward Delivery Purchase Agreement in substantially the form approved by a District Representative, such approval to be conclusively evidenced by the execution and delivery of such agreement. One or more Bond Purchase Agreements, and one or more Forward Delivery Purchase Agreements may be utilized if necessary or advisable in connection with the issuance of the Standard Delivery Refunding Bonds and the Forward Delivery Refunding Bonds, as determined by a District Representative. The Underwriter's discount (without regard to an original issue discount, if any) may not exceed 0.50% of the aggregate principal amount of the Refunding Bonds sold thereunder. The Board hereby authorizes a District Representative to execute and deliver the final form of the Bond Purchase Agreements and the Forward Delivery Purchase Agreements, as applicable, in the name and on behalf of the District.

(b) Official Statement. The Board hereby approves and deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Refunding Bonds in the form on file with the Vice President/Clerk of the Board. A District Representative is hereby individually authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Board's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule, as of the date of execution of such certificate. A District Representative is hereby individually authorized and directed to approve any changes in or additions to a final form of the Official Statement, and the execution thereof by such District Representative shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the final Official Statement and any supplements to the final Official Statement by the Underwriter. A District Representative shall execute the final Official Statement and any supplements to the final Official Statement in the name and on behalf of the District.

(c) Actions to Close Bond Issuance. Each District Representative and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

Section 3.02. Application of Proceeds of Sale of Refunding Bonds. The proceeds of the Refunding Bonds shall be paid to the Paying Agent on the Closing Date or Settlement Date, as applicable, and shall be applied by the Paying Agent as follows:

(a) An amount required to pay the estimated Costs of Issuance shall be transferred to The Bank of New York Mellon Trust Company, N.A., to be held and administered in accordance with the agreement which is approved under Section 3.04.

(b) The remainder of such proceeds shall be transferred to the Escrow Agent to be applied to refund and discharge all of the Refunded Bonds to be refunded, in accordance with an Escrow Agreement and/or Refunding Instructions.

Section 3.03. Refunding of Refunded Bonds; Approval of Escrow Agreements and Refunding Instructions. The Board hereby approves the form of Escrow Agreement relating to the refunding and discharge of the Refunded Bonds, in substantially the form on file with the Vice President/Clerk of the Board together with any changes therein or modifications thereof which are approved by a District Representative. The execution thereof by a District Representative will be conclusive evidence of the approval of any such changes or modifications. A District Representative is directed to authenticate and execute one or more final forms of the Escrow Agreement, and to deliver the executed Escrow Agreement on the Closing Date or Settlement Date, as applicable.

The Board hereby approves the Refunding Instructions relating to the refunding and discharge of the Refunded Bonds, in substantially the form approved by a District Representative, such approval to be conclusively evidenced by the execution and delivery of such Refunding Instructions. A District Representative is directed to authenticate and execute the final form of the Refunding Instructions, and to deliver the executed Refunding Instructions on the Closing Date.

Section 3.04. Costs of Issuance Custodian Agreement. The Board hereby directs the Underwriter to deposit a portion of the amounts received by the Underwriter upon the sale of the 2021 Bonds with The Bank of New York Mellon Trust Company, N.A., as custodian, to be applied to pay the Costs of Issuance, in an amount which shall be set forth in the Bond Purchase Agreement. The Board hereby authorizes a District Representative to enter into a Costs of Issuance Custodian Agreement with the custodian, in the form on file with the Vice President/Clerk of the Board. As provided in said agreement, amounts deposited thereunder shall be requisitioned by a District Representative for payment of Costs of Issuance in accordance with said agreement.

ARTICLE IV

SECURITY FOR THE REFUNDING BONDS; PAYMENT OF DEBT SERVICE

Section 4.01. <u>Security for the Refunding Bonds</u>. The Refunding Bonds are general obligations of the District payable from the levy of ad valorem taxes upon all property within the District which are subject to taxation by the District, without limitation as to rate or amount, for the payment of the Refunding Bonds and the interest thereon. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and ad valorem tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, including the principal of any Refunding Bonds upon the mandatory sinking fund redemption thereof under Section 2.03(b), which moneys when collected will be paid to the County Treasurer and placed in the Debt Service Fund as provided in Section 4.02.

The principal of and interest and redemption premium (if any) on Refunding Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof. Neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof are liable on the Refunding Bonds. In no event are the principal of and interest and redemption premium (if any) on Refunding Bonds payable out of any funds or properties of the District other than ad valorem taxes levied on taxable property in the District. The Refunding Bonds, including the interest thereon, are payable solely from taxes levied under Sections 15250 and 15252 of the Education Code.

Section 4.02. <u>Debt Service Fund</u>. The District hereby directs the Controller to establish a fund to be known as the "San Mateo County Community College District 2021 General Obligation Refunding Bond Debt Service Fund," to be maintained by the County Treasurer as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, as directed by the District herein, for the payment of the principal of and interest and premium (if any) on the Refunding Bonds in accordance with Section 5.02 shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The Debt Service Fund is hereby irrevocably pledged by the District for the payment of the principal of and interest on the Refunding Bonds when and as the same become due.

Amounts on deposit in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the County to the Paying Agent upon the Written Request of the District filed with the County, as required to pay the principal of and interest on the Refunding Bonds. As provided in Section 15232 of the Education Code, amounts in the Debt Service Fund shall also be applied to pay the expense of paying the Refunding Bonds elsewhere than at the office of the County Treasurer.

Moneys held in the Debt Service Fund shall be invested at the discretion of the County Treasurer pursuant to law applicable to community college districts and the investment policy of the County, as such policy shall exist at the time of investment.

Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, as provided in Section 15234 of the Education Code.

Section 4.03. Investments.

Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Refunding Bonds, shall be acquired and disposed of at the Fair Market Value thereof.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

Section 5.01. Punctual Payment. The District will punctually pay, or cause to be paid, the principal of and interest on the Refunding Bonds, in strict conformity with the terms of the Refunding Bonds and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Refunding Bonds. Nothing herein contained shall prevent the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

Section 5.02. Books and Accounts; Financial Statements. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries are made of all transactions relating to the expenditure of the proceeds of the Refunding Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Refunding Bonds then Outstanding, or their representatives authorized in writing.

Section 5.03. Protection of Security and Rights of Refunding Bond Owners. The District will preserve and protect the security of the Refunding Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. Following the issuance of the Refunding Bonds by the District, the Refunding Bonds shall be incontestable by the District.

Section 5.04. Tax Covenants.

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Tax-Exempt Refunding Bonds are not so used as to cause the Tax-Exempt Refunding Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Tax-Exempt Refunding Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Tax-Exempt Refunding Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date or Settlement Date, as applicable, would have caused the Tax-Exempt Refunding Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Tax-Exempt Refunding Bonds from the gross income of the Owners of the Tax-Exempt Refunding Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date or Settlement Date, as applicable.

(e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated excess investment earnings with respect to the Tax-Exempt Refunding Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, and shall pay the full amount of such excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, if and to the extent such Section 148(f) is applicable to the Tax-Exempt Refunding Bonds. Such payments shall be made by the District from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Tax-Exempt Refunding Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District may deem appropriate.

(f) Record Retention. The District will retain its records of all accounting and monitoring it carries out with respect to the Tax-Exempt Refunding Bonds for at least 3 years after the Tax-Exempt Refunding Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Exempt Refunding Bonds are redeemed and refunded, the District will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Tax-Exempt Refunding Bonds.

(g) Compliance with Tax Certificate. The District will comply with the provisions of the Certificate as to Arbitrage and the Certificate Regarding Use of Proceeds with respect to the Tax-Exempt Refunding Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Tax-Exempt Refunding Bonds.

Section 5.05. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the Refunding Bonds; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Refunding Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.06. CDIAC Annual Reporting. The District hereby covenants and agrees that it will comply with the provisions of California Government Code Section 8855 subdivision (k) with respect to annual reporting to the California Debt and Investment Advisory Commission. Said reporting will occur at the times and include the types of information as set forth therein. Notwithstanding any other provision of this Resolution, failure of the District to comply with said reporting does not constitute a default by the District hereunder or under the Refunding Bonds.

Section 5.07. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Refunding Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI

THE PAYING AGENT

Section 6.01. Appointment of Paying Agent. The District hereby designates The Bank of New York Mellon Trust Company, N.A. to act as Paying Agent for the Refunding Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the District a certificate to that effect.

The Treasurer may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor, if not the County, shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the Treasurer, the District and the Refunding Bond Owners of such resignation. Upon receiving notice of such resignation, the Treasurer shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

Section 6.02. Paying Agent May Hold Refunding Bonds. The Paying Agent may become the Owner of any of the Refunding Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

Section 6.03. Liability of Agents. The recitals of facts, covenants and agreements herein and in the Refunding Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Refunding Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer of its corporate trust department in the absence of the negligence of the Paying Agent.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys.

Section 6.04. **Notice to Agents**. The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution, the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.05. **Compensation; Indemnification**. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF REFUNDING BOND OWNERS

Section 7.01. **Events of Default**. Any one or more of the following events shall constitute an "event of default":

(a) if default shall be made by the District in the due and punctual payment of Debt Service or redemption premium, if any, on any Refunding Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the District in the observance of any of the covenants, agreements or conditions on its part in this Resolution or in the Refunding Bonds contained, and such default shall have continued for a period of 30 days after written notice thereof to the District Representative; or

(c) if the District shall file a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, seeking reorganization of the District under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

Section 7.02. **Application of Funds Upon Default**. All of the sums in the Debt Service Fund and accounts provided for in Section 4.02 hereof upon the occurrence of an Event of Default as provided in Section 7.01 hereof, and all sums thereafter received by the Paying Agent hereunder, shall be applied by the Paying Agent in the following order upon presentation of the Refunding Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Paying Agent hereunder and of the costs and expenses of Refunding Bond Owners in declaring such event of default, including reasonable compensation to their agents, attorneys and counsel;

Second, in case the principal of the Refunding Bonds shall not have become due and payable, to the payment of the interest in default in the order of the maturity of the installments of such interest, with interest on the overdue installments at the rate of 12% per annum (to the extent that such interest on overdue installments shall have been collected), such payments to be made ratably to the persons entitled thereto without discrimination or preference;

Third, in case any principal of the Refunding Bonds shall have become and shall be then due and payable, all such sums shall be applied to the payment of the whole amount then owing and unpaid upon the Refunding Bonds for principal and interest, with interest on the overdue principal and installments of interest at the rate of 12% per annum (to the extent that such interest on overdue installments of interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Refunding Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 7.03. Remedies of Refunding Bond Owners. Any Refunding Bond Owner has the right, for the equal benefit and protection of all Refunding Bond Owners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Refunding Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Refunding Bond Owners' rights; or

(c) upon the happening and continuation of any default by the District hereunder or under the Refunding Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

Section 7.04. Non-Waiver. Nothing in this Article VII or in any other provision of this Resolution, or in the Refunding Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Refunding Bonds to the respective Owners of the Refunding Bonds at the respective dates of maturity, as herein provided, or affect or impair the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Refunding Bonds.

A waiver of any default by any Refunding Bond Owner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Refunding Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Refunding Bond Owners by this Article VI may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Refunding Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Refunding Bond Owners, the District and the Refunding Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 7.05. Remedies Not Exclusive. No remedy herein conferred upon the Owners of Refunding Bonds is exclusive of any other remedy. Each and every remedy is cumulative and may be exercised in addition to every other remedy given hereunder or thereafter conferred on the Refunding Bond Owners.

ARTICLE VIII

AMENDMENT OF THIS RESOLUTION

Section 8.01. Amendments Effective Without Consent of the Owners. The Board may amend this Resolution from time to time, without the consent of the Owners of the Refunding Bonds, for any one or more of the following purposes:

(a) To add to the covenants and agreements of the District in this Resolution, which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(c) To cure any ambiguity, supply any omission, substitute any party, or cure or correct any defect or inconsistent provision in this Resolution; or

(d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Refunding Bonds.

Section 8.02. Amendments Effective With Consent of the Owners. The Board may amend this Resolution from time to time for any purpose not set forth in Section 8.01, with the written consent of the Owners of a majority in aggregate principal amount of the Refunding Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Refunding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Refunding Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Refunding Bonds without the consent of all the Owners of such Refunding Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written consent.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, gives to any person other than the District, the County, the Paying Agent and the Owners of the Refunding Bonds, any right, remedy, or claim under or by reason of this Resolution. The covenants, stipulations, promises or agreements in this Resolution are for the sole and exclusive benefit of the Owners of the Refunding Bonds.

Section 9.02. Defeasance of Refunding Bonds.

(a) Discharge of Resolution. Refunding Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(i) by paying or causing to be paid the principal or redemption price of and interest on such Refunding Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Refunding Bonds; or

(iii) by delivering such Refunding Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Refunding Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Refunding Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Refunding Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Refunding Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Refunding Bond (whether upon or prior to its maturity or the redemption date of such Refunding Bond), provided that, if such Refunding Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Refunding Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Refunding Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Refunding Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Refunding Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Refunding Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Refunding Bonds and all unpaid interest thereon to maturity, except that, in the case of Refunding Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Refunding Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Refunding Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Refunding Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) Payment of Refunding Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any Refunding Bonds and remaining unclaimed for two years after the principal of all of the Refunding Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Refunding Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Refunding Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Refunding Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

Section 9.03. Execution of Documents and Proof of Ownership by Refunding Bond Owners. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Refunding Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Refunding Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Refunding Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Refunding Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Refunding Bond shall bind all future Owners of such Refunding Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

Section 9.04. Waiver of Personal Liability. No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Refunding Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duly provided by law.

Section 9.05. Limited Duties of County; Indemnification. The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including their respective officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

Section 9.06. Destruction of Canceled Refunding Bonds. Whenever in this Resolution provision is made for the surrender to the District of any Refunding Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Refunding Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Refunding Bonds therein referred to.

Section 9.07. Partial Invalidity. If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Refunding Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the chief financial officer of the District in trust for the benefit of the Refunding Bond Owners.

Section 9.08. **Approval of Bond Counsel and Disclosure Counsel**. The Board of Trustees hereby approves the selection of Jones Hall, A Professional Law Corporation ("Bond Counsel"), as bond counsel and disclosure counsel. A District Representative, acting alone, is authorized to execute a professional services agreement with Bond Counsel, and the execution of such agreement by a District Representative shall be conclusive evidence of such approval.

Section 9.09. **Effective Date of Resolution**. This Resolution shall take effect from and after the date of its passage and adoption.

* * * * * * * * *

PASSED AND ADOPTED this 10th day of March, 2021, by the following vote:

AYES:

NOES:

ABSENT:

____
President of the Board of Trustees of
San Mateo County Community College District
San Mateo County, California

ATTEST:

____
Vice President/Clerk of the Board of Trustees of
San Mateo County Community College District,
San Mateo County, California

I, Richard Holober, Vice President/Clerk of the Board of Trustees of San Mateo County Community College District, San Mateo County, California, do hereby certify that the foregoing is a full, true and correct copy of the Resolution passed and adopted by said Board of Trustees at a regular meeting on the 10th day of March, 2021, and that the minutes of said Board of Trustees shows that _________(___) members of said Board voted for and _________(___) members of said Board voted against the adoption of said Resolution and the said Resolution is now spread upon the minutes of said Board.

____
Vice President/Clerk of the Board of Trustees of
San Mateo County Community College District
San Mateo County, California

APPENDIX A

FORM OF REFUNDING BOND

REGISTERED BOND NO. ______ $____________

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

2021 GENERAL OBLIGATION REFUNDING BOND

INTEREST RATE:	MATURITY DATE: September 1, ____	DATED DATE:	CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The San Mateo County Community College District (the "District"), located in the County of San Mateo (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon, calculated on a 30/360 day basis, until the Principal Amount is paid or provided for, at the Interest Rate stated above, such interest to be paid on March 1 and September 1 of each year, commencing ________, 20__ (the "Interest Payment Dates"). This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before ________, 20__, in which event it shall bear interest from the Dated Date referred to above. Principal, interest and redemption premium (if any) are payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the Paying Agent, initially The Bank of New York Mellon Trust Company, N.A. Principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the principal corporate trust office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); provided, however, that at the written request of the registered owner of Bonds in an aggregate principal amount of at least $1,000,000, which written request is on file with the Paying Agent prior to any Record Date, interest on such Bonds shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is issued pursuant to a resolution adopted by the Board of Trustees of the District on March 10, 2021 (the "Bond Resolution").

This Bond is one of a series of $_______ of Bonds issued for the purpose of raising money to refinance outstanding general obligation bond indebtedness of the District. This Bond and the issue of which this Bond is a part are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

The principal of and interest and redemption premium, if any, on this Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest and redemption premium, if any, on this Bond be payable out of any funds or properties of the District other than ad valorem taxes levied upon all taxable property in the District.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of $5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before September 1, 20__ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after September 1, 20__ are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on September 1, 20__ and on any Interest Payment Date thereafter, at a redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) as set forth in the following table, together with interest thereon to the date fixed for redemption.

Redemption Dates	Redemption Price

[If applicable:] The Bonds maturing on September 1, 20__ (the "Term Bonds") are also subject to mandatory sinking fund redemption on September 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of the Term Bonds have been redeemed under the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph shall be reduced as shall be designated under written notice filed by the District with the Paying Agent.

Sinking Fund Redemption Date (September 1)	Principal Amount To Be Redeemed

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District and the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 20 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

The District may send a conditional redemption notice and rescind such notice, all as set forth in the Bond Resolution.

Neither the District nor the Paying Agent will be required: (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th calendar day next preceding either any Interest Payment Date or any date of selection of any Bond to be redeemed and ending with the close of business on the Interest Payment Date or a day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered

Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

It is certified, recited and declared that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This Bond shall be not be valid or obligatory for any purpose and is not entitled to any security or benefit under the Bond Resolution (described on the reverse hereof) until the Certificate of Authentication below has been manually signed by the Paying Agent.

IN WITNESS WHEREOF, the San Mateo County Community College District has caused this Bond to be executed by the facsimile signature of its President and attested by the facsimile signature of the Vice President/Clerk of its Board of Trustees, all as of the date stated above.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By ____
President

Attest:

____
Vice President/Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Bond Resolution referred to herein.

Date of Authentication:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.
as Paying Agent

By ________________________________
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto
____
____
____
(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____________________ ______, attorney, to transfer the same on the registration books of the Bond Registrar, with full power of substitution in the premises.

Dated: ______________

Signature Guaranteed:

____

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

APPENDIX B

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the Underwriter, in good faith:

(A) True interest cost of the Refunding Bonds: 2.220%

(B) Finance charge of the Refunding Bonds (sum of all costs of issuance and fees/charges paid to third parties): $963,602

(C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): $187,811,398

(D Total payment amount through maturity: $235,202,743

The foregoing estimates constitute good faith estimates only. They assume a single, taxable series of Refunding Bonds is sold in the principal amount of $188,775,000. The principal amount of the Refunding Bonds, the true interest cost of the Refunding Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Refunding Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Refunding Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Refunding Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Refunding Bonds being different than those estimated for purposes of such estimate or (e) other market conditions. The actual date of sale of the Refunding Bonds and the actual principal amount of Refunding Bonds sold will be determined by the District. The actual interest rates borne by the Refunding Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Refunding Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.

BOND PURCHASE CONTRACT

SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT
(County of San Mateo, California)
2021 General Obligation Refunding Bonds (Federally Taxable)

[Sale Date]

San Mateo County Community College District
3401 CSM Drive
San Mateo, California 94402

Ladies and Gentlemen:

The undersigned, Morgan Stanley & Co. LLC (the "Underwriter"), offers to enter into this Bond Purchase Contract (the "Purchase Contract") with the San Mateo County Community College District (the "District"), which, upon acceptance hereof by the District, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the District and delivery of such acceptance to us at our office prior to 11:59 p.m., California Time, on the date hereof.

1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of $________ in the aggregate principal amount of the District's 2021 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). The purchase price of the Bonds shall be $_______ (being equal to the aggregate principal amount of the Bonds of $______, plus original issue premium in the amount of $_______, less an Underwriter's discount in the amount of $_________). The Bonds shall bear interest at the rates and shall mature in the years shown on Appendix A hereto, which is incorporated herein by this reference.

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection therewith and with the discussion, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of or a financial advisor to the District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to (x) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the District on other matters) or (y) any other obligation of the District, except the obligations expressly set forth in this Purchase Contract and (iv) the District has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Bonds. The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB").

The net proceeds of the Bonds will be used to refund a portion of the outstanding principal amount of the District's outstanding (i) San Mateo County Community College District 2012 General Obligation Bonds issued on June 5, 2012, in the aggregate principal amount of $107,595,000 (the "2012 Bonds"), (ii) San Mateo County Community College District 2014 General Obligation Bonds issued on October 9, 2014, in the aggregate principal amount of $121,805,000 (the "2014 Bonds"), (iii) the San Mateo County Community College District 2015 General Obligation Bonds (Election of 2014), Series A, issued on June 18, 2015, in the aggregate principal amount of $127,000,000 (the "Series 2014A Bonds"), and (iv) the San Mateo County Community College District 2018 General Obligation Bonds (Election of 2014), Series B, issued on November 20, 2018 in the aggregate principal amount of $261,000,000 (the "Series 2014B Bonds" and together with the 2012 Bonds, the 2014 Bonds, and the Series 2014A Bonds, the "Refunded Bonds").

2. The Bonds. The Bonds shall be issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Bond Law") and by a resolution of the Governing Board of the District, adopted on March 10, 2021 (the "Resolution"). The Bonds shall be dated the date of their delivery and be payable as set forth and otherwise described in the Resolution and in this Purchase Contract, including in Appendix A hereto. The Bonds shall otherwise be as described in the Preliminary Official Statement of the District with respect to the Bonds, dated [POS Date] (together with the cover page, inside cover page, any documents incorporated therein by reference, and all appendices, exhibits, maps, reports and statements included therein or attached thereto, the "Preliminary Official Statement").

The Bonds shall be executed and delivered under and in accordance with the provisions of the Resolution and the applicable provisions of California law. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form initially, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

3. [Omitted].

4. Redemption. The Bonds shall be subject to redemption as provided in the Resolution and as set forth in Appendix A hereto.

5. Use of Documents. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract, the Resolution, the Preliminary Official Statement, an Official Statement (defined below), a Continuing Disclosure Certificate to be entered into by the District (the "Continuing Disclosure Certificate"), those certain Irrevocable Refunding Instructions, (the "Refunding Instructions") to be given by the District to The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent") related to the Refunded Bonds, that certain Costs of Issuance Costs of Issuance Custodian Agreement (the "Costs of Issuance Custodian Agreement") to be entered into by and between the District and The Bank of New York Mellon Trust Company, N.A., a national banking association (the "Paying Agent"), and all information contained herein and therein and all of the documents, certificates, or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

6. Public Offering of the Bonds. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering price or yield to be set forth on the inside cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering price or yield as it deems necessary in connection with the marketing of the Bonds.

7. Review of the Official Statement. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, including the cover page, inside cover page and appendices thereto. The District represents that it deems the Preliminary Official Statement to be final, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, Underwriter's discount, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities and Exchange Act of 1934, as amended (the "Rule").

The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first-class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received. The District shall provide evidence to the Underwriter that it has deemed the Preliminary Official Statement final as of its date, in accordance with the provisions of the Rule. The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds.

8. Closing. At 8:30 a.m., California Time, on [Closing Date], or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the "Closing"), the District will deliver to the Underwriter, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Jones Hall, A Professional Law Corporation ("Bond Counsel"), in San Francisco, California, the other documents hereinafter mentioned, and the Underwriter will accept such delivery and pay the purchase price thereof set forth in Section 1 hereof in immediately available funds by check, draft or wire transfer to or upon the order of the District.

9. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a community college district duly organized and validly existing under the laws of the State of California (the "State"), with the full legal right, power and authority to issue the Bonds pursuant to the Refunding Bond Law and the Resolution, and to observe and perform the District's covenants and agreements contained herein and therein.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Contract, the Continuing Disclosure Certificate, the Refunding Instructions, and the Costs of Issuance Custodian Agreement, to adopt the Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract, the Costs of Issuance Custodian Agreement, the Preliminary Official Statement, the Official Statement and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Resolution, the Refunding Instructions, the Costs of Issuance Custodian Agreement, the Continuing Disclosure Certificate and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) the Resolution has not been amended, modified or rescinded and all representations of the District set forth in the Resolution are true and correct; (v) this Purchase Contract, the Continuing Disclosure Certificate, the Refunding Instructions and the Costs of Issuance Custodian Agreement, assuming the due authorization and execution by the other parties thereto, constitute valid and legally binding obligations of the District; and (vi) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract, the Preliminary Official Statement, the Official Statement and the Resolution.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby. The District gives no representation or warranty with regard to compliance with Blue Sky or similar securities requirements.

(d) [Omitted].

(e) No Conflicts. The issuance of the Bonds, and the execution, delivery and performance of this Purchase Contract, the Resolution, the Continuing Disclosure Certificate, the Refunding Instructions, the Costs of Issuance Custodian Agreement and the Bonds, and the compliance with the provisions hereof, do not conflict with or constitute on the part of the District a violation of or material default under the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the District or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection or levy of any taxes contemplated by the Resolution or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, the Continuing Disclosure Certificate, the

Refunding Instructions, the Costs of Issuance Custodian Agreement or the Resolution, contesting the powers of the District or the Resolution or this Purchase Contract or the entitlement of the officers of the District who have signed the Bonds and the various certificates and agreements of the District relating to the issuance and sale of Bonds, to their respective offices; or (iii) in which a final adverse decision could (a) materially adversely affect the operations or financial condition of the District or the consummation of the transactions contemplated by this Purchase Contract, the Continuing Disclosure Certificate, the Refunding Instructions, the Costs of Issuance Custodian Agreement or the Resolution, or (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part.

(g) No Other Debt. Between the date hereof and the date of the Closing, without the prior written consent of the Underwriter, the District will not have issued, nor will the County of San Mateo have issued in the name and on behalf of the District, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Certificates. Except as specifically provided therein, any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(i) Continuing Disclosure. The District shall undertake, pursuant to the Resolution and the Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Based on a review of its prior undertakings under the Rule, and except as otherwise disclosed in the Official Statement, during the past five years, the District has complied with its previous undertakings with regard to said Rule to provide annual reports or notices of material events, except as set forth in the Official Statement.

(j) Preliminary Official Statement and Official Statement Accurate and Complete. The Preliminary Official Statement, as of the date thereof and the date hereof, did not and does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of the date hereof and at the date of the Closing, the final Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

The District agrees that, for a period until 25 days after the End of the Underwriting Period (as defined below), if any event of which it has actual knowledge occurs which might cause the information in the Official Statement as then in existence to contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, the District shall promptly notify the Underwriter in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable judgment of the Underwriter, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, and if the Underwriter shall have so advised the District, the District shall forthwith cooperate with the Underwriter in the prompt preparation and furnishing to the Underwriter, at the expense of the District, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriter, which will so amend or supplement the Official Statement so that, as amended or supplemented, it conforms with the foregoing standards. The District shall promptly advise the Underwriter of the commencement of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

For purposes of this Purchase Contract, the "End of the Underwriting Period" for the Bonds shall mean the earlier of (a) the Closing unless the District has been notified in writing by the Underwriter, on or prior to the Closing, that the "end of the underwriting period" for the Bonds for all purposes of the Rule will not occur on the Closing, or (b) the date on which notice is given to the District pursuant to clause (a) above that the "end of the underwriting period" for the Bonds will not occur on the Closing, the Underwriter agrees to notify the District in writing as soon as practicable following the "end of the underwriting period" for the Bonds for all purposes of the Rule.

(k) No Material Adverse Change. The financial statements of, and other financial information regarding the District in the Preliminary Official Statement and to be included in the Official Statement fairly present and will present the financial position and results of the District as of the dates and for the periods therein set forth. Prior to the Closing Date, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District.

(l) No Default. The District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the state of California or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the District has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

10. Covenants of the District. The District covenants and agrees with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions; provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(b) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, by the earlier of (i) the seventh (7th) business day following the date this Purchase Contract is signed or (ii) the date prior to the date of Closing, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page, the inside cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being called the "Official Statement") in such reasonable quantities as may be requested by the Underwriter not later than five (5) business days following the date this Purchase Contract is signed, in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(c) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the official Statement relating to the District until the date which is ninety (90) days following the Closing;

(d) Amendments to Official Statement. For a period of ninety (90) days after the End of the Underwriting Period (as determined in accordance with Section 9(j) hereof), the District will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall reasonably object in writing or which shall be disapproved by the Underwriter; and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser of Bonds, the Underwriter shall forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading;

(e) Consents and Approvals. After due inquiry, except as may be required under blue sky or other securities laws of any state, or with respect to any permits, consents or approval theretofore received which are in full force and effect or the requirement for which is otherwise disclosed in the Official Statement, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the District, other than the Board of Trustees, required for the adoption of the Resolution and execution and delivery of this Purchase Contract, the Continuing Disclosure Certificate, the Refunding Instructions, or the Costs of Issuance Custodian Agreement or the consummation by the District of the transactions contemplated by this Purchase Contract, the Resolution, the Continuing Disclosure Certificate, the Refunding Instructions, the Costs of Issuance Custodian Agreement, the Preliminary Official Statement or the Official Statement; and

(f) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds as described in the Official Statement.

11. Conditions to Closing. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations under this Purchase Contract are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing, and the District shall be in compliance with each of the agreements made by it in this Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Contract, the Continuing Disclosure Certificate, the Refunding Instructions, the Costs of Issuance Custodian Agreement, and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Refunding Bond Law which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolution, the Refunding Instructions, the Costs of Issuance Custodian Agreement, this Purchase Contract or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 9(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability Between the Date Hereof and the Closing. The market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices or yields of the Bonds set forth in the Official Statement, shall not have been materially adversely affected, in the reasonable judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted by Congress, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States

Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) [Omitted]

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial markets in the United States;

(3) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(6) the withdrawal or downgrading of any rating of the District's outstanding indebtedness by a national rating agency; or

(7) any event occurring, or information becoming known which makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) <u>Delivery of Documents</u>. At or prior to the date of the Closing, the Underwriter shall receive copies of the following documents in each case dated as of the date of the Closing and satisfactory in form and substance to the Underwriter:

(1) <u>Bond Opinion and Reliance Letter</u>. An approving opinion of Bond Counsel, as to the validity and tax status of the Bonds, dated the date of the Closing,

addressed to the District and in the form appended to the final Official Statement as Appendix C, together with a reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described above;

(2) Supplemental Opinion. A supplemental opinion of Bond Counsel, dated the date of the Closing and addressed to the District and the Underwriter, to the effect that:

(i) the description of the Bonds and the security for the Bonds and statements in the Preliminary Official Statement and the Official Statement on the cover page thereof and under the captions “INTRODUCTION,” “THE BONDS”, “CONTINUING DISCLOSURE”, “THE REFINANCING PLAN”, “SECURITY FOR THE BONDS” and “TAX MATTERS,” to the extent they expressly summarize certain provisions of the Bonds, the Resolution, the Continuing Disclosure Certificate and the form and content of Bond Counsel’s approving opinion with respect to the treatment of interest on the Bonds under California and federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data, or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, DTC or information related to its book-entry only system, or Appendices A, B, or E thereto;

(ii) the Continuing Disclosure Certificate, the Refunding Instructions, and this Purchase Contract have each been duly authorized, executed and delivered by the District and, assuming the due authorization, execution and delivery by the other parties thereto, and constitute legal, valid and binding agreements of the District are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights and except as such enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State of California; and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended;

(3) Defeasance Opinion. A defeasance opinion of Bond Counsel, addressed to the District and the Underwriter, with respect to the defeasance of the Refunded Bonds;

(4) Disclosure Counsel Assurance Letter. A letter of Jones Hall, A Professional Law Corporation, dated the date of Closing and addressed to the District, substantially to the effect that based on such counsel’s participation in conferences with representatives of the Underwriter, the financial advisor to the District, the District and

others, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District, as a matter of fact and not opinion, that during the course of its engagement as Disclosure Counsel no information came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Preliminary Official Statement as of its date and the date hereof and the Official Statement as of its date and the closing date (except for any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, Appendices A, B, or E, or information relating to DTC or its book-entry only system included therein, as to which such counsel need express no opinion or view) contained or will contain any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(5) Underwriter's Counsel Opinion. An opinion of counsel to the Underwriter, addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(6) Certificate of the District. A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Contract, the Refunding Instructions, the Costs of Issuance Custodian Agreement and the Continuing Disclosure Certificate (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of the Closing, (iii) the District has complied with all the terms of the Resolution and this Purchase Contract to be complied with by the District prior to or concurrently with the Closing and, as to the District, such documents are in full force and effect, (iv) such official has reviewed the Preliminary Official Statement and the Official Statement and on such basis certifies that the Preliminary Official Statement as of its date did not and as of the date hereof does not and the Official Statement did not as of the date hereof and does not as of the closing date contain any untrue statement of a material fact required to be stated therein or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Resolution, and (vi) no further consent is required for inclusion of the District's audited financial statements in the Official Statement;

(7) [Omitted];

(8) District Resolution. A certificate signed by an appropriate official of the District, together with fully executed copy of the Resolution, to the effect that:

(i) such copy is a true and correct copy of the Resolution; and

(ii) the Resolution was duly adopted at a meeting duly noticed at which a quorum was present and acting throughout, and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(9) Preliminary Official Statement Deemed Final. Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

(10) Continuing Disclosure Certificate. The Continuing Disclosure Certificate, duly executed by the District;

(11) Receipt. The receipt of the Paying Agent for the deposit of amounts set aside to pay costs of issuance, as described in Section 13 below;

(12) Copies of Documents. Executed copies of the Costs of Issuance Custodian Agreement, the Refunding Instructions, this Purchase Contract and the Official Statement;

(13) Certificate of Paying Agent and Escrow Agent. A certificate of the Paying Agent and Escrow Agent, dated the date of the Closing, that as of the date of the Closing: (a) the Paying Agent and Escrow Agent is duly organized and existing as a national banking association under the laws of the United States of America, in good standing under the laws of the United States of America, and has the full power and authority to enter into and perform its duties under the Resolution, the Refunding Instructions, and the Costs of Issuance Custodian Agreement; (b) the Paying Agent and Escrow Agent is duly authorized to accept and perform its duties under the Resolution and enter into Costs of Issuance Custodian Agreement and Refunding Instructions; (c) the Costs of Issuance Custodian Agreement and Refunding Instructions have been duly authorized, executed and delivered by the Paying Agent and Escrow Agent, and assuming due authorization, execution and delivery by the District, constitute the legal, valid and binding obligations of the Paying Agent and Escrow Agent, each enforceable in accordance with its terms; (d) the execution and delivery by the Paying Agent of the Costs of Issuance Custodian Agreement and the Escrow Agent of the Refunding Instructions, and the acceptance and performance of the Paying Agent and Escrow Agent's duties under the Resolution, and compliance with the terms thereof, will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Paying Agent and Escrow Agent is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Paying Agent and Escrow Agent or any of its activities or properties, which conflict, breach or default would materially adversely affect the ability of the Paying Agent and Escrow Agent to perform its obligations under the Resolution, the Costs of Issuance Custodian Agreement or the Refunding Instructions, (e) exclusive of federal or state securities laws and regulations, other than routine filings required to be made with governmental agencies in order to preserve the Paying Agent and Escrow Agent's authority to perform a trust business (all of which routine filing, to the best of the Paying Agent and Escrow Agent's knowledge, have been made), no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Paying Agent and Escrow Agent is or will

be required for the execution and delivery by the Paying Agent of the Costs of Issuance Custodian Agreement or by the Escrow Agent of the Refunding Instructions or the acceptance and performance of the Paying Agent and Escrow Agent's duties under the Resolution; and (f) to the Paying Agent and Escrow Agent's knowledge, there is no litigation pending or threatened against or affecting the Paying Agent and Escrow Agent to restrain or enjoin the Paying Agent and Escrow Agent's participation in, or in any way contesting the powers of the Paying Agent and Escrow Agent with respect to the transactions contemplated by the Resolution, the Costs of Issuance Custodian Agreement and the Refunding Instructions;

(14) Verification Report. A report and opinion of [Verification Agent] with respect to the sufficiency of the defeasance securities, together with interest and earnings thereon and any cash held uninvested, deposited pursuant to the Refunding Instructions to refund the Refunded Bonds as provided in the Refunding Instructions;

(15) Required Filings. Evidence of the preparation and/or filing of the Initial and Final Report of Sale with the California Debt and Investment Advisory Commission;

(16) Ratings. Evidence that the Bonds have been rated "**Aaa**" by Moody's Investors Service and "**AAA**" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and that such ratings have not been withdrawn or downgraded; and

(17) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of the Closing, of the representations of the District herein contained, (iii) the truth and accuracy, as of the time of the Closing, of the Official Statement and (iv) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter prior to the close of business, California Time, on [Closing Date], then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be canceled by the Underwriter at, or at any time prior to, the time of the Closing. Notice of such cancellation shall be given to the District in writing or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

12. Conditions to Obligations of the District. The performance by the District of its obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of the opinions and certificates being delivered at the Closing by persons and entities other than the District.

13. Costs and Expenses. Pursuant to the Costs of Issuance Custodian Agreement, the District shall cause the Paying Agent to pay all costs and expenses incurred in the issuance and sale of the Bonds, including but not limited to the fees and expenses of Bond Counsel, Disclosure Counsel and the financial advisor, the fees of rating agencies, the fees of the verification agent, the Escrow Agent, the cost of the printing and distribution of the Official Statement, initial fees and expenses of the Paying Agent and meal, transportation, lodging, entertainment and deal memento expenses of its own officials and employees.

All out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, fees of Underwriter's counsel, travel and other expenses (except as provided above), shall be paid by the Underwriter.

14. Notices. Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Vice Chancellor, Business Services, San Mateo County Community College District, 3401 CSM Drive, San Mateo, California 94402 or if to the Underwriter, Morgan Stanley & Co. LLC, 555 California Street, Suite 2200, San Francisco, CA 94104, Attention: John Sheldon.

15. Parties in Interest; Survival of Representations and Warranties. This Purchase Contract when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the District and the Underwriter. This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Contract shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Contract.

16. Severability. In the event any provision of this Purchase Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

17. Nonassignment. Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior written consent of the other party hereto.

18. Entire Agreement. This Purchase Contract, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto (including their permitted successors and assigns, respectively).

19. Execution in Counterparts. This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document

20. Applicable Law. This Purchase Contract shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

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Respectfully submitted,

MORGAN STANLEY & CO. LLC

By: ___________________________________
Authorized Officer

Accepted: [Sale Date]

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By: ___________________________________
Executive Vice Chancellor

APPENDIX A

Maturity Schedule

**SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT
(County of San Mateo, California)
2021 General Obligation Refunding Bonds (Federally Taxable)**

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP (799038)

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Redemption Provisions

Optional Redemption. The Bonds maturing on or before September 1, 20__ are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after September 1, 20__, are subject to redemption prior to their stated maturity dates, at the option of the District, from any source of available funds, in whole or in part on any date on or after September 1, 20__, at a redemption price equal to the principal amount of the Bonds called for redemption, without premium, together with interest accrued thereon to the date of redemption

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ (the "Term Bonds") are subject to mandatory sinking fund redemption in part by lot in accordance with the schedules set forth below. The Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Term Bonds to be redeemed, plus accrued but unpaid interest, without premium.

Term Bonds Maturing September 1, 20__

Mandatory Sinking Fund Redemption Date	Principal Amount to be Redeemed

† Maturity.

If any such Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

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PRELIMINARY OFFICIAL STATEMENT DATED ___________, 2021

NEW ISSUE - FULL BOOK-ENTRY

RATINGS:
Standard & Poor's: "____"
Moody's: "___"
See "RATINGS" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, based upon existing laws, regulations, rulings, court decisions, and assuming (among other things) compliance with certain covenants, interest on the Bonds is exempt from State of California personal income taxes. Interest on the Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences caused by the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

$_______________*

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

(County of San Mateo, California)

2021 General Obligation Refunding Bonds

(Federally Taxable)

Dated: Date of Delivery **Due: September 1, as shown on inside front cover**

Issuance. The above-captioned 2021 General Obligation Refunding Bonds (the "Bonds") are being issued by the San Mateo County Community College District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Trustees of the District adopted on March 10, 2021 (the "Bond Resolution"). The Bonds are being issued to refund certain outstanding general obligation bonds of the District, and to pay costs of issuance.

The Bonds are being issued as current interest bonds and will be dated their date of original issuance and delivery. They will be issued as fully registered bonds in the denominations of $5,000, or any integral multiple of $5,000.

Security. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied by the District and collected by San Mateo County (the "County"). The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds on all property subject to taxation within the District, without limitation of rate or amount (except certain personal property that is taxable at limited rates). The District has previously issued other series of general obligation bonds and general obligation refunding bonds, all of which are general obligation bonds of the District payable from *ad valorem* taxes on a parity with the Bonds. See "SECURITY FOR THE BONDS."

Book-Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and "APPENDIX E - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments. Interest on the Bonds accrues from the date of delivery and is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2021. Payments of principal of and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as the designated paying agent, to DTC for subsequent disbursement to DTC's participants, which will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption*. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described in this Official Statement. See "THE BONDS - Redemption."

Maturity Schedule

(See inside front cover)

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all the provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Hawkins Delafield & Wood LLP, San Francisco, California, is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York, on or about April 20, 2021.*

MORGAN STANLEY

The date of this Official Statement is _______, 2021.

* *Preliminary; subject to change.*

MATURITY SCHEDULE*

Base CUSIP:† 799038

$___________*
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
(County of San Mateo, California)
2021 General Obligation Refunding Bonds
(Federally Taxable)

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_______ ___% Term Bonds due September 1, 20__; Yield ___%; Price ___; CUSIP† ___

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* Preliminary; subject to change.
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any Bond owner and the District or the Underwriter. This Official Statement and the information contained in this Official Statement are subject to completion or amendment without notice.

No Offering Except by This Official Statement. Neither the District nor the Underwriter has authorized any dealer, broker, salesperson or other person to give any information or to make any representations relating to the Bonds other than the information contained and the representations made in this Official Statement. If given or made, such other information or representations should not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Estimates and Projections. When used in this Official Statement or in any continuing disclosure by the District, or in any press release or oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements." Forward-looking statements are subject to risks and uncertainties, and so actual results could differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Information in Official Statement. The District and other sources that are believed to be reliable have furnished the information set forth in this Official Statement. However, the District does not guarantee its accuracy or completeness.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are provided subject to the provisions of the documents summarized and are qualified in their entirety by reference to such documents. The summaries do not purport to be complete statements of any or all the documents summarized.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

District Website Not Incorporated. The District maintains an Internet website, but the information on that website is not incorporated by reference in this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

"The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or the completeness of such information."

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
COUNTY OF SAN MATEO

District Administration

Michael Claire, *Chancellor*
Bernata Slater, *Chief Financial Officer*

Bond and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Underwriter's Counsel

Hawkins Delafield & Wood LLP
Los Angeles, California

Paying Agent

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

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OFFICIAL STATEMENT

$_________*
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
(County of San Mateo, California)
2021 General Obligation Refunding Bonds
(Federally Taxable)

The purpose of this Official Statement, which includes the cover page, inside front cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the above-captioned 2021 General Obligation Refunding Bonds (Federally Taxable) (the "**Bonds**") by the San Mateo County Community College District (the "**District**").

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District was formed in 1922 and operates 3 colleges in the County of San Mateo (the "**County**"). The District serves more than 30,000 students annually. See "APPENDIX A – FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE DISTRICT AND SAN MATEO COUNTY" and "APPENDIX B - FISCAL YEAR 2019-20 AUDITED FINANCIAL STATEMENTS," for demographic and financial information regarding the District.

COVID-19 Statement. The COVID-19 pandemic has resulted in a public health crisis that is fluid and unpredictable with financial and economic impacts that cannot be predicted. As such, investors are cautioned that the District cannot at this time predict the impacts that the COVID-19 pandemic may have on its operations and finances, property values in the District, and economic activity in the District, the State of California (the "**State**") and the nation, among others. For additional disclosure regarding the COVID-19 emergency, see "SECURITY FOR THE BONDS – COVID-19 Global Pandemic." See also references to COVID-19 in the sections herein entitled "PROPERTY TAXATION", and in APPENDIX A under the heading "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

Authority for the Bonds. The Bonds are authorized under Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "**Refunding Bond Law**"), and under a resolution adopted by the Board of Trustees of the District (the "**Board**") on March 10, 2021 (the "**Bond Resolution**").

See "THE BONDS – Authority for Issuance." See also "APPENDIX A – FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE DISTRICT AND SAN MATEO

** Preliminary; subject to change.*

COUNTY – DISTRICT FINANCIAL INFORMATION – Long-Term Borrowing" for more information about the District's outstanding general obligation bonds.

Purpose. The net proceeds of the Bonds will be used to refund a portion of the outstanding (i) San Mateo County Community College District 2012 General Obligation Refunding Bonds issued on June 5, 2012, in the aggregate principal amount of $107,595,000 (the "**2012 Refunding Bonds**"), (ii) San Mateo County Community College District 2014 General Obligation Refunding Bonds issued on October 9, 2014, in the aggregate principal amount of $121,805,000 (the "**2014 Refunding Bonds**"), (iii) the San Mateo County Community College District 2015 General Obligation Bonds (Election of 2014), Series A, issued on June 18, 2015, in the aggregate principal amount of $127,000,000 (the "**2015 Bonds**"), and (iv) the San Mateo County Community College District 2018 General Obligation Bonds (Election of 2014), Series B, issued on November 20, 2018 in the aggregate principal amount of $261,000,000 (the "**2018 Bonds**" and together with the 2012 Refunding Bonds, the 2014 Refunding Bonds, and the 2015 Bonds, the "**Prior Bonds**") .

See "THE BONDS – Purpose of the Bonds," "THE REFINANCING PLAN" and "SOURCES AND USES OF FUNDS."

Security and Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds on all property subject to taxation within the District, without limitation of rate or amount (except with respect to certain personal property that is taxable at limited rates). The District has previously issued other series of general obligation bonds under two authorizations received by the District. These series of bonds are all payable from *ad valorem* taxes on a parity with the Bonds. See "SECURITY FOR THE BONDS."

For a schedule of debt service on the general obligation bonds issued by the District, see "DEBT SERVICE SCHEDULES – Aggregate General Obligation Bond Debt Service."

The impact that the current COVID-19 outbreak might have on the assessed valuation of property located in the District is uncertain at this time. See "PROPERTY TAXATION – Assessed Valuations" and "SECURITY FOR THE BONDS – COVID-19 Global Pandemic."

Payment and Registration of the Bonds. The Bonds are being issued as current interest bonds and will be dated their date of original issuance and delivery. They will be issued as fully registered bonds in the denominations of $5,000, or any integral multiple of $5,000, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**").

The Bonds will be available under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC's participants. Purchasers of the Bonds will not be entitled to receive physical delivery of the Bonds. See "THE BONDS" and "APPENDIX E - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Interest on the Bonds accrues from their delivery date and is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2021. See "THE BONDS - Description of the Bonds."

***Early Redemption*.** The Bonds are subject to optional and mandatory sinking fund redemption prior to their maturity, as described in "THE BONDS - Redemption."

Legal Matters. Issuance of the Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("**Bond Counsel**"), to be delivered in substantially the forms attached to this Official Statement as APPENDIX C. Jones Hall, A Professional Law Corporation, will also serve as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by Hawkins Delafield & Wood LLP, San Francisco, California ("**Underwriter's Counsel**"). *Payment of the fees of Bond Counsel, Disclosure Counsel, Underwriter's Counsel and the Underwriter is contingent upon issuance of the Bonds.*

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available from the District. The District may impose a charge for copying, mailing and handling.

END OF INTRODUCTION

THE REFINANCING PLAN

The Bonds

The 2012 Refunding Bonds. On June 5, 2012 the District issued the 2012 Refunding Bonds as current interest bonds in the aggregate principal amount of $107,595,000 to refund a portion of the District's outstanding (i) 2002 General Obligation Refunding Bonds (Election of 2001), Series A, (ii) 2005 General Obligation Refunding Bonds (Election of 2001), Series B, and (iii) 2006 General Obligation Refunding Bonds (Election of 2005), Series B. The 2012 Refunding Bonds were issued as current interest bonds and are subject to optional redemption on or after September 1, 2022, at a redemption price of 100% of the principal amount being redeemed, plus any accrued interest, without premium.

The 2014 Refunding Bonds. On October 9, 2014 the District issued the 2014 Refunding Bonds as current interest bonds in the aggregate principal amount of $121,805,000 to refund a portion of the District's outstanding (i) 2005 General Obligation Refunding Bonds (Election of 2001), Series B, (ii) 2006 General Obligation Refunding Bonds (Election of 2001), Series C, and (iii) 2006 General Obligation Refunding Bonds (Election of 2005), Series B. The 2014 Refunding Bonds were issued as current interest bonds and are subject to optional redemption on or after September 1, 2024, at a redemption price of 100% of the principal amount being redeemed, plus any accrued interest, without premium.

The Series 2015 Bonds. The 2015 Bonds were authorized at an election of the registered voters of the District held on November 4, 2014, which authorized the issuance of $388,000,000 of general obligation bonds to finance the construction and modernization of school facilities for the District (the "**2014 Authorization**"). The 2015 Bonds were issued as current interest bonds, in the aggregate principal amount of $127,000,000. The 2015 Bonds are subject to optional redemption on or after August 1, 2025, at a redemption price of 100% of the principal amount being redeemed, plus any accrued interest, without premium.

The 2018 Bonds. The 2018 Bonds were authorized by the 2014 Authorization. The 2018 Bonds were issued as current interest bonds, in the aggregate principal amount of $261,000,000. The 2018 Bonds are subject to optional redemption on or after August 1, 2028, at a redemption price of 100% of the principal amount being redeemed, plus any accrued interest, without premium.

Proceeds of the Bonds are being issued by the District, in part, to refund certain maturities of the 2012 Refunding Bonds (the "**2012 Refunded Bonds**"), the 2014 Refunding Bonds (the "**2014 Refunded Bonds**"), the 2015 Bonds (the "**2015 Refunded Bonds**") and the 2018 Bonds (the "**2018 Refunded Bonds**" and together with the 2012 Refunded Bonds, the 2014 Refunded Bonds, and the 2015 Refunded Bonds the "**Refunded Bonds**"), as more particularly identified in the following tables.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Identification of 2012 Refunded Bonds*

Maturity Date (September 1)	CUSIP†	Principal Amount*	Redemption Date	Redemption Price
2023	799038 KG8	$7,550,000	09/01/2022	100%
2024	799038 KH6	4,160,000	09/01/2022	100%
2025	799038 KJ2	4,515,000	09/01/2022	100%
2026	799038 KK9	4,885,000	09/01/2022	100%
Total	--	$21,110,000	--	--

** Preliminary, subject to change.*

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. Neither the District nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Identification of 2014 Refunded Bonds*

Maturity Date (September 1)	CUSIP†	Principal Amount*	Redemption Date	Redemption Price
2025	799038 KR4	$3,655,000	09/01/2024	100%
2026	799038 KS2	3,800,000	09/01/2024	100%
2027	799038 KT0	3,560,000	09/01/2024	100%
2028	799038 KU7	3,675,000	09/01/2024	100%
2029	799038 KV5	21,010,000	09/01/2024	100%
2030	799038 KW3	4,010,000	09/01/2024	100%
2031 T	799038 KX1	14,300,000	09/01/2024	100%
2032	799038 KY9	7,815,000	09/01/2024	100%
2033	799038 KZ6	7,985,000	09/01/2024	100%
2034	799038 LA0	8,150,000	09/01/2024	100%
Total	--	$77,960,000	--	--

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SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Identification of 2015 Refunded Bonds*

Maturity Date (September 1)	CUSIP†	Principal Amount*	Redemption Date	Redemption Price
2026	799038 LR3	$765,000	09/01/2025	100%
2027	799038 LS1	1,000,000	09/01/2025	100%
2028	799038 LT9	1,255,000	09/01/2025	100%
2029	799038 LU6	1,530,000	09/01/2025	100%
2030	799038 LV4	1,830,000	09/01/2025	100%
2031	799038 LW2	2,085,000	09/01/2025	100%
2032	799038 LX0	2,430,000	09/01/2025	100%
2033	799038 LY8	2,800,000	09/01/2025	100%
2034	799038 LZ5	3,170,000	09/01/2025	100%
2035	799038 MA9	3,595,000	09/01/2025	100%
2045 T	799038 MC5	41,855,000	09/01/2025	100%
Total	--	$62,315,000	--	--

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T Term Bond.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Identification of 2018 Refunded Bonds*

Maturity Date (September 1)	CUSIP†	Principal Amount*	Redemption Date	Redemption Price
2045 T	799038 NA8	$124,545,000	09/01/2028	100%
Total	--	$124,545,000	--	--

** Preliminary, subject to change.*
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The District will deliver a portion of the proceeds of the Bonds to The Bank of New York Mellon Trust Company, N.A., as escrow agent (in such capacity, the "**Escrow Agent**"), for deposit into an escrow fund (the "**Escrow Fund**") established under an Escrow Deposit and Trust Agreement (the "**Escrow Agreement**"), between the District and the Escrow Agent, as described below.

On the Closing Date, the District will cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of $_________ in immediately available funds, derived from proceeds of the Bonds. The Escrow Bank will invest a portion of the amounts deposited in the Escrow Fund in United States Treasury notes, bonds, bills or certificates of indebtedness, or those securities for which the faith and credit of the United States is pledged for the payment of principal and interest ("**Federal Securities**"), maturing on or prior to ________, 2021. Under the Escrow Agreement, the District will irrevocably elect to redeem the Prior Bonds on _______, 2021.

The redemption price will be equal to the par amount of the Prior Bonds together with interest thereon to the redemption date, without premium. On the Closing Date, as a result of the deposit of funds in the Escrow Fund as described above, the Prior Bonds will be defeased, and all liability of the District with respect to the Prior Bonds will be discharged.

Verification. Sufficiency of the deposits in the Escrow Fund for the purposes of the related Escrow Agreement will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the "**Verification Agent**"). See "VERIFICATION OF MATHEMATICAL ACCURACY" below.

The amounts held and invested by the Escrow Bank in the Escrow Fund are pledged solely to the payment of the applicable portion of the Prior Bonds being redeemed. Neither the funds deposited in the Escrow Fund nor the interest on the invested funds will be available for the payment of debt service on the Bonds.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

	The Bonds
Sources	
Principal Amount of Bonds	
Original Issue Premium	
Total Sources	
Uses	
Deposit to Escrow Fund	
Deposit to the Debt Service Fund	
Costs of Issuance*	
Total Uses	

* All estimated costs of issuance including, but not limited to, Underwriter's discount (see "UNDERWRITING"); printing costs; and fees of Bond Counsel, Disclosure Counsel, Paying Agent, Verification Agent and rating agencies.

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THE BONDS

Authority for Issuance

The Bonds. The Bonds will be issued under the Refunding Bond Law and the Bond Resolution.

The District has other issues of general obligation bonds and refunding general obligation bonds outstanding as of this date, which are also payable from *ad valorem* taxes levied on property in the District. See "DEBT SERVICE SCHEDULES" below, and Appendix B under the heading "DISTRICT FINANCIAL INFORMATION – Long-Term Debt" for additional information.

Purpose of the Bonds

The Bonds. The Bonds are being issued by the District to refund the Refunded 2012 Refunding Bonds, the Refunded 2014 Refunding Bonds, the Refunded 2015 Bonds and the Refunded 2018 Bonds. See "THE REFINANCING PLAN."

Description of the Bonds

Book-Entry Form. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of DTC. Purchasers of the Bonds (the "**Beneficial Owners**") will not receive physical certificates representing their interests in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds. See "APPENDIX E - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

As long as DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action premised on such notice.

The Paying Agent, the District, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Date of Bonds; Payment Provisions. The Bonds will be dated their delivery date and will bear interest payable semiannually each March 1 and September 1 (each an "**Interest Payment Date**"), commencing September 1, 2021, at the interest rates shown on the inside cover page of this Official Statement. The Bonds will mature on September 1 in each of the years and in the principal amounts shown on the inside cover page of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each Bond authenticated on or before August 15, 2021, with respect to the Bonds, will bear interest from the date of the Bonds. Each Bond authenticated during the period between the 15th day of the month preceding any Interest Payment Date (the "**Record Date**") and that Interest Payment Date will bear interest from that Interest Payment Date. Any other Bond will bear interest from the Interest Payment Date immediately preceding the date of its authentication. If a Payment Date does not fall on a business day, the interest, principal or redemption payment due on such Payment Date will be paid on the next business day. The Bonds will be issued in the denomination of $5,000 principal amount each or any integral multiple thereof.

See the maturity schedules on the inside cover page of this Official Statement and "DEBT SERVICE SCHEDULES" below.

Paying Agent

Payments of the principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as the designated paying agent, registrar and transfer agent (the "**Paying Agent**"), to DTC for subsequent disbursement through participants in DTC's book-entry system ("**DTC Participants**") to the beneficial owners of the Bonds. See APPENDIX E – "DTC and the Book-Entry Only System."

The Tax Collector-Treasurer of the County (the "**County Treasurer**") may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor must be a bank or trust company doing business and having an office in the State, having a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000, and subject to supervision or examination by federal or state authority.

The Paying Agent may at any time resign by giving written notice to the County Treasurer, the District and the owners of the Bonds (the "**Owners**") of such resignation. Upon receiving notice of such resignation, the County Treasurer will promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent will become effective upon acceptance of appointment by the successor Paying Agent.

Optional Redemption

The Bonds maturing on or before September 1, 20__ are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after September 1, 20__, are subject to redemption prior to their stated maturity dates, at the option of the District, from any source of available funds, in whole or in part on any date on or after September 1, 20__, at a redemption price equal to the principal amount of the Bonds called for redemption, without premium, together with interest accrued thereon to the date of redemption.

[**Make-Whole Optional Redemption**

Prior to September 1, 20__, the Bonds are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part on any date, at a redemption price equal to the Make-Whole Redemption price.

The "Make-Whole Redemption Price" is equal to the greater of:

(1) 100% of the principal amount of the Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed, discounted to the date on which the Bonds are to be redeemed

on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus the Applicable Spread,

plus, in each case, accrued interest on the Bonds to be redeemed to the redemption date.

The “Treasury Rate” is, with respect to any redemption date for a particular Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity, excluding inflation indexed securities (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market date) most nearly equal to the period from the redemption date to the maturity date of the bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The “Applicable Spread” is, (i) with respect to the Bonds maturing in years 20__ through 20__, _ basis points; (ii) with respect to the Bonds maturing in years 20__ through 20__, __ basis points; and (iii) with respect to the Bonds maturing in years 20__ through 20__, __ basis points.

The redemption price of Bonds to be redeemed pursuant to the make-whole optional redemption provision described above will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the District at the District’s expense to calculate such redemption price. The Paying Agent and the District may conclusively rely on such determination of redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance

Mandatory Sinking Fund Redemption

The Bonds maturing on September 1, 20__ (the **“Term Bonds”**) are subject to mandatory sinking fund redemption in part by lot in accordance with the schedules set forth below. The Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Term Bonds to be redeemed, plus accrued but unpaid interest, without premium.

Term Bonds Maturing September 1, 20__

Mandatory Sinking Fund Redemption Date	Principal Amount to be Redeemed
(final maturity)	

If any such Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Notice of Redemption

The Paying Agent will cause notice of any redemption to be mailed, by first class mail, postage prepaid, at least 20 days, but not more than 60 days, prior to the date fixed for redemption, to the Electronic Municipal Market Access system ("**EMMA**") of the Municipal Securities Rulemaking Board, and to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Registration Books; but such mailing is not a condition precedent to redemption and failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of Bonds.

The redemption notice will state the redemption date and the redemption price and, if less than all of the then-Outstanding Bonds are to be called for redemption, will designate the Bonds to be redeemed, and will require that any redeemed Bonds be surrendered at the Principal Office of the Paying Agent for redemption, giving notice that further interest on such Bonds will not accrue from and after the redemption date.

Partial Redemption

Upon surrender of Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Bond Resolution, other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Conditional Redemption Notice; Right to Rescind Notice

The District may send a conditional redemption notice that provides that redemption is subject to the availability of sufficient funds on the proposed redemption date. The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or before the dated fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute a default under the Bond Resolution.

Registration, Transfer and Exchange of Bonds

If the book-entry system as described above and in APPENDIX E is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.

Registration Books. The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds (the "**Registration Books**"), which will at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the Bonds.

Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

Whenever any Bond or Bonds are surrendered for transfer, the District will execute and the Paying Agent will authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. No transfers will be required to be made (a) 15 days prior to a date established for selection of Bonds for redemption and (b) with respect to a Bond that has been selected for redemption.

Exchange. Bonds may be exchanged at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Bond issued upon any exchange. No exchanges will be required to be made (a) 15 days prior to a date established for selection of Bonds for redemption and (b) with respect to a Bond that has been selected for redemption.

Defeasance

The District has the option to pay and discharge the entire indebtedness on all or any portion of the outstanding Bonds by (i) paying the Bonds when due and payable, (ii) depositing with the Paying Agent money in an amount sufficient to pay debt service on the Bonds when due, including all principal, interest and redemption premiums and (iii) by depositing with the Paying Agent, in trust, cash and certain Federal Securities in an amount determined to be sufficient, together with interest earnings, to be sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

"**Federal Securities**" is defined in the Bond Resolution as (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; or (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

DEBT SERVICE SCHEDULES

The Bonds. The following table shows the semi-annual and annual debt service schedules with respect to the Bonds (assuming no optional redemptions).

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
THE BONDS DEBT SERVICE SCHEDULE

Payment Date	The Bonds Principal	The Bonds Interest	Total Bonds Debt Service	Annual Debt Service
Total				

Aggregate General Obligation Bond Debt Service Schedule. The following table presents the combined debt service schedules for the Bonds and all other outstanding general obligation bonds of the District.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
COMBINED DEBT SERVICE SCHEDULES
As of the Delivery Date

Period Ending Sept. 1	Election of 2001 Authorization	Election of 2005 Authorization	2012 Refunding Bonds [1]	2014 Refunding Bonds[1]	2014 Series A Bonds[1]	2014 Series B Bonds[1]	2018 Refunding Bonds	2019 Forward Delivery Refunding Bonds	The Bonds	Total
2021	$11,375,000.00	$19,365,000.00					$1,325,387.50	$1,136,250.00		
2022	12,135,000.00	20,830,000.00					1,325,387.50	1,136,250.00		
2023	11,985,000.00	22,325,000.00					1,325,387.50	1,136,250.00		
2024	12,785,000.00	23,905,000.00					1,325,387.50	1,136,250.00		
2025	13,630,000.00	25,575,000.00					1,325,387.50	1,136,250.00		
2026	14,520,000.00	27,345,000.00					1,325,387.50	1,136,250.00		
2027	21,785,000.00	29,205,000.00					1,325,387.50	1,136,250.00		
2028	22,930,000.00	31,165,000.00					1,325,387.50	1,136,250.00		
2029	6,895,000.00	33,245,000.00					1,325,387.50	1,136,250.00		
2030	26,125,000.00	35,425,000.00					1,325,387.50	1,136,250.00		
2031	5,815,000.00	34,995,000.00					1,325,387.50	1,136,250.00		
2032	--	36,680,000.00					1,325,387.50	1,136,250.00		
2033	--	39,325,000.00					1,325,387.50	1,136,250.00		
2034	--	42,110,000.00					1,325,387.50	1,136,250.00		
2035	--	45,035,000.00					9,655,387.50	1,136,250.00		
2036	--	48,110,000.00					9,392,187.50	4,676,250.00		
2037	--	51,350,000.00					9,106,187.50	4,969,250.00		
2038	--	54,750,000.00					8,803,187.50	5,268,750.00		
2039	--	--					--	5,578,250.00		
2040	--	--					--	5,901,000.00		
2041	--	--					--	--		
2042	--	--					--	--		
2043	--	--					--	--		
2044	--	--					--	--		
2045	--	--					--	--		
Total:	$159,980,000.00	$620,740,000.00					$55,512,375.00	$43,437,250.00		

(1) Expected to be refunded, in part, with the with proceeds of the Bonds. See "THE REFINANCING PLAN."

SECURITY FOR THE BONDS

Ad Valorem Taxes

***Bonds Payable from* Ad Valorem *Property Taxes*.** The Bonds are general obligation bonds of the District, payable solely from *ad valorem* property taxes levied and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation within the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

***Other Bonds Payable from* Ad Valorem *Property Taxes*.** In addition to the Bonds, the District has previously issued other series of general obligation bonds under two authorizations received by the District. These series of bonds are all payable from *ad valorem* taxes on a parity with the Bonds. See "THE REFINANCING PLAN – Debt Service Schedules – Aggregate General Obligation Bond Debt Service" for a schedule of the general obligation bonds issued under authorizations of the District.

In addition to the general obligation bonds issued by the District, there is other debt issued by entities with jurisdictions in the District, which is payable from *ad valorem* taxes levied on property in the District. See "PROPERTY TAXATION – Tax Rates" and "- Direct and Overlapping Debt" below.

Statutory Lien on Ad Valorem Tax Revenues. Pursuant to Senate Bill 222, effective January 1, 2016, voter approved general obligation bonds which are secured by *ad valorem* tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the school district or community college district, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

***Levy and Collection*.** The County will levy and collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a Debt Service Fund for the Bonds, which is maintained by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

***Annual Tax Rates*.** The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Economic and other factors beyond the District's control, such as economic recession, deflation of land values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, pandemics, or the complete or partial destruction of taxable property caused by earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate.

Debt Service Fund

Pursuant to the Bond Resolution, the County will create, while the Bonds are Outstanding, an Debt Service Fund for the Bonds (the "**Debt Service Fund**"), which will be maintained by the County Treasurer as a separate account, distinct from all other funds of the District, into which will be paid on receipt thereof the proceeds of any *ad valorem* taxes levied upon the property within the District for the payment of the Bonds and the interest thereon.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, will be transferred by the County Treasurer to the Paying Agent in immediately available funds on each payment date, which, in turn, will pay such moneys to the Owners of the Bonds in accordance with the Bond Resolution. Interest earnings on funds in the Debt Service Fund will remain therein.

Moneys held in the Debt Service Fund will be invested at the discretion of the County Treasurer pursuant to applicable law and the investment policy of the County, as such policy shall exist at the time of investment.

Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, or provision for such payment has been made, will be transferred to the general fund of the District.

Limited Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* tax levied and collected by the County, for the payment of principal of and interest on the Bonds. Although the County is obligated to collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt of the County.

COVID-19 Global Pandemic

Background. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (**"COVID-19"**), which was first detected in China and has spread to other countries, including the United States, was declared a pandemic by the World Health Organization, a national emergency by the President of the United States (the "**President**") on March 13, 2020 and a state of emergency by the Governor of the State (the "**Governor**") on March 4, 2020. There has been tremendous volatility in the markets in the United States and globally, resulting in the onset of a national and global recession.

The President's declaration of a national emergency on March 13, 2020 made available more than $50 billion in federal resources to combat the spread of the virus. A multi-billion-dollar relief package was signed into law by the President on March 18, 2020, providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. In addition, the Federal Reserve lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending programs to banks and money market mutual funds.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**") was signed by the President of the United States. The CARES Act appropriates over $2 trillion to, among other things, (i) provide cash payments to individuals, (ii) expand unemployment assistance and eligibility, (iii) provide emergency grants and loans for small businesses, (iv) provide loans and other assistance to corporations, including the airline industry, (v) provide funding for hospitals and community health centers, (vi) expand funding for safety net programs, including child nutrition programs, and (vii) provide aid to state and local governments. The CARES Act includes approximately $14.25 billion in funding for higher education, including California community college districts, principally in the form of direct emergency aid to students and institutional grants. The CARES Act also waives a number of federal regulatory requirements to provide institutions greater flexibility in addressing the effects of the COVID-19 outbreak.

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On April 9, 2020, the Federal Reserve took additional actions to provide up to $2.3 trillion in loans to support the economy, including supplying liquidity to participating financial institutions in the SBA's Paycheck Protection Program, purchasing up to $600 billion in loans through the Main Street Lending Program and offering up to $500 billion in lending to states and municipalities.

On April 24, 2020, an additional $484 billion federal aid package was signed, to provide additional funding for the local program for distressed small businesses and to provide funds for hospitals and COVID-19 testing. The legislation added $310 billion to the Paycheck Protection Program, increased the small business emergency grant and loan program by $60 billion, and directed $75 billion to hospitals and $25 billion to a new COVID-19 testing program.

At the State level, on March 15, 2020, the Governor ordered the closing of California bars and nightclubs, the cancellation of gatherings of more than 250 and confirmed continued funding for school districts that close under certain conditions. On March 16, 2020, the State legislature passed $1.1 billion in general purpose spending authority for emergency funds to respond to the Coronavirus crisis. On March 19, 2020, Governor Newsom issued Executive Order N-33-20, a blanket shelter-in-place order, ordering all California residents to stay home except for certain necessities and other essential purposes. On August 28, 2020, the Governor released a new system called "Blueprint for a Safer California," which places the State's 58 counties into four color-coded tiers – purple, red, orange, and yellow, in descending order of severity – based on the number of new daily cases of COVID-19 and the percentage of positive tests. The County is currently in the red tier, which is the second most restrictive.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, the economic impacts and actions that may be taken by governmental authorities to contain the outbreak or to treat its impacts are uncertain and cannot be predicted. Additional information with respect to events surround the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to the Governor's office (http://www.gov.ca.gov) and the California Department of Public Health (https://covid19.ca.gov/). *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such website*s.

Impacts of COVID-19 Pandemic on Global and Local Economies Cannot be Predicted; Potential Declines in State and Local Revenues. The COVID-19 public health emergency will have negative impacts on global and local economies, including the economy of the State and in the region of the District. The extent and duration of the COVID-19 emergency is currently unknown, and the reach of its impacts uncertain.

The State's revenue sources are anticipated to be materially impacted by the COVID-19 pandemic, including with respect to reductions in personal income tax receipts and capital gains tax receipts. Economic uncertainty caused by the outbreak will significantly affect California's near-term fiscal outlook, with a likely recession due to pullback in activity across wide swaths of the economy. For more detail regarding the State's current budget, and related reports and outlooks, see Appendix A under the heading "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

In addition, in an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed an executive order suspending penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent. See "PROPERTY TAXATION – Property Tax Collection Procedures – Waiver of State Laws Relating to Penalties for Non-Payment of Property Taxes."

Impacts of COVID-19 Emergency Uncertain. The possible impacts that the COVID-19 emergency might have on the District's finances, programs, credit ratings on its debt obligations, local property values and the economy in general are uncertain at this time. In addition, there may be unknown consequences of the COVID-19 emergency, which the District is unable to predict.

General Obligation Bonds Secured by* Ad Valorem *Tax Revenues. Notwithstanding the impacts the COVID-19 emergency may have on the economy in the State, the County and the District or on the District's general purpose revenues, the Refunding Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are not payable from the general fund of the District. The District cannot predict the impacts that the Coronavirus emergency might have on local property values or tax collections. See "SECURITY FOR THE BONDS – *Ad Valorem* Taxes" and "PROPERTY TAXATION – Teeter Plan" herein.

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PROPERTY TAXATION

Property Tax Collection Procedures

In California, property that is subject to *ad valorem* taxes is classified as either “secured” or “unsecured.” The “secured roll” is that part of the assessment roll containing state-assessed public utilities’ property, as well as property, the taxes on which are secured by a lien that is sufficient, in the opinion of the county assessor, to secure payment of those taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax that becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured property and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Secured Roll. Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll for which taxes are delinquent is declared tax-defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If property taxes remain unpaid for a period of five years or more, the property is subject to sale by the County for the amount of taxes that are delinquent. This is the exclusive means of enforcing the payment of delinquent taxes for property on the secured roll.

Property taxes on the secured roll are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. However, a bill enacted in 1983, SB813 (Statutes of 1983, Chapter 498), provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. This legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provides increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Unsecured Roll. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder’s office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Waiver of State Laws Relating to Penalties for Non-Payment of Property Taxes. In an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed Executive Order N-61-20 ("**Order N-61-20**"). Under Order N-61-20, certain provisions of the State Revenue and Taxation Code are suspended until May 6, 2021 to the extent said provisions require a tax collector to impose penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent. Said penalties, costs and interest shall be cancelled under the conditions provided for in Order N-61-20, including if the property is residential real property occupied by the taxpayer or the real property qualifies as a small business under certain State laws, the taxes were not delinquent prior to March 4, 2020, the taxpayer files a claim for relief with the tax collector, and the taxpayer demonstrates economic hardship or other circumstances that have arisen due to the COVID-19 pandemic or due to a local, state, or federal governmental response to COVID-19. The impacts the waiver of penalties, costs or interest on delinquent property taxes under the circumstances described in Order N-61-20 have on property tax revenues are unknown at this time. For information about the County's current distribution of property taxes, see below under the heading "– Teeter Plan."

Disclaimer Regarding Property Tax Collection Procedures. The property tax collection procedures described above are subject to amendment based on legislation or executive order, including Order N-61-20, which may be enacted by the State legislature or declared by the Governor from time to time. The District cannot predict changes in law or orders of State officials that might occur in the future, particularly with regard to actions that might be taken in an attempt to mitigate the impacts of the COVID-19 pandemic.

Unitary Taxation of Utility Property

Historically, property of regulated public utilities was assessed for local tax purposes by the State Board of Equalization on a geographical basis in basically the same manner as other taxable property in any taxing jurisdiction.

In 1987, the State Legislature enacted Chapter 921 amending Section 98.9 and various other sections of the Revenue and Taxation Code. The legislation established in each county one county-wide tax rate area with the assessed value of all unitary and operating non-unitary utility property being assigned to this tax rate area.

The result was a single assessed valuation figure for all utility property owned by each utility within the county without any breakdown for individual taxing jurisdictions. All utility property is subject to a tax at a rate equal to the sum of the following two rates:

- A rate determined by dividing the county's total *ad valorem* tax levies for the secured roll for the prior year, exclusive of levies for debt service, by the county's total *ad valorem* secured roll assessed value for the prior year, and

- A rate determined by dividing the county's total *ad valorem* tax levies for the secured roll for the prior year for debt service only, by the county's total *ad valorem* secured roll assessed value for the prior year.

The foregoing process results in the creation of two pools of money, with the first pool being available for general tax purposes and the second pool being available for debt service purposes, each pool being then allocated to the various taxing jurisdictions in the county by a statutory formula for the county as a whole.

The Teeter Plan

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The District participates in the Teeter Plan, and thus receives 100% of secured property taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes. However, under the statute creating the Teeter Plan, the Board of Supervisors could under certain circumstances terminate the Teeter Plan in its entirety and, in addition, the Board of Supervisors could terminate the Teeter Plan if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that the Teeter Plan were terminated, the amount of the property taxes received by the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

The following table displays secured tax charges and delinquencies in the District for the overall tax levy and for the levy of bond debt service only, beginning in fiscal year 2005-06.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
SECURED TAX LEVIES AND DELINQUENCIES
Fiscal Years 2005-06 through 2019-20

Fiscal Year	Secured Tax Charge (1)	Amount Delinquent June 30	% Delinquent June 30
2005-06	$1,251,753,128.84	$17,103,424.45	1.37%
2006-07	1,376,409,253.08	26,197,807.48	1.90
2007-08	1,457,093,830.58	46,697,485.14	3.20
2008-09	1,584,588,941.64	43,515,351.54	2.75
2009-10	information not available for this fiscal year(2)		
2010-11	1,626,551,714.26	22,740,076.57	1.40
2011-12	1,669,998,720.98	19,012,123.17	1.14
2012-13	1,734,173,278.16	14,429,057.46	0.83
2013-14	1,844,431,216.26	12,687,967.03	0.69
2014-15	1,966,770,411.00	13,608,847.00	0.69
2015-16	2,108,835,147.00	12,480,181.00	0.59
2016-17	2,264,773,716.00	12,299,689.00	0.54
2017-18	2,468,057,231.00	12,451,540.00	0.50
2018-19	2,673,923,760.00	17,100,797.00	0.64
2019-20	2,890,994,566.00	19,059,581.00	0.66

Fiscal Year	Secured Tax Charge (3)	Amount Delinquent June 30	% Delinquent June 30
2005-06	$ 6,779,290.33	$ 82,367.34	1.21%
2006-07	21,038,451.18	367,051.33	1.74
2007-08	21,149,574.25	624,882.12	2.95
2008-09	21,803,689.20	545,067.34	2.50
2009-10	24,282,574.60	473,870.06	1.95
2010-11	25,677,077.00	328,273.42	1.28
2011-12	26,726,745.73	270,005.11	1.01
2012-13	26,929,818.87	197,495.96	0.73
2013-14	28,654,484.65	170,813.97	0.60
2014-15	29,653,487.00	164,391.00	0.55
2015-16	42,069,276.00	220,657.00	0.52
2016-17	44,842,298.00	245,488.00	0.55
2017-18	45,932,431.31	265,984.44	0.58
2018-19	37,182,497.92	241,177.97	0.65
2019-20	59,165,785.79	498,924.62	0.84

(1) All taxes collected by the County. Includes special charges.
(2) County did not provide information for fiscal year 2009-10.
(3) Bond debt service levy only.
Source: California Municipal Statistics, Inc.

Assessed Valuation

The following table identifies the assessed valuation historical trends for the District for the ten most recent fiscal years.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
HISTORIC ASSESSED VALUATIONS
Fiscal Years 2007-08 through 2020-21

	Local Secured	Utility	Unsecured	Total Assessed Value
2011-12	$135,460,795,391	$21,446,780	$7,961,006,485	$143,443,248,656
2012-13	139,764,977,848	24,892,286	8,395,280,383	148,185,150,517
2013-14	148,394,975,444	25,616,795	8,595,801,332	157,016,393,571
2014-15	156,966,133,122	24,716,356	8,766,556,992	165,757,406,470
2015-16	169,079,966,601	27,104,330	9,249,703,279	178,356,774,210
2016-17	182,147,669,087	24,481,212	9,693,669,228	191,865,819,527
2017-18	196,058,271,018	24,480,920	10,838,950,485	206,921,702,423
2018-19	212,054,095,291	23,187,253	11,385,629,516	223,462,912,060
2019-20	227,617,193,673	29,411,654	11,667,518,863	239,314,124,190
2020-21	244,945,516,847	29,063,287	11,068,065,457	256,042,645,591

Source: California Municipal Statistics, Inc.

The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2020-21.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
LOCAL SECURED PROPERTY ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2020-21

Non-Residential:	2020-21 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Agricultural/Rural	$ 787,136,949	0.32%	1,202	0.54%
Commercial/Office Building	32,650,497,665	13.33	5,849	2.65
Industrial	16,988,604,403	6.94	2,852	1.29
Recreational	810,011,433	0.33	550	0.25
Government/Social/Institutional	1,611,603,740	0.66	1,304	0.59
Water Companies/Transportation	388,325,287	0.16	1,776	0.80
Subtotal Non-Residential	$53,236,179,477	21.73%	13,533	6.13%
Residential:				
Single Family Residence	$150,186,505,030	61.31%	161,223	72.98%
Rural Residential	811,891,447	0.33	709	0.32
Condominium/Townhouse	15,025,733,878	6.13	25,980	11.76
Mobile Home	37,112,082	0.02	1,116	0.51
Mobile Home Park	135,592,875	0.06	50	0.02
Hotel/Motel	3,220,750,641	1.31	229	0.10
2-4 Residential Units	4,022,093,904	1.64	5,415	2.45
5+ Residential Units/Apartments	15,353,730,740	6.27	3,307	1.50
Miscellaneous Residential	255,145,966	0.10	183	0.08
Subtotal Residential	$189,048,556,563	77.18%	198,212	89.72%
Vacant Parcels	$2,660,780,807	1.09%	9,177	4.15%
Total	$244,945,516,847	100.00%	220,922	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

The following table shows the per parcel assessed valuation of single family homes in the District, according to the County records for fiscal year 2020-21.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
PER PARCEL ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2020-21

	No. of Parcels	2020-21 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	161,223	$150,186,505,030	$931,545	$645,052

2020-21 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	9,745	6.044%	6.044%	$ 770,910,094	0.513%	0.513%
$100,000 - $199,999	17,523	10.869	16.913	2,506,084,405	1.669	2.182
$200,000 - $299,999	11,971	7.425	24.338	2,995,827,004	1.995	4.177
$300,000 - $399,999	13,166	8.166	32.505	4,612,183,799	3.071	7.248
$400,000 - $499,999	11,930	7.400	39.904	5,356,541,722	3.567	10.814
$500,000 - $599,999	11,307	7.013	46.918	6,214,719,534	4.138	14.952
$600,000 - $699,999	10,794	6.695	53.613	7,007,892,814	4.666	19.618
$700,000 - $799,999	10,071	6.247	59.859	7,546,475,195	5.025	24.643
$800,000 - $899,999	9,209	5.712	65.571	7,820,539,236	5.207	29.850
$900,000 - $999,999	8,380	5.198	70.769	7,948,434,841	5.292	35.143
$1,000,000 - $1,099,999	6,673	4.139	74.908	6,990,724,649	4.655	39.797
$1,100,000 - $1,199,999	5,035	3.123	78.031	5,779,010,168	3.848	43.645
$1,200,000 - $1,299,999	4,343	2.694	80.725	5,420,666,031	3.609	47.255
$1,300,000 - $1,399,999	3,556	2.206	82.930	4,790,115,772	3.189	50.444
$1,400,000 - $1,499,999	3,377	2.095	85.025	4,888,022,805	3.255	53.699
$1,500,000 - $1,599,999	2,835	1.758	86.784	4,392,996,304	2.925	56.624
$1,600,000 - $1,699,999	2,376	1.474	88.257	3,916,809,490	2.608	59.232
$1,700,000 - $1,799,999	2,088	1.295	89.552	3,650,319,002	2.431	61.662
$1,800,000 - $1,899,999	1,794	1.113	90.665	3,318,388,881	2.210	63.872
$1,900,000 - $1,999,999	1,556	0.965	91.630	3,032,166,502	2.019	65.891
$2,000,000 and greater	13,494	8.370	100.000	51,227,676,782	34.109	100.000
	161,223	100.000%		$150,186,505,030	100.000%	

Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

General. There are two types of appeals of assessed values that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in the form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" in APPENDIX A.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District.

Largest Taxpayers

The largest assessed property taxpayers in the District for fiscal year 2020-21 are shown in the following table.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2020-21

	Property Owner	Primary Land Use	2020-21 Assessed Valuation	% of Total (1)
1.	Genentech Inc.	Industrial	$ 2,927,374,135	1.20%
2.	Gilead Sciences Inc.	Industrial	2,524,622,823	1.03
3.	Hibiscus Properties LLC	Office Building	1,900,224,899	0.78
4.	Google Inc.	Office Building	1,520,270,793	0.62
5.	Facebook Inc.	Office Building	1,102,946,336	0.45
6.	Are San Francisco	Industrial	1,036,765,740	0.42
7.	HCP Oyster Point III LLC	Industrial	795,928,157	0.32
8.	Oracle Corporation	Office Building	711,479,265	0.29
9.	Burlingame Point LLC	Office Building	705,474,139	0.29
10.	Slough BTC LLC	Industrial	685,393,965	0.28
11.	Bohannon MG2 LLC	Office Building	517,057,236	0.21
12.	Peninsula Innovation Partners LLC	Industrial	505,168,193	0.21
13.	Franklin Templeton Corporate Services Inc.	Office Building	486,954,745	0.20
14.	Daly City Serramonte Center LLC	Shopping Center	481,940,192	0.20
15.	Woodland Park Property Owner LLC	Apartments	443,870,713	0.18
16.	Essex Portfolio LP	Apartments	386,096,296	0.16
17.	BMR Lincoln Center LP	Industrial	358,850,195	0.15
18.	AP3-SF3 CT North LLC	Industrial	357,995,798	0.15
19.	HSC Holdings	Shopping Center	352,698,808	0.14
20.	Hudson Metro Center LLC, Lessee	Office Building	348,863,922	0.14
			$18,149,976,350	7.41%

(1) 2020-21 Local Secured Assessed Valuation: $244,945,516,847.
Source: California Municipal Statistics, Inc.

Tax Rates

Contained within the District's boundaries are numerous overlapping local agencies. The following table sets forth a five-year history of the total tax rates in Tax Rate Area 12-001 and Tax Rate Area 9-001. Tax Rate Area 12-001 has a total 2020-21 assessed value of $24,802,627,659, which is approximately 9.7% of the assessed valuation in the District. Tax Rate Area 9-001 has a total 2020-21 assessed value of $11,678,059,046, which is approximately 21.9% of the assessed valuation in the District.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
REPRESENTATIVE TAX RATE FIVE-YEAR HISTORY(1)
(Tax Rate Area 12-001 and Tax Rate Area 9-001)
Fiscal Years 2016-17 through 2020-21

Tax Rate Area 12-001 – 2020-21 Assessed Valuation: $24,802,627,659

	2016-17	2017-18	2018-19	2019-20	2020-21
General Tax Rate	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
City of San Mateo Bond	0.0090	0.0084	.0077	.0071	.0067
San Mateo-Foster City School District Bond	0.0546	0.0542	.0530	.0437	.0462
San Mateo High School District Bond	0.0415	0.0433	.0407	.0385	.0449
San Mateo Community College District Bond	0.0247	0.0235	.0175	.0266	.0213
Total Tax Rate	1.1298%	1.1294%	1.1189%	1.1159%	1.1191%

Tax Rate Area 9-001 – 2020-21 Assessed Valuation: $11,678,059,046

	2016-17	2017-18	2018-19	2019-20	2020-21
General Tax Rate	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Midpeninsula Regional Open Space District	0.0006	0.0009	.0018	.0016	.0015
Redwood City School District	0.0461	0.0412	.0384	.0396	.0299
Sequoia Union High School District	0.0391	0.0383	.0365	.0340	.0315
San Mateo Community College District Bond	0.0247	0.0235	.0175	.0266	.0213
Total Tax Rate	1.1105%	1.1039%	1.0942%	1.1018%	1.0842%

(1) Tax Rate Areas 12-001 and 9-001 are the two largest within the District in terms of assessed valuation.
Source: California Municipal Statistics, Inc.

Overlapping Debt

Contained within the District's boundaries are numerous overlapping local agencies providing public services. These local agencies have outstanding bonds issued in the form of general obligation, lease revenue and special assessment. The direct and overlapping debt of the District is shown in the following table. Self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations are excluded from the debt statement.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENT OF DIRECT AND OVERLAPPING DEBT
AS OF March 1, 2021

2020-21 Assessed Valuation: $256,042,645,591

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 3/1/21**
San Mateo Community College District	**100.000%**	**$734,490,961** (1)
Cabrillo Unified School District	100.000	118,106,391
South San Francisco Unified School District	100.000	163,485,887
Jefferson Union High School District	100.000	265,554,630
San Mateo Union High School District	100.000	583,960,648
Sequoia Union High School District	100.000	494,220,000
Belmont Redwood Shores School District and School Facilities Improvement Districts	100.000	115,041,247
Burlingame School District	100.000	170,632,486
Hillsborough School District	100.000	73,579,471
Jefferson School District	100.000	121,720,000
Menlo Park City School District	100.000	126,677,593
Redwood City School District	100.000	184,904,461
San Carlos School District	100.000	109,811,118
San Mateo-Foster City School District	100.000	269,613,474
Other School Districts	100.000	371,394,509
Cities	100.000	129,125,000
Midpeninsula Open Space District	32.518	28095552
Montara Sanitary District	100.000	7843407
Community Facilities Districts	100.000	99,245,000
1915 Act Special Assessment Bonds	100.000	8,495,068
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		**$4,175,996,903**
OVERLAPPING GENERAL FUND DEBT:		
San Mateo County General Fund Obligations	100.000%	$499,334,345
San Mateo County Board of Education Certificates of Participation	100.000	7,505,000
San Mateo County Flood Control District Certificates of Participation	100.000	15,425,000
School District General Fund Obligations	100.000	54,610,278
City of Burlingame General Fund and Pension Obligation Bonds	100.000	47,735,000
City of Daly City Pension Obligation Bonds	100.000	15,025,000
City of Pacifica General Fund and Pension Obligation Bonds	100.000	23,055,000
City of San Mateo General Fund Obligations	100.000	65,410,000
Other City General Fund Obligations	100.000	72,428,157
Midpeninsula Regional Open Space General Fund Obligations	32.518	34,469,275
Highlands Recreation District General Fund Obligations	100.000	2,294,000
Menlo Park Fire Protection District Certificates of Participation	100.000	9,600,000
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$846,891,055
Less: City supported obligations		17,218,750
Highlands Recreation District supported obligations		1,789,320
TOTAL NET OVERLAPPING GENERAL FUND DEBT		**$827,882,985**
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$143,231,959
GROSS COMBINED TOTAL DEBT		**$5,166,119,917** (2)
NET COMBINED TOTAL DEBT		**$5,147,111,847**

Ratios to 2020-21 Assessed Valuation:

Direct Debt ($734,490,961).. 0.29%
Total Direct and Overlapping Tax and Assessment Debt 1.63%
Gross Combined Total Debt... 2.02%
Net Combined Total Debt.. 2.01%

Ratio to Redevelopment Incremental Valuation ($28,513,789,874):
Total Overlapping Tax Increment Debt 0.50%

(1) Excludes Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TAX MATTERS

Federal Tax Status

The interest on the Bonds is not excluded from gross income for federal income tax purposes. However, in the opinion of Jones Hall, A Professional Law Corporation, Bond Counsel, San Francisco, California, interest on the Bonds is exempt from California personal income taxes. The proposed form of opinion of Bond Counsel with respect to the Bonds, which is to be delivered on the date of issuance of the Bonds, is set forth in APPENDIX C.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

A copy of the proposed form of opinion of Bond Counsel is attached as APPENDIX C to this Official Statement.

CONTINUING DISCLOSURE

The District will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District by not later than March 31 after the end of each fiscal year (currently June 30), commencing with the report for the 2020-21 fiscal year (the "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is provided in "APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE". These covenants have been made in order to assist the Underwriter (as defined below) in complying with Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Within the past five years, _________

The District has received training by BLX Group about the District's ongoing continuing disclosure obligations, and expects to comply in all material respects with its continuing disclosure undertakings in the future.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive ad valorem taxes or to collect other revenues or (iii) contests the District's ability to issue and sell the Bonds.

The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District. The District may be or may become a party to lawsuits and claims which are unrelated to the Bonds or actions taken with respect to the Bonds and which have arisen in the normal course of operating the District, including as a result of the COVID-19 pandemic. The District maintains certain insurance policies which provide coverage under certain circumstances and with respect to certain types of incidents. The District cannot predict what types of claims may arise in the future.

RATINGS

Upon issuance of the Bonds, Moody's Investors Service, Inc. ("**Moody's**"), and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("**S&P**"), will assign the Bonds the ratings of "___" and "____," respectively.

The District has furnished to the rating agencies information and material that have not been included in this Official Statement. Generally, rating agencies base their ratings on information and material so furnished and on investigations, studies and assumptions made by the rating agencies. The ratings reflect only the view of the rating agencies, and an explanation of the significance of the ratings may be obtained from the rating agencies at the following addresses: S&P, 55 Water Street, New York, New York 10041 and Moody's Investors Service, 250 Greenwich Street, New York, New York 10007.

There is no assurance that any rating will continue for a given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the assigning rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

VERIFICATION OF MATHEMATICAL ACCURACY

Upon delivery of the Refunding Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations provided to it on behalf of the District relating to the sufficiency of the amounts deposited in the Escrow Fund (together with interest earnings) to pay, when due, the principal (whether at maturity or upon prior redemption) interest and redemption premium requirements of the Prior Bonds being refunded. See "THE REFINANCING PLAN – Refunding Bonds."

UNDERWRITING

The Bonds. Morgan Stanley & Co. LLC (the "**Underwriter**") has agreed in a bond purchase contract to purchase the Bonds at an aggregate purchase price of $___________ (consisting of the par amount of $__________, plus original issue premium of $___________, less an underwriter's discount of $__________).

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell Bonds to certain dealers and others at a price lower than the offering prices stated on the inside cover page of this Official Statement. The offering price may be changed from time to time by the Underwriter.

The Underwriter has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, the Underwriter may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, the Underwriter may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer, or the Obligor, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

EXECUTION

The execution and delivery of this Official Statement has been approved by the Board of Trustees of the District.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By: ____
Chancellor

APPENDIX A

FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT AND SAN MATEO COUNTY

GENERAL DISTRICT INFORMATION

The information in this Appendix concerning the operations of the District and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment of the interest on and principal of the Bonds. See "SECURITY FOR THE BONDS" above.

General Information

The District provides community college educational services primarily to residents of the County of San Mateo, California, located between San Francisco and Silicon Valley. The District was established in 1922 and operates three colleges: College of San Mateo, Cañada College, and Skyline College. Combined, the three colleges of the District serve approximately 30,000 students annually and offer the first two years of college-level instruction in a wide variety of transfer programs as well as more than 120 career and technical education programs. Students can earn either Associate in Arts or Science degrees or receive Certificates of Proficiency in their chosen fields. In addition, Skyline College offers one of only fifteen baccalaureate programs in the California community college system, where students can earn a Bachelor of Science in Respiratory Care. Distance education courses are available at all three colleges, as well as courses and programs serving concurrently enrolled students. Noncredit, short courses are offered for a fee through the Community Education Program. Each college is fully accredited by the Western Association of Schools and Colleges, the recognized local accrediting agency for the western United States that is affiliated with the Federation of Regional Accrediting Commissions of Higher Education.

Governance and Administration

The District is governed by a six-member board of trustees ("**Board of Trustees**"), with five voting members, elected by district, serving four-year terms and one non-voting student member, elected by students, for a one-year term. Current members of the Board of Trustees, together with their respective offices and the date their respective terms expire, are listed below:

Name	Position	Term Expires
Tom Nuris	President	December 2022
Richard Holober	Vice President-Clerk	December 2022
Maurice Goodman	Trustee	December 2024
Lisa Petrides	Trustee	December 2024
John Pimentel	Trustee	December 2024
Jade Shonette	Student Trustee	December 2021

The day-to-day operations of the District are managed by the board-appointed Chancellor. Michael Claire has served in this position since August 2019. Bernata Slater is the Chief Financial Officer of the District .

Former Chancellor. On August 12, 2019, the District announced that Ron Galatolo, the long-time Chancellor of the District, would leave his position as Chancellor in order to become Chancellor Emeritus. On February 6, 2021, the Board voted to terminate the Chancellor Emeritus contract amid an investigation by the San Mateo County District Attorney into Mr. Galatolo's actions during his tenure as Chancellor. The allegations remain under investigation by the County District Attorney. The District does not expect the investigation or any of the alleged activities, if true, to materially impact the District, its operations, its finances, any funds related to the Bonds or the Prior Bonds, or the District's ability to pay debt service on the Bonds from ad valorem property taxes levied by the District and collected by the County.

District's Response to COVID-19 Emergency

In March, 2020, the District closed its schools for on-site learning to reduce the potential for community transmission of COVID-19, and is currently offering most classes through an online format. On August 28, 2020, the Governor released a new system called "Blueprint for a Safer California," which places the State's 58 counties into four color-coded tiers – purple, red, orange, and yellow, in descending order of severity – based on the number of new daily cases of COVID-19 and the percentage of positive tests. Under the State's "Blueprint for a Safer California," counties must spend at least three weeks in each tier before advancing to the next one. The County is currently assigned to the red tier, which is the second most restrictive.

The District received approximately $7.2 million in relief funds in 2020 to address costs which may have resulted from the COVID-19 emergency, including $5.6 million from CARES Act funding, and received another $13.3 million in relief funds in 2021. See herein under the heading "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS" for information on the State's current and proposed budgets.

The District offers COVID-19 testing at one of its campuses, and offers food distribution services at two campuses. The District allocated $100,000 in emergency funding to assist students with housing costs during the pandemic, and began distributing grocery vouchers to approximately 1,600 students. The District has allocated $1 million in funds for student grocery vouchers in the 2020-21 school year.

The District has incurred costs as a result of COVID-19, such as the costs of mitigation measures and of implementing distance learning. However, funding under the CARES Act and other cost-saving impacts of not operating site-based learning, such as reductions in fuel and electricity costs, provide offsets to those expenses. With respect to pension costs, the District cannot currently predict if the COVID-19 emergency will have a material impact on its required employer contributions which could arise if the unfunded actuarial accrued liabilities of PERS and STRS materially increase. The District maintains reserves for economic uncertainties, which exceed the State' required minimum reserve. See "DISTRICT FINANCIAL INFORMATION — General Fund Reserves."

The impacts of the COVID-19 emergency on global, State-wide and local economies, which could impact District operations and finances, and local property values are unknown and cannot be predicted by the District.

Employee Relations

The District is a party to three collective bargaining agreements, one with each of its units: American Federation of Teachers ("**AFT**"); American Federation of State, County and Municipal Employees ("**AFSCME**"); and California School Employees Association ("**CSEA**"). The District also has 227 employees who are not represented by any bargaining units.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
BARGAINING ORGANIZATIONS AND CONTRACT DATES

Employee Organization/ Bargaining Unit	Number of Budgeted Positions	Contract Termination Date
AFT	376 full-time 556 part-time	June 30, 2019*
AFSCME	103	June 30, 2022
CSEA	463	June 30, 2022

* Employees continue to work under expired contract during negotiations.
Source: San Mateo County Community College District.

DISTRICT FINANCIAL INFORMATION

Funding of Community College Districts in California

Major Revenues. California community college districts (other than community-supported districts, as described below) receive, on average, approximately 52% of their funds from the State, approximately 44% from local sources, and approximately 4% from federal sources. State funds include general apportionment, categorical funds, capital construction, the lottery, and other minor sources. Local sources include property taxes, student fees, and miscellaneous sources.

Prior Funding Formula – SB 361. From 2006-07 to 2017-18, California community college districts were funded pursuant to the provisions of Senate Bill 361 ("**SB 361**"). Under SB 361, general apportionment revenues to community college districts were allocated based on criteria developed by the Board of Governors of the California Community Colleges in accordance with prescribed statewide minimum requirements. Annual allocations were based on the number of colleges and comprehensive centers in each district, plus funding received based on the number of credit and noncredit full time equivalent students ("**FTES**") in each district.

Under SB 361, minimum funding per FTES was: (a) not less than $4,367 per credit FTES; (b) a uniform rate of $2,626 per noncredit FTES; and (c) $3,092 per FTES for the instructional category known as "career development and college preparation," all subject to cost of living adjustments.

Local revenues, consisting of local property taxes and student enrollment fees, were first used to satisfy a community college district's expenditures. Once these sources were exhausted, State funds were used to determine a district's revenue limit under SB 361.

New Student-Focused Funding Formula. The 2018-19 State Budget, signed by Governor Jerry Brown on June 27, 2018, created a new Student-Focused Funding Formula for general purpose apportionments, which will be implemented over the next three years. The new formula allocates funding to community college districts based upon FTES, as well as additional factors. The three calculations in the formula are:

(1) a **base allocation** consistent with the SB 361 formula described above;

(2) a **supplemental allocation** based on the number of students who receive a California Promise Grant, Pell Grant or are non-resident students that qualify for in-state tuition; and

(3) a **student success allocation** which will allocate funds for outcomes related to completion of associate degree transfers, associate degrees and bachelor's degrees, credit certificates, completion of transfer-level math and English within the first academic year of enrollment, transfer to four-year universities, completion of nine or more career technical education units and attainment of a regional living wage.

Formula Structure and Transition. The table below illustrates how community college district funding will be allocated over the next three years:

	2018-19	2019-20	2020-21	2021-22	2022-23
Base Allocation	70%	65%	60%	70%	70%
Supplemental Allocation	20	20	20	20	20
Student Success Allocation	10	15	20	10	10

Hold Harmless Provision. During the three years of implementation, no community college district will receive less funding than it received in 2017-18, and each district will receive an increase to reflect a cost-of-living adjustment. The formula includes a "stability" provision that delays any decrease in revenue by one year. The hold harmless provision has been extended by two years, through 2023-24, and districts will receive at least their 2017-18 funding, with a cost-of-living adjustment each year.

Advisory Committees. Two advisory committees will be established reporting to the Chancellor's Office and the Legislature.

Effect of Student-Focused Funding Formula on the District. The new funding formula does not impact the District for general fund apportionment because the District is community-supported, as described below. However, categorical funding allocations may be appropriated using the new funding formula.

Community-Supported District. The District obtained the status of being community-supported in fiscal year 2011-12. Formerly known as "Basic Aid," a community-supported community college district is one whose local property tax and student enrollment fee collections exceed the revenue allocation determined by the program-based model. As a community-supported district, the District does not receive any funds from the State appropriation, however, it does receive funds from the State for categorical and grant programs restricted to a special population or for certain purposes such as disabled students or instructional equipment, as well as unrestricted State aid for financial aid administration and part-time faculty costs. Under the SB 361 formula and the new Student-Focused Funding Formula, districts are allowed to keep the excess funds without penalty. The implication for community-supported districts is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts' primary funding sources. Rather, property tax growth and the local economy become the determinant factors. The District has been a community-supported district since fiscal year 2011-12 and, due to projected increases in assessed valuation, the District anticipates that it will remain a community-supported district for fiscal year 2020-21 and the foreseeable future.

Historical Revenue Sources. Set forth below is a table showing historical revenue sources.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
REVENUE SOURCES

Percentage of Total
General Fund Revenues

Revenue Source	2016-17	2017-18	2018-19	2019-20	2020-21(1)
Federal Revenue	2.74%	3.29%	2.53%	3.01%	3.17%
State Revenue(2)	14.90	14.27	16.21	15.17	16.72
Local Revenue	79.99	80.55	70.77	77.14	77.64
Other	2.37	1.89	10.49	4.68	2.47
Total	100.00%	100.00%	100.00%	100.00%	100.00%

(1) Budgeted.
(2) The District has been a community-supported district since 2011-12. State Revenue primarily reflects receipt of State categorical and grant program funds. See "Funding of Community College Districts in California – Major Revenues" above.
Source: San Mateo County Community College District.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community Colleges Budget and Accounting Manual. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund, which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30. All governmental funds and fiduciary funds are maintained on the modified accrual basis of accounting, and so revenues are recognized when they become susceptible to accrual (that is, both measurable and available to finance expenditures for the current period). For more information on the District's accounting method, see Note 2, Section B of "APPENDIX B – FISCAL YEAR 2019-20 AUDITED FINANCIAL STATEMENTS" attached hereto.

The Governmental Accounting Standards Board ("**GASB**") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. GASB No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting; (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting; and (iv) required supplementary information.

The District's Audited Financial Statements for fiscal year 2019-20 were prepared by Crowe LLP, Sacramento, California and are attached as APPENDIX B. Audited financial statements for the District for prior fiscal years are on file with the District and available for public inspection at the Chancellor's Office.

The District considers its audited financial statements to be public information, and accordingly, no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit in this Official Statement.

Revenues, Expenditures and Changes in Fund Equity

The following table sets forth the District's revenues, expenses and change in net assets for fiscal years 2015-16 through 2019-20 (as shown in the District's audited financial statements). For fiscal year 2020-21, see the table below under "– District Budget."

The District implemented GASB Statement 75 in fiscal year 2016-17, and applied it retroactively to fiscal year 2015-16. This statement required the District to recognize its share of STRS and PERS unfunded liability, resulting in an artificial decrease in Net Position. This action did not affect the District's actual financial position or the funds available to the District.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Net Position
For Fiscal Years 2015-16 through 2019-20 (Audited)

	2015-16	2016-17	2017-18	2018-19	2019-20
Operating Revenues					
Student Tuition and Fees	$29,828,744	$31,406,255	$31,863,233	$30,889,075	$29,097,193
Less: Fee waivers and allowances	(10,824,236)	(8,944,240)	(8,531,505)	(7,944,959)	(7,790,516)
Less: Bad debt	--	---	--	--	--
Net tuition and fees	19,544,508	22,462,015	23,331,728	22,944,116	21,306,677
Auxiliary Enterprise Sales and Charges:					
Bookstore	4,591,300	4,410,595	4,025,607	4,011,863	3,000,505
Cafeteria	336,175	385,068	315,532	333,366	282,598
Fitness Center	4,800,053	5,078,171	5,269,367	5,664,166	4,971,302
Internal Service Sales and Charges	1,692,234	1,758,382	1,920,500	1,908,455	1,611,079
Total Operating Revenues	30,964,270	34,094,231	34,862,734	34,861,966	31,172,161
Operating Expenses					
Salaries	113,132,972	110,023,343	127,869,550	135,998,258	144,027,756
Employee benefits	42,594,779	55,857,693	56,451,874	70,644,767	74,825,070
Supplies, materials and other operating expenses and services	30,845,988	35,850,214	41,869,457	36,976,398	33,875,260
Equipment, maintenance and repairs	--	--	--	--	--
Student financial aid	20,630,274	18,960,228	20,177,357	19,622,150	25,459,324
Depreciation	26,467,808	27,103,655	27,353,842	27,466,920	29,120,378
Total Operating Expenses	233,671,821	247,795,133	273,722,080	290,708,493	307,307,788
Operating Loss	(202,707,551)	(213,700,902)	(238,859,346)	(255,846,527)	(276,135,627)
Non-Operating Revenues (Expenses)					
State apportionments, non-capital	2,329,774	--	--	--	--
Local property taxes, levied for general purposes	125,380,078	135,522,657	145,713,030	157,585,771	168,332,141
Local property taxes; levied for special purposes	47,018,246	50,927,754	52,707,973	43,980,754	66,688,644
Parcel tax	--	-	--	--	--
Federal grants	22,508,197	21,113,583	22,606,030	20,321,751	24,726,255
State grants	18,467,175	27,032,584	25,542,513	29,565,465	31,922,316
Local grants	2,549,134	2,173,654	3,518,876	3,074,844	4,463,974
State taxes and other revenues	16,418,179	6,145,166	8,241,127	17,256,712	13,176,975
Investment income (loss), net	4,067,778	1,803,542	3,145,522	8,121,961	17,336,000
Interest expense on capital related debt	(37,500,583)	(33,704,897)	(40,839,880)	(32,799,080)	(44,395,984)
Interest income on capital asset-related debt, net	--	--	--	--	--
Gain (Loss) on disposal of asset	(86,245)	(81,742)	(90,238)	29,977,362	(23,323)
Other non-operating revenues (expenses)	18,916,491	7,714,319	16,077,870	26,218,611	6,962,498
Total Non-Operating Revenues (Expenses)	220,068,224	218,646,620	236,622,823	303,304,151	289,189,496
Income (Loss) Before Capital Contributions	17,360,673	4,945,718	(2,236,523)	47,457,624	13,053,869
Capital Contributions					
State revenues, capital	2,843,825	3,460,920	1,584,264	398,017	185,549
Local revenues, capital	342,245	1,003,735	371,789	269,393	143,470
Total Capital Contributions	3,186,070	4,464,655	1,956,053	667,410	329,019
Change in Net Position	20,546,743	9,410,373	(280,470)	48,125,034	13,382,888
Net Position, Beginning of Year	(26,235,346)	42,177,774	(41,420,225)	(41,700,695)	6,424,340
Prior Period Restatement[(1) (2)]	47,866,377	(93,008,372)	--	--	--
Net Position, End of Year, as Restated	21,631,031	(50,830,598)	--	--	--
Net Position, End of Year	$42,177,774	$(41,420,225)	$(41,700,695)	$6,424,339	$19,807,228

(1) For the year ended June 30, 2016, the July 1, 2015 net position was restated to correct an error for the understatement of the net OPEB asset. The correction increased the July 1, 2015 beginning net position by $47,866,377. Additionally, for the year ended June 30, 2015, the change in net position would have increased $12,126,178 if the OPEB asset were recorded in the financial statements. See "– Post-Employment Benefits Other than Pension Benefits," below.

(2) For the year ended June 30, 2017, the District implemented GASB Statement No. 75. GASB 75 encouraged retroactive application. As a result, the July 1, 2016 net position was restated, decreasing net position by $93,008,372 due to the recognition of the net OPEB liability. See "Management's Discussion and Analysis - Other Postemployment Benefits" in the District's FY 2016-17 Audited Financial Statements.

Source: San Mateo County Community College District.

District Budget

The District is required by provisions of the State Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed revenues plus the carry-over fund balance from the previous year. The Board of Governors of the California Community Colleges imposes a uniform budgeting format for all California community college districts.

Under current law, the District Board of Trustees approves a tentative budget by July 1 and an adopted budget by September 15 of each fiscal year.

The presentation of the District's audits as summarized in the previous section is used only for District's external audit. The District manages its funds in a different format, including with respect to its budgets and unaudited actuals. The following table shows the District's adopted general fund budgets for fiscal years 2016-17 through 2020-21, together with audited actual numbers for fiscal years 2016-17 through 2019-20.

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SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
COMBINED UNRESTRICTED & RESTRICTED GENERAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEARS 2016-17 THROUGH 2019-20 (BUDGETED AND AUDITED)
FISCAL YEAR 2020-21 (BUDGETED)

	2016-17 Adopted Budget	2016-17 Audited Actuals	2017-18 Adopted Budget	2017-18 Audited Actuals	2018-19 Adopted Budget	2018-19 Audited Actuals	2019-20 Adopted Budget	2019-20 Audited Actuals	2020-21 Adopted Budget
Beginning Balance	$47,242,446	$47,242,446	$47,559,305	$47,559,305	$48,326,717	$48,326,717	$71,746,361	$71,746,361	$78,131,198
Revenues									
Federal Revenue	8,524,064	5,639,607	13,157,978	7,232,015	7,008,888	6,851,443	7,309,655	$7,869,448	$8,258,380
State Revenue	29,705,705	30,645,852	33,072,796	31,384,847	34,780,704	43,939,388	38,657,487	39,713,775	43,499,318
Local Revenue	161,780,139	164,548,917	177,693,439	177,116,305	194,091,854	191,839,612	196,387,330	201,889,530	202,009,948
Total Revenues	200,009,908	200,834,376	223,924,213	215,733,168	235,881,446	242,630,443	242,354,472	249,472,754	253,767,646
Expenditures									
Certificated Salaries	74,822,637	66,167,086	78,048,192	68,264,581	78,960,349	70,876,596	74,997,150	74,371,528	80,005,481
Classified Salaries	48,151,050	47,635,845	53,530,644	51,223,155	57,030,637	55,304,729	59,941,706	58,652,530	63,817,513
Employee Benefits	42,673,189	46,935,511	49,959,073	51,070,301	55,193,367	60,121,189	57,350,213	59,216,429	56,163,657
Supplies & Materials	9,559,037	4,266,443	10,665,115	3,949,096	8,852,800	4,149,529	7,236,639	4,004,652	10,319,998
Operating Expenses	36,639,309	18,488,564	38,364,595	21,372,411	35,961,306	22,684,551	47,952,144	20,510,369	54,853,242
Capital Outlay	413,460	1,202,190	1,010,983	1,557,957	510,299	1,705,778	3,116,696	2,117,511	3,372,917
Total Expenditures	212,258,682	184,695,639	231,578,602	197,437,503	236,508,758	214,842,372	250,594,548	218,873,018	268,532,809
Transfers & Other									
Transfers in	3,619,761	4,879,471	3,132,586	4,107,296	2,867,689	6,936,279	5,440,321	12,248,965	6,425,837
Other sources	--	--	--	50,670	--	21,490,975	--	4,787	--
Transfers out	(5,075,819)	(19,985,223)	(4,683,407)	(20,402,947)	(4,634,552)	(30,443,165)	(76,16,427)	(34,304,527)	(9,907,199)
Contingency	-	-	(83,627)	--	(83,627)	--	0	0	--
Other outgo	(1,170,828)	(716,126)	(1,795,706)	(1,283,272)	(2,142,537)	(2,352,515)	(2,512,187)	(2,164,125)	(4,483,795)
Total Transfers & Other	(2,626,886)	(15,821,878)	(3,430,154)	(17,528,253)	3,993,027	(4,368,426)	(4,688,293)	13,041,805	(7,965,158)
Net Change in Fund Balance	(14,875,660)	316,859	(11,084,544)	767,412	(4,620,339)	23,419,644	(12,928,369)	6,384,837	(22,730,320)
Ending Balance	$16,156,491	$47,559,305	$36,474,762	$48,326,717	$43,706,378	$71,746,361	$58,817,992	$78,131,198	$55,400,879

Fiscal Year 2020-21 Budget. The Board of Trustees adopted the 2020-21 budget on September 9, 2020. The 2020-21 budget assumes that the District will continue to be a community-supported district. Additionally, the District expects to receive State categorical funds totaling approximately $6.5 million for the Student Equity Access Program and $4 million for DSPS/EOPS/Foster Care, and $2.1 million for Strong Workforce. The District has previously received and expects to receive additional funds for costs incurred due to COVID-19. See "GENERAL DISTRICT INFORMATION - District's Response to COVID-19 Emergency" in this Appendix A.

The District has budgeted approximately $1.4 million of State allocation from the EPA established pursuant to Propositions 30 and 55. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS - Proposition 30 and Proposition 55."

General Fund Reserves. In fiscal year 2020-21, the District achieved the goal of setting aside reserves which represent 15% of the District's unrestricted general fund expenditures. The District intends to maintain this level of reserves for emergencies.

International Students. The District has focused on several initiatives to increase the enrollment of international students. In fiscal year 2020-21, international student enrollment was reduced by 48% due to a combination of factors, including federal anti-immigration policies and the COVID-19 pandemic. Because the District is community-supported, there is no enrollment cap and no local students are denied access to the colleges as result of increased international student enrollment. In order to mitigate the reduction of international students the District has implemented a new initiative, the Global Online Learning program, providing distance education abroad.

District Debt

Payment History. The District has never defaulted on the payment of principal of or interest on any of its indebtedness.

Short-Term Borrowing. The District has no outstanding tax and revenue anticipation notes.

Long-Term Borrowing. As described below the District has seven series of general obligation bonds outstanding, aside from the Bonds. These bonds are payable solely from the proceeds of *ad valorem* taxes levied for the purpose of paying the bonds and are not payable from the general fund of the District.

In June 2002, the District issued its 2002 General Obligation Bonds (Election of 2001), Series A, in the amount of $96,875,612.95. These bonds include both current interest bonds and capital appreciation bonds. As of March 1, 2021, the outstanding principal amount (not including accreted interest) was $9,662,046.

In February 2005, the District issued its 2005 General Obligation Bonds (Election of 2001), Series B, in the amount of $69,995,612.40. These bonds include both current interest bonds and capital appreciation bonds. As of the Closing Date, the outstanding principal amount (not including accreted interest) was $23,095,132.

In April 2006, the District issued its 2006 General Obligation Bonds (Election of 2001), Series C, in the amount of $40,124,660.45. These bonds include both current interest bonds and capital appreciation bonds. As of March 1, 2021, the outstanding principal amount (not including accreted interest) was $21,167,441.

In April 2006, the District issued its 2006 General Obligation Bonds (Election of 2005), Series A, in the amount of $135,429,394.60. These bonds include both current interest bonds and capital appreciation bonds. As of March 1, 2021, the outstanding principal amount (not including accreted interest) was $44,651,115.

In December 2006, the District issued its 2006 General Obligation Bonds (Election of 2005), Series B, in the amount of $332,570,193.75. These bonds included both current interest bonds and capital appreciation bonds. As of March 1, 2021, the outstanding principal amount (not including accreted interest) is $158,315,229.

In June 2012, the District refunded a portion of its outstanding general obligation bonds from proceeds of its 2012 General Obligation Refunding Bonds in the amount of $107,595,000. As of March 1, 2021, the outstanding principal amount was $33,280,000. A portion of the 2012 Refunding Bonds are expected to be refunded with proceeds of the Bonds.

In October 2014, the District refunded a portion of its outstanding general obligation bonds from proceeds of its 2014 General Obligation Refunding Bonds in the amount of $121,805,000. As of March 1, 2021, the outstanding principal amount was $82,770,000. A portion of the 2014 Refunding Bonds are expected to be refunded with proceeds of the Bonds.

In June 2015, the District issued its 2015 General Obligation Bonds (Election of 2014), Series A, in the amount of $127,000,000. As of March 1, 2021, the outstanding principal amount was $64,275,000. A portion of the 2014 Series A Bonds are expected to be refunded with proceeds of the Bonds.

In November 2018, the District issued its 2018 General Obligation Bonds (Election of 2014), Series B, in the amount of $261,000,000. . As of March 1, 2021, the outstanding principal amount was $240,885,000. A portion of the 2014 Series B Bonds are expected to be refunded with proceeds of the Bonds.

In November 2018, the District issued its 2018 General Obligation Refunding Bonds, in the amount of $33,665,000. As of March 1, 2021, the outstanding principal amount was $33,665,000.

In June 2019, the District issued its 2018 General Obligation Refunding Bonds (Forward Delivery), in the amount of $22,725,000. As of March 1, 2021, the outstanding principal amount was $22,725,000.

Pension Plans

California State Teacher's Retirement System. For the benefit of faculty and some administrators, the District participates in the California State Teacher's Retirement System ("**STRS**"), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. As a result of the Public Employee Pension Reform

Act of 2013 ("**PEPRA**") (see "Pension Reform Act of 2013 (Assembly Bill 340)" below), changes were made to the defined benefit pension plan beginning January 1, 2013.

Due to the implementation of PEPRA, new members of the plan must pay at least 50% of the normal cost of the plan, which can fluctuate from year to year. For 2013-14 the required rate was 8% of their salary. Existing plan members are also required to contribute 8% of their salary. The District is required to contribute a legislatively determined rate. The required employer contribution rate for fiscal year 2013-14 was 8.25% of annual payroll. The District's contributions to STRS are set forth in the following table.

Implementation of GASB Nos. 68 and 71. Commencing with fiscal year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, as amended by GASB Statement No. 71, which imposes certain new pension accounting and financial reporting requirements in the notes to its audited financial statements commencing with financial statements for fiscal years ending after June 30, 2014. Statement No. 68, as amended, generally requires the District to recognize its proportionate share of the unfunded pension obligation for STRS and PERS by recognizing a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. As a result of the implementation of GASB Statement Nos. 68 and 71, the District was required to restate its beginning net position as of July 1, 2014.

The District's contributions to STRS since fiscal year 2014-15 are set forth in the following table.

STRS Contributions
San Mateo County Community College District

Fiscal Year	Amount
2014-15	$4,311,554
2015-16	4,900,874
2016-17	6,005,598
2017-18	7,433,405
2018-19	8,619,150
2019-20	9,250,546
2020-21*	10,176,893

**Budgeted.*
Source: San Mateo County Community College District.

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately $102.6 billion as of June 30, 2019 (the date of the last actuarial valuation). In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 (**"AB 1469"**), which represents a legislative effort to address the unfunded liabilities of the STRS pension plan. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2022-23, from a contribution rate of 8.88% in fiscal year 2013-14 to 18% in fiscal year 2022-23. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046

The District's employer contribution rates for fiscal years 2015-16 through 2019-20 were 10.73%, 12.58%, 14.43%, 16.28%, 17.10%, and 16.15% respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2021-22 through fiscal year 2024-25 are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (STRS)
Fiscal Years 2021-22 through 2024-25

Fiscal Year	Employer Contribution Rate[(1)]
2021-22	15.92%
2022-23	18.00
2023-24	18.00
2024-25	18.00

(1) Expressed as a percentage of covered payroll.
Source: AB 1469

The District has included the increases in contribution rates in its collective bargaining contracts.

California Public Employees' Retirement System. For all other employees, the District participates in the State of California Public Employees' Retirement System ("**PERS**"), an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Changes have also been made to the PERS plan pursuant to PEPRA. New plan members must pay at least 50% of the normal cost of the plan, which can fluctuate from year to year. For fiscal year 2019-20 the normal cost of the plan is 19.947%, which rounds to an 8.0% contribution rate for new members. Existing plan members are required to contribute 7.0% of their salary. The District is required to contribute an actuarially determined rate, with one actuarial valuation performed for those employers participating in the pool, and the same contribution rate applying to each. The District's contributions to PERS since fiscal year 2014-15 are set forth in the following table.

PERS Contributions
San Mateo County Community College District

Fiscal Year	Amount
2014-15	$4,385,384
2015-16	5,252,004
2016-17	6,760,065
2017-18	8,137,083
2018-19	10,306,432
2019-20	11,215,354
2020-21*	13,370,193

**Budgeted.*
Source: San Mateo County Community College District.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately

$31.4 billion as of June 30, 2019 (the date of the last actuarial valuation). To address this issue, the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In addition, in April 2014, PERS set new contribution rates, reflecting new demographic assumptions and other changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy intended to incrementally lower its discount rate (its assumed rate of investment return) in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. In December 2016, PERS voted to lower its discount rate from the current 7.5% to 7.0% over the next three years according to the following schedule.

PERS Discount Rate
Fiscal Years 2018-19 through 2020-21

Fiscal Year	Amount
2018-19	7.375%
2019-20	7.250
2020-21	7.000

Source: PERS.

The new rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, will be implemented for school districts beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years.

The District's employer contribution rates for fiscal years 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 were 11.847%, 13.888%, 15.531%, 18.062%, 19.721%, and 20.70% respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2020-22 through fiscal year 2024-25 are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2020-21 through 2022-23(1)

Fiscal Year	Employer Contribution Rate(2)
2021-22	23.00%
2022-23	26.30
2023-24	27.30
2024-25	27.80

(1) The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.
(2) Expressed as a percentage of covered payroll.
Source: PERS

The District has included the increases in contribution rates in its collective bargaining contracts.

Pension Reform Act of 2013 (Assembly Bill 340). On September 12, 2012, Governor Brown signed AB 340, enacting the California Public Employees' Pension Reform Act of 2013 ("**PEPRA**") and amending various sections of the California Education and Government Codes. AB 340 (i) increased the retirement age for new State, school, and city and local agency employees depending on job function, (ii) capped the annual PERS and STRS pension benefit payouts, (iii) addressed numerous abuses of the system, and (iv) required State, school, and certain city and local agency employees to pay at least half of the costs of their PERS pension benefits. PEPRA applies to all public employers *except* the University of California, charter cities and charter counties (except to the extent they contract with PERS.)

The provisions of AB 340 went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on that date and after; existing employees who are members of employee associations, including employee associations of the District, had a five-year window to negotiate compliance with AB 340 through collective bargaining. Beginning in 2018, a city, public agency or school district may require employees to pay their half of the costs of PERS pension benefits, up to 8% of pay for civil workers and 11% or 12% for public safety workers.

PERS has predicted that the impact of AB 340 on employees and employers, including the District and other employers in the STRS system, will vary, based on each employer's current level of benefits. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn. Additionally, PERS has noted that changes arising from AB 340 could ultimately have an adverse impact on public sector recruitment in areas that have historically experienced recruitment challenges due to higher pay for similar jobs in the private sector.

With respect to STRS, the provisions of AB 1469 effective as of July 1, 2014 effectively addressed the contribution requirements of STRS members, employers and the State.

More information about AB 340 can be accessed through the PERS's web site at www.calpers.ca.gov/index.jsp?bc=/member/retirement/pension-reform-impacts.xml&pst=ACT&pca=ST and through the STRS web site at http://www.calstrs.com/Newsroom/whats_new/AB340_detailed_impact_analysis.pdf. *The references to these internet websites are shown for reference and convenience only; the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated herein by reference.*

Post-Employment Benefits Other than Pension Benefits

The District provides post-employment healthcare benefits to retirees meeting plan eligibility requirements. Employees qualify for retiree benefits upon meeting the years of District service requirement and the "Magic 75" which is the employee's age plus years of District service, as indicated in their union contracts. Retiree benefit packages differ depending on hire date.

During the year ended June 30, 2010 the District signed an irrevocable trust agreement (the "**Trust**"), related to a contributory single-employer defined benefit healthcare plan trust administered by the District. The Benefit Trust Company was appointed as the custodian and trustee to administer the Trust. The District made no contributions in FY 2019-20 and contracted to prepare an actuarial study as of June 30, 2020. This recent study determined that the District has fully funded its OPEB liability of $118 million. The fiduciary net position of the trust on June 30, 2020 was $128.5 million (or 9% "over-funded").

Given its funding status, the District anticipates disbursing $7.1 million from the Reserve Fund for Post-Retirement to fund its "pay-as-you-go" retiree benefit costs in fiscal year 2020-21.

The District anticipates starting to draw from the Trust in fiscal year 2021-22 to fund “pay-as-you-go” retiree benefit costs while continuing to charge itself for future OPEB benefits for current employees. Effective fiscal year 2020-21, this charge is 3% of payroll, which is a decrease of 2% of payroll in prior years. As of June 30, 2020, there were 675 retirees and beneficiaries currently receiving benefits and 1,015 active plan members.

California Government Code specifies that the District’s contribution requirements for covered employees are established and may be amended by the Governing Board. Eligible employees are not permitted to make contributions to the Trust. The Plan administrator shall, on behalf of the employer, make all contributions to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the Net OPEB obligation over a period not to exceed 30 years. Contributions to the Trust from the District were $7,409,326 for the year ended June 30, 2020. As of June 30, 2020, the District's OPEB liability is fully funded.

Implementation of GASB No. 74. In June 2015, GASB issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions, which replaced GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. GASB No. 74 addresses the financial reports of defined benefit OPEB plans that are administered as trusts that meet specified criteria. The GASB No. 74 follows the framework for financial reporting of defined benefit OPEB plans in GASB Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and required supplementary information related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments.

For the year ended June 30, 2020, the District recognized OPEB expense of $6,039,929. The District’s OPEB is described in greater detail in “APPENDIX B – Fiscal Year 2019-20 Audited Financial Statements – Note 13.”

Joint Powers Arrangements for Insurance

The District participates in joint ventures under joint powers agreements with School Excess Liability Fund and San Mateo County School Insurance Group (the “**JPAs**”) for property, liability, workers’ compensation, vision, dental, and excess liability coverage. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

These joint powers arrangements are described further in “APPENDIX B – Fiscal Year 2019-20 Audited Financial Statements – Note 15.”

State Funding of Education and Recent State Budgets

General. The largest percentage of community college district revenues comes from the State in accordance with the State’s formula for funding community college districts and the Proposition 98 minimum funding guarantee with respect to education appropriations. The following description of the State’s budget has been obtained from publicly available information which the District believes to be reliable; however, none of the District, its counsel or the Underwriter guarantees the accuracy or completeness of this information and have not independently verified such information. Additional information regarding State budgets is available at various State-maintained websites, including www.dof.ca.gov and www.lao.ca.gov. These websites are not incorporated herein by reference and none of the District, its counsel or the Underwriter make any representation as to the accuracy of the information provided therein or herein.

The COVID-19 pandemic is expected to have a material impact on State revenues and appropriations.

The State Budget Process. The State's fiscal year begins on July 1 and ends on June 30. According to the State Constitution, the Governor is required to propose a budget for the next fiscal year (the "**Governor's Budget**") to the State Legislature no later than January 10 of each year. State law requires the Governor to update the Governor's Budget projections and budgetary proposals by May 14 of each year (the "**May Revision**"). Proposition 25, which was adopted by voters in the State at an election held on November 2, 2010, amended the State Constitution such that a final budget must be adopted by a simple majority vote of each house of the State Legislature by no later than Jun 15 and the Governor must sign the adopted budget by no later than June 30. The budget becomes law upon the signature of the Governor (the "**Budget Act**").

Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years.

Following the submission of the Governor's Budget, the State Legislature takes up the proposal. The primary source of the annual expenditure authorizations is the Budget Act, as approved by the State Legislature and signed by the Governor. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the State Legislature. Appropriations also may be included in the legislation other than the Budget Act. Bills containing appropriations (except for K-12 school districts and community college districts (collectively, "**K-14 districts**") must be approved by a two-thirds majority vote in each House of the State Legislature and be signed by the Governor. Bills containing education appropriations for K-14 districts require only a simple majority vote. Continuing appropriations, available without regard for fiscal year, may also be provided by statue or the State Constitution. Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt. However, delays in the adoption of a final State budget in any fiscal year may affect payments of State funds during such budget impasse.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The Internet websites shown below are shown for reference and convenience only. The information contained within these websites may not be current, has not been reviewed by the District or the Underwriter and is not incorporated in this Official Statement by reference.

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading "Bond Information," posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.

- The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information," posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness and Litigation from the State's most current Official Statement, which discusses the State budget and its impact on school districts.

- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget," includes the text of proposed and adopted State Budgets.

- The State Legislative Analyst's Office (the "**LAO**") prepares analyses of the proposed and adopted State budgets. Those analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)."

2020-21 State Budget

Introduction and Background. The Governor signed the fiscal year 2020-21 State Budget (the **"2020-21 State Budget"**) on June 29, 2020. The 2020-21 State Budget notes that the COVID-19 pandemic has impacted every sector of the State's economy and has caused record high unemployment, and further action from the federal government is needed as a result of the crisis. The Governor is pursuing $1 trillion in flexible federal aid to state and local governments across the country, which support will be critical to mitigate the effects of the public health crisis, encourage recovery, and support persons in need.

At the time of the Governor's proposed 2020-21 State Budget in January, the State was projecting a surplus of $5.6 billion. At the time of the May Revision with respect to the 2020-21 State Budget, the State had a budget deficit of $54.3 billion. The 2020-21 State Budget includes measures to close the gap and bring the State's resources and spending into balance while preserving reserves for future years.

To reduce the structural deficit in the coming years, the 2020-21 State Budget sustains the January 1, 2022 suspension of several ongoing programmatic expansions that were made in the 2019 Budget Act. In addition, the 2020-21 State Budget accelerates the suspension of most Proposition 56 (2016 tobacco tax measure) tax rate increases to July 1, 2021. Despite these measures, the State forecasts an operating deficit of $8.7 billion in 2021-22, after accounting for reserves.

Closing the Budget Gap. The 2020-21 State Budget uses the following strategies to close the budget gap:

- <u>Reserve Draw Down</u>: Draws down $8.8 billion in reserves, including from the State's Rainy Day Fund ($7.8 billion), the Safety Net Reserve ($450 million), and all of the funds in the Public School System Stabilization Account.

- <u>Triggers</u>: Includes $11.1 billion in funding reductions and deferrals that will be restored if at least $14 billion in federal funds are received by October 15, 2020. If the State receives a lesser amount between $2 billion and $14 billion, the reductions and deferrals will be partially restored. The trigger includes $6.6 billion in deferred funding for schools.

- Federal Funds: Relies on $10.1 billion in federal funds that provide State general fund relief, including $8.1 billion already received.

- Revenues: Temporarily suspends the use of net operating losses for medium and large businesses and temporarily limits to $5 million the amount of business incentive credits a taxpayer can use in any given tax year. These short-term limitations will generate $4.4 billion in new revenues in the 2020-21 fiscal year.
-
- Borrowing/Transfers/Deferrals: Relies on $9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 schools. Approximately $900 million in additional special fund borrowing is associated with the reductions to employee compensation and is contained in the trigger.

- Other Solutions: Cancelling multiple program expansions and anticipating increased government efficiencies, higher ongoing revenues above the May Revision forecast and lower health and human services caseload costs than the May Revision estimated.

General Budget Highlights. Certain highlights of the 2020-21 State Budget are:

Emergency Response: COVID-19 and other emergency response efforts included in the 2020-21 State Budget are:

- Responding to COVID-19: The State expects to receive over $72 billion in federal assistance to State programs, of which unemployment insurance represents about $52 billion of this total. Under the CARES Act, the State received $9.5 billion for various uses including $4.4 billion to mitigate K-14 learning loss. The amount of $5.9 million of General Fund spending for 2020-21 and $4.8 million ongoing is allocated to support the State Department of Health's response to COVID-19.

- Enhancements to Emergency Responses and Preparedness: $117.6 million is allocated to the State Office of Emergency Services to enhance emergency preparedness and response capabilities, including with respect to power outages, earthquakes, wildfires and cybersecurity.

- Forestry and Fire Protection: $90 million is allocated to enhance CAL FIRE's fire protection capabilities, including for wildfire prediction and modeling technology.

Revenue Solutions. Revenue measures which are expected to net $4.3 billion in 2020-21, $3.1 billion in 2021-22 and $1.3 billion in 2022-23, include:

- Certain Tax Measure Extensions. Extending certain tax measures including certain sales tax exemptions through the end of 2022-23, extending the carryover period for film credits from 6 years to 9 years, and extending the current exemption from the minimum tax for first year corporations to first year limited liability corporations, partnerships, and limited liability partnerships.

• Expansion of Earned Income Tax. Expanding the Earned Income Tax Credit to certain taxpayers.

• Changes to Tax Laws and Sales Tax. Changes in tax law including suspending net operating losses for 2020, 2021, and 2022 for medium and large businesses, and limiting certain business incentive tax credits, and with respect to closing the sale tax loss gap, requiring used car dealers to remit sales tax to the Department of Motor Vehicles with registration fees.

Recovery for Small Businesses. The 2020-21 State Budget includes a waiver of the minimum franchise tax for the first year of operation, $100 million budgeted for the State's small business loan program, $25 million to provide capital to enable the origination of more loans in underbanked communities, and adding funding of $758,000 ongoing for positions relating to small business support.

Housing. Up to $500 million is allocated in State tax credits for low-income housing in 2021, under certain conditions. The 2020-21 State Budget provides $331 million in National Mortgage Settlement funds to help prevent avoidable foreclosures and evictions, and $8.3 billion across multiple departments and programs to address housing throughout the State.

Higher Education. Higher Education includes the California Community Colleges ("CCCs"), the California State University ("CSU"), the University of California ("UC"), the Student Aid Commission, and several other entities. The 2020-21 State Budget includes total funding of $19.4 billion General Fund and local property tax for all Higher Education entities in fiscal year 2020-21.

Community College Flexibilities. To assist CCCs in their recovery from the impacts of the COVID-19 recession and provide additional near-term certainty, the 2020-21 State Budget enacts statutory changes to:

- Exempt direct COVID-19-related expenses incurred by districts from the 50 Percent Law. This excludes revenue declines.
- Provide a hardship exemption for districts unable to meet their financial obligations due to the deferrals enacted in the 2020-21 State Budget.
- Extend the Student-Centered Funding Formula "hold harmless" provisions for an additional two years, and authorize the use of past-year data sources that have not been impacted by the COVID-19 pandemic for the calculation of the Student-Centered Funding Formula for 2020-21.
- Encourage and expedite the development of short-term career technical education courses to address the impacts of the COVID-19 pandemic.

Other Significant Adjustments.

- Staff for Working Group on Community College Athlete Compensation - An increase of $700,000 one-time non-Proposition 98 General Fund for the Chancellor's Office to contract with an external organization to staff a working group on a community college athlete's use of the athlete's name, image, and likeness for compensation, pursuant to Chapter 383, Statutes of 2019 (SB 206).

- 2019-20 Deferrals - A deferral of approximately $330.1 million Proposition 98 General Fund of community college apportionments from fiscal year 2019-20 to fiscal year 2020- 21.

- 2020-21 Deferrals - A deferral of approximately $662.1 million Proposition 98 General Fund of community college apportionments from fiscal year 2020-21 to fiscal year 2021- 22.

- 2020-21 Deferrals Subject to Control Section 8.28 - As a result of the COVID-19 Recession and absent the receipt of additional federal funds to assist the state with the fiscal crisis, reductions are necessary to balance the State budget. To the extent the federal government provides sufficient federal funds by October 15, 2020, which are eligible for purposes identified below, funds will be appropriated for the 2020-21 fiscal year as follows:

    - A deferral of approximately $791.1 million Proposition 98 General Fund of community college apportionments from fiscal year 2020-21 to fiscal year 2021- 22.

    - COVID-19 Response Block Grant for CCCs – A one-time increase of approximately $120.2 million, which is comprised of approximately $54 million from the CARES Act and approximately $66.3 million Proposition 98 General Fund, for a COVID-19 Response Block Grant for the CCCs to support student learning and mitigate learning loss related to the COVID-19 pandemic.

    - Dreamer Resource Liaisons - An increase of $5.8 million Proposition 98 General Fund to fund Dreamer Resource Liaisons and student support services, for immigrant students including undocumented students in community colleges, pursuant to Chapter 788, Statutes of 2019 (AB 1645). These services provide an opportunity to address disparities and advance economic justice by supporting educational attainment, career pathways and economic mobility for students who may face barriers related to their immigration status.

    - Legal Services - An increase of $10 million ongoing Proposition 98 General Fund to provide legal services to immigrant students, faculty, and staff on community college campuses.

    - Calbright College - A decrease of $5 million ongoing Proposition 98 General Fund for Calbright College, and a decrease of $40 million one-time Proposition 98 General Fund provided to Calbright College that is redirected to offset apportionments costs for fiscal year 2020-21.

- Revised PERS/STRS Contributions - As referenced in the K-12 Education Chapter, to provide local educational agencies and community college districts with increased fiscal relief, the 2020-21 State Budget redirects $2.3 billion appropriated in the 2019 Budget Act to STRS and PERS for long-term unfunded liabilities to further reduce employer contribution rates in fiscal year 2020-21 and fiscal year 2021-22.

- CCC Facilities - An increase of general obligation bond funding of $223.1 million, including $28.4 million to start 25 new capital outlay projects and $194.7 million for the construction phase of 15 projects anticipated to complete design by spring 2021. This allocation represents the next installment of the $2 billion available to CCCs under Proposition 51.

- Local Property Tax Adjustment - A decrease of $60.9 million Proposition 98 General Fund as a result of increased offsetting local property tax revenues.
- Food Pantries - The 2020-21 State Budget enacts statutory changes to support food pantries within available Student Equity and Achievement Program funding.

California Student Aid Commission. The California Student Aid Commission, which administers the State's financial aid programs, the largest of which is the Cal Grant, supports over 410,000 financial aid awards to students accessing higher education. The 2020-21 State Budget reflects a sustained commitment to financial aid programs to provide the least-resourced students access to higher education.

Significant Adjustments:

- Cal Grant Program Adjustment - A decrease of approximately $149 million in fiscal year 2019-20 and approximately $63.3 million in fiscal year 2020-21 to reflect revised estimates of the number of new and renewal Cal Grant awardees in fiscal years 2019-20 and 2020-21.

- Temporary Assistance for Needy Families (TANF) Adjustment - A decrease of $600 million in federal TANF reimbursements in fiscal year 2019-20 which increases General Fund support for the Cal Grant program by an equal amount.

- Grant Delivery System - An increase of $5.3 million one-time General Fund to fund the third year and final year of project development costs for the Grant Delivery System Modernization Project.

- Cal Grant B Service Incentive Grant - A re-appropriation of $7.5 million one-time General Fund from the 2019 Budget Act and a redirection of the Program's $7.5 million funding in fiscal year 2020-21 to support the Disaster Relief Emergency

Student Financial Aid Program, which will provide emergency financial aid to students at the University of California, California State University, and California Community Colleges.

- Contingent General Fund Reduction - As a result of the COVID-19 recession and absent the receipt of additional federal funds to assist the State with the fiscal crisis, reductions are necessary to balance the State budget.

In addition, the 2020-21 State Budget includes certain employee protection terms to ensure the continuity of employment for essential school staff during the COVID-19 pandemic. The 2020-21 State Budget also includes the intent of the State Legislature that school districts, community college districts, joint powers authorities, and county offices of education retain all classified employees in the 2020-21 fiscal year.

Proposed 2021-22 State Budget

On January 8, 2021, the Governor submitted a $227.2 billion 2021-22 State Budget proposal (the "**2021-22 Proposed Budget**") to the Legislature. The Governor has called for immediate legislative action to provide rapid relief to individuals, families and small businesses hit hardest by the COVID-19 pandemic, including direct payments to low-income workers; funding for grants to small businesses and small non-profit cultural institutions disproportionately impacted by the pandemic fee relief for small businesses including personal services and restaurants; funds to support and accelerate safe returns to in-person instruction starting in February 2021; and an increase in the State's minimum wage to $14 per hour.

Reflecting an improved economic outlook and a $15 billion revenue surplus since the 2020 Budget Act, highlights of the 2021-22 Proposed Budget are:

- $372 million to speed up administration of vaccines across all of California's 58 counties and a $14 billion investment in the State's economic recovery, including direct cash support payments of $600 to millions of Californians through the Golden State Stimulus, extending new protections and funding to help keep people in their homes and investing in relief grants for small businesses.

- Budget reserves of $34 billion, including $15.6 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; $450 million in the Safety Net Reserve; $3 billion in the Public School System Stabilization Account; and an estimated $2.9 billion in the state's operating reserve.

- In order to pay down the State's retirement liabilities, the 2021-22 Proposed Budget includes $3 billion in additional payments required by Proposition 2 in 2021-22 and nearly $6.5 billion over the next three years.

K-14 Education Spending. The 2021-22 Proposed Budget's improved revenue estimate results in the highest funding level ever at $85.8 billion for K-12 schools and community college districts under Proposition 98, representing an increased investment of $14.9 billion in K-12 schools and community colleges above the level funded in the 2020 Budget Act. The Proposition 98 funding levels for the 2019-20 and 2020-21 fiscal years increased from 2020 Budget Act levels by $1.9 billion and $11.9 billion, respectively, due almost exclusively to increased General Fund revenues in all fiscal years. Reflecting the changes to Proposition 98 funding levels noted above, total K-12 per-pupil expenditures from all sources are projected to be $18,837 in 2020-21 and $18,000 in 2021-22—the highest levels ever (K-12 Education Spending Per Pupil). The decrease between 2020-21 and 2021-22 reflects the significant allocation of one-time federal funds in 2020-21. Ongoing K-12 per-pupil expenditures of Proposition 98 funds are $12,648 in 2021-22, an increase of $1,994 per pupil over the level provided in the 2020 Budget Act.

The 2021-22 Proposed Budget also includes $4.6 billion Proposition 98 General Fund revenues for extending learning time, including summer school programs and other strategies to address learning loss related to the pandemic. The 2021-22 Proposed Budget continues to commit $2.3 billion General Fund one-time in recognition of the additional costs schools face as they respond to the pandemic. The 2021-22 Proposed Budget directs a significant portion of additional funding to paying down nearly two-thirds of the deferrals implemented in 2020-21 and provides a 3.84% cost-of-living adjustment to the Local Control Funding Formula. The significant growth in capital gains and overall General Fund revenue growth also triggers deposits of roughly $3 billion into the Public School System Stabilization Account, resulting in a statutory cap of 10 percent on local school district reserves beginning in 2022-23.

Funds to Implement In-Person Learning. The 2021-22 Proposed Budget includes $2 billion of one-time Proposition 98 funding available beginning in February 2021, to augment resources for schools to offer in-person instruction safely. This funding will be available on a per-pupil basis for all county schools, school districts, and charter schools that are open for in-person instruction by specified dates. For schools that continue offering or begin offering in-person instruction for at least all TK-2nd grade students, all students with disabilities, youth in foster care, homeless youth, and students without access to technology or high-speed Internet by February 16, and all 3rd-6th grade students by March 15, base grant amounts will be $450, increasing to more than $700 per pupil for schools with a high enrollment of low-income students, youth in foster care, and English language learners. Schools with later start dates will qualify for a proportionally lower base grant, except those in counties with high rates of community spread. Schools in counties with high rates of community spread will be eligible for the full February grant amount if they open for in-person instruction pursuant to state and local health guidance once their rates of community spread sufficiently decline. Funds may be used for any purpose that supports in-person instruction, including enhancing and expanding COVID-19 testing, purchasing personal protective equipment, improving ventilation and the safety of indoor or outdoor learning spaces, teacher or classified staff salaries for those providing and supporting in-person instruction, and social and mental health support services provided in conjunction with in-person instruction.

Federal Funds. The recent federal COVID-19 relief bill provides $54.3 billion to an Elementary and Secondary Schools Emergency Relief Fund (ESSER) for public K-12 schools and $4 billion to a Governor’s Emergency Education Relief Fund (GEER) for both public and private pre-kindergarten through higher education institutions. Based on prior allocations, the Budget projects that California could receive more than $6 billion in ESSER funds and $400 million in GEER funds.

LCFF Funding. Due to a significant reduction in available revenues, the 2020 Budget Act did not provide a statutory cost-of-living adjustment for the LCFF in 2020-21. To make up for this, the Budget funds the LCFF in 2021-22 with both the 2020-21 cost-of-living adjustment (2.31%) and the 2021-22 cost-of-living adjustment (1.5%), creating a compounded combined cost-of-living adjustment of 3.84%, and increasing ongoing LCFF funding by $2 billion from the Proposition 98 General Fund, when adjusted for declining ADA. This increase brings total LCFF funding to $64.5 billion, and funds all local educational agencies at their full LCFF target level.

Deferrals. Pandemic-driven revenue reductions anticipated at the 2020 Budget Act created the need to defer LCFF apportionments, in the amounts of $1.9 billion in 2019-20, growing to more than $11 billion in 2020-21. The Budget pays off the full K-12 deferral in 2019-20 and $7.3 billion of the K-12 deferral in 2020-21, leaving an ongoing K-12 deferral balance of $3.7 billion in 2021-22. As a result, local educational agencies will experience only a few weeks of delay in receiving apportionment in 2021-22 (as opposed to ten-month deferrals in 2020-21), impacting only impact the June 2022 apportionment, which will be delayed into July 2022.

PERS and STRS Contributions. For 2021-22, STRS will apply $820 million to reduce the employer contribution rate from 18.1% to approximately 15.92%, and PERS will apply $330 million to reduce the Schools Pool employer contribution rate from 24.9% to 23%.

School Facilities. The Proposed 2021-22 Budget continues to allocate $1.5 billion of Proposition 51 bond funds to support school construction projects, which is more than double the amount allocated in 2018-19.

Higher Education. The Proposed 2021-22 Budget proposes a General Fund increase of $786 million for the University of California and the California State University with an expectation that they focus on measurable goals to address equity gaps, further maintain online educational opportunities and expand dual admissions and other innovative strategies that reduce time to degree completion. The Budget also assumes resident tuition and fees remain flat in 2021-22.

Disclaimer Regarding State Budgets. The implementation of the foregoing 2020-21 State Budget and future State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks associated with proposed spending reductions, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2020-21 State Budget, or subsequent state budgets, will have on its own finances and operations. However, the Bonds are secured by *ad valorem* taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the sources of information listed below are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of State budget information set forth or referred to or incorporated in this Official Statement.

Availability of State Budgets. The complete 2020-21 State Budget and Proposed 2021-22 State Budget are available from the California Department of Finance website at www.ebudget.ca.gov. An impartial analysis of the budget is published by the Legislative Analyst Office, and is available at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted on these sites, and such information is not incorporated in this Official Statement by these references. The information referred to above should not be relied upon when making an investment decision with respect to the Bonds.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State legislature or the Governor to address the State's current or future revenues and expenditures, or possible future budget deficits. Future State budgets will be affected by national and State economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its own budgets.

County Investment Pool

The following information has been furnished by the County for use in this Official Statement. The District and the Underwriter have not verified the accuracy or adequacy of the information provided by the County.

The County Investment Pool (the "**Investment Pool**" or the "**Pool**") consists of monies deposited with the County Treasurer by County departments and agencies, school districts and community college districts, certain non-County governmental agencies and special assessment districts. Most of the Pool's depositors, including the District, are required by State law to invest their moneys in the Pool, although surplus proceeds are not required to be invested in the Pool. Approximately 28.9% of the Pool's moneys is allocable to voluntary depositors.

Each depositor is assigned a distinct fund number within the Investment Pool. Cash represented by the fund balances is commingled in a Pooled Cash Portfolio for investment purposes; no funds are segregated for separate investment. Investments are selected from those authorized by California Government Code Section 53635 ("**Code**"). Authorized investments include obligations of the United States Treasury, agencies of the United States government, federally sponsored enterprises, local and State bond issues, bankers acceptances, commercial paper of prime quality, collateralized and negotiable certificates of deposit, repurchase and reverse repurchase agreements, medium term corporate notes, shares of beneficial interest in diversified management companies (mutual funds) and asset backed (including mortgage related) securities.

Each calendar year the County Treasurer prepares an Annual Statement of Investment Policy (the "**Investment Policy**") that sets the framework for the investment practices relating to the County treasury. Legislation enacted in 1996 and effective January 1, 1997 requires that the Investment Policy be filed and approved by the Board of Supervisors in open session. The Board of Supervisors approved the current Investment Policy, which became effective March 13, 2018. Having been so approved, the Investment Policy may not be changed without Board approval. The current Statement of Investment Policy can be accessed through the County Treasurer's web site at www.sanmateocountytreasurer.org.

The approved Investment Policy provides that the County's investment objectives are to "preserve principal while earning a reasonable rate of return while awaiting application for governmental purposes." The Investment Policy provides that the percentage of the Fund's market value in any one issuer's securities shall be regularly monitored and the TOC (defined below) will be notified within 10 days of any instances where the percentage of the Fund's market value in any one issuer's securities exceeds the percentage limitations set forth in the Investment Policy. Also, investments in repurchase agreements are authorized investments and can equal up to 100% of the total Pool. As of the date of the most recent investment report, repurchase agreements equaled approximately 4.11% of the total par value of the investments in the Pool.

In accordance with California law, the County of San Mateo Board of Supervisors created an eight-member Treasury Oversight Committee (the "**TOC**") on April 2, 1996. The statutory role of the TOC is to review the Investment Policy as prepared by the Treasurer, to monitor policy compliance as well as investment performance and to cause an annual independent audit to be performed. The TOC meets at least three times each year to accomplish its tasks.

According to the Investment Report for the month ending January 31, 2021, the total cost of the securities in the Treasury Pool was approximately $6,256,205,564.07, and the corresponding market value (excluding accrued interest) was approximately $6,328,255,421.45. As of January 31, 2021, approximately 42.3% of the securities in the Treasury Pool mature within less than one year.

The following table identifies the types of securities held by the Pool as of January 31, 2021:

Type of Investment	Cost	Market Value (1)	% of Pool
Certificate of Deposit	$270,000,000.00	$270,000,000.00	4.27%
Commercial Paper	9,986,750.00	9,993,081.00	0.16
Local Agency Investment Fund	260,000,000.00	260,000,000.00	4.11
United States Treasury - Bills	84,950,477.23	84,979,655.00	1.34
United States Treasury - Notes	2,433,025,347.71	2,478,345,593.16	39.16
Federal Agency – Floating Rate Securities	70,000,000.00	70,018,624.15	1.11
Federal Agency Securities	1,239,231,783.75	1,250,918,555.16	19.77
U.S. Instrumentalities	974,238,920.63	970,639,525.12	15.34
Floating Rate Securities	89,928,678.64	90,317,910.81	1.43
Corporate Bonds	652,413,361.10	668,182,156.52	10.56
Money Market Funds	45,583,446.43	45,583,446.43	0.72
Asset Backed Securities	92,341,692.58	93,961,867.50	1.48
Municipal Bonds	34,505,106.00	35,315,006.60	0.56
Total	$6,256,205,564.07	$6,328,255,421.45	100.00%

(1) Excluding accrued interest.
Source: Tax Collector-Treasurer, County of San Mateo.

For further information concerning County investments, access the County's website: http://www.sanmateocountytreasurer.org/investmentReports.html. *The reference to this Internet website is made for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the District and is not incorporated herein by reference.*

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA and all applicable laws.

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. College districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school and college districts.

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness).

The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the two percent inflation adjustment provision of Article XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property that is considered part of a utility system with components located in many taxing jurisdictions ("**unitary property**"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Constitutional Appropriations Limitation

Article XIIIB ("**Article XIIIB**") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government will be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Lease Payments, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution. See "Proposition 98" and "Proposition 111" below.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "**Article XIIIC**" and "**Article XIIID**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds percent vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds percent vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

Proposition 218 does not affect the *ad valorem* property taxes to be levied by the County to pay debt service on the Bonds.

Proposition 62

A statutory initiative ("**Proposition 62**") was adopted by the voters at the November 4, 1986, general election which (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the District be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of *ad valorem* taxes on real property by local governmental entities except as permitted by Article XIIIA, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

California appellate court cases have overturned the provisions of Proposition 62 pertaining to the imposition of taxes for general government purposes. However, the California Supreme Court upheld Proposition 62 in its decision on August 28, 1995, in *Fresno County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities. The District has not experienced any substantive adverse financial impact as a result of the passage of this initiative.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111 (discussed below), the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "**K-14 school districts**") at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**"), which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "**first test**") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "**second test**"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as **"Proposition 39"**) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 30 and Proposition 55

Proposition 30 appeared on the November 6, 2012 statewide ballot as an initiated constitutional amendment (**"Proposition 30"**), and it was approved by State voters. Proposition 30 increased the State sales tax from 7.25% to 7.50%, increased personal income tax rates on higher income brackets for seven years, and temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax is levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $500,000 but less than $600,000 for joint filers and over, $340,000 but less than $408,000 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $600,000 but less than $1,000,000 for joint filers and over $408,000 but less than $680,000 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the temporary tax increases are included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "Proposition 98" and "Proposition 111" above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the **"EPA"**). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs. EPA funds are provided to all districts, even if a district is community supported.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016 general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030, instead of the scheduled expiration date of December 31, 2018. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amended the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Under Proposition 1A, beginning, in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the

State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provision of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

California Senate Bill 222

Senate Bill 222 (**"SB 222"**) was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* tax collections such as the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Proposition 2

Voters in California approved Proposition 2 on November 4, 2014, which altered the State's existing requirements for the Budget Stabilization Account created in 2004. Proposition 2 created a distinct budget stabilization fund known as the Public School System Stabilization Account (the Proposition 98 reserve), which is to be funded by a transfer of capital gains-related revenues in excess of 8% of general fund revenues.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 22, 62, 98 and 111 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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SAN MATEO COUNTY DEMOGRAPHIC INFORMATION

The District's boundaries are coterminous with those of San Mateo County. This section provides certain information about the economy and demographic trends in the County. However, no revenues of the County or taxes on economic activity in the County are pledged to payment of the Bonds. The Bonds are payable from an ad valorem property tax required to be levied on all taxable property within the District's boundaries in an amount sufficient to pay debt service on the Bonds as it comes due.

General

The County. The County of San Mateo (the "**County**") is located on the California coast approximately 15 miles south of the City of San Francisco. The County is a major employment base, and is also accessible to the San Jose and Silicon Valley areas approximately 30 miles south via Interstate 280 or U.S. Highway 101. The County has an approximate total area of 741 square miles, of which 448 square miles is land and 293 square miles is water. It is the third-smallest county in California by land area.

Population

The following table shows population estimates for the County for the past five years as of January 1.

SAN MATEO COUNTY
Population Estimates

	2016	2017	2018	2019	2020
Atherton	6,984	7,012	7,032	7,044	7,031
Belmont	26,973	26,976	27,017	26,983	26,813
Brisbane	4,649	4,657	4,662	4,659	4,633
Burlingame	30,394	30,389	30,379	30,320	30,118
Colma	1,506	1,506	1,493	1,516	1,729
Daly City	108,783	109,030	109,632	109,710	109,142
East Palo Alto	30,680	30,856	30,990	30,979	30,794
Foster City	32,533	32,671	32,712	33,211	33,033
Half Moon Bay	12,382	12,408	12,450	12,480	12,431
Hillsborough	11,328	11,372	11,413	11,421	11,418
Menlo Park	33,494	35,269	35,503	35,454	35,254
Millbrae	23,011	23,011	23,021	22,983	22,832
Pacifica	38,819	38,671	38,665	38,579	38,331
Portola Valley	4,620	4,618	4,625	4,623	4,607
Redwood City	84,968	85,118	85,339	86,139	86,754
San Bruno	45,494	45,540	45,558	45,542	45,454
San Carlos	29,577	29,599	29,650	29,652	30,145
San Mateo	102,922	103,139	103,605	103,569	103,087
South San Francisco	67,220	67,232	67,268	67,221	67,879
Woodside	5,663	5,672	5,682	5,663	5,676
Balance of County	65,921	66,039	66,288	66,483	66,083
County Total	**767,921**	**770,785**	**772,984**	**774,231**	**773,244**

Source: California State Department of Finance, Demographic Research Unit.

Employment and Industry

The County is included in the San Francisco-Redwood City-South San Francisco Metropolitan District ("**MD**"), which is comprised of San Francisco and San Mateo Counties. The unemployment rate in the San Francisco-Redwood City-South San Francisco MD was 6.1% in December 2020, up from a revised 5.4% in November 2020, and above the year-ago estimate of 1.8%. This compares with an unadjusted unemployment rate of 8.8% for California and 6.5% for the nation during the same period. The unemployment rate was 6.4% in San Francisco County, and 5.8% in San Mateo County.

The following table summarizes the civilian labor force, employment and unemployment for the San Francisco-Redwood City-South San Francisco MD for the years 2015 through 2019. These figures are county-wide statistics and may not necessarily accurately reflect employment trends in the Counties.

SAN FRANCISCO-REDWOOD CITY-SOUTH SAN FRANCISCO MD
(San Francisco And San Mateo Counties)
Annual Average Civilian Labor Force, Employment and Unemployment, and Unemployment by Industry
Calendar Years 2015 through 2019
(March 2019 Benchmark)

	2015	2016	2017	2018	2019
Civilian Labor Force [(1)]	975,700	997,000	1,009,300	1,018,800	1,043,200
Employment	941,100	965,300	980,700	994,900	1,021,100
Unemployment	34,600	31,800	28,600	23,900	22,200
Unemployment Rate	3.5%	3.2%	2.8%	2.3%	2.1%
Wage and Salary Employment: [(2)]					
Agriculture	1,900	1,900	1,800	1,600	1,600
Manufacturing	36,400	38,200	39,400	39,000	39,200
Wholesale Trade	25,600	25,900	26,100	26,500	26,000
Retail Trade	80,800	81,100	81,200	80,300	78,100
Trans., Warehousing, Utilities	36,200	40,500	43,900	47,300	50,300
Information	63,200	70,300	76,600	85,400	97,100
Financial and Insurance	56,900	59,400	59,300	61,000	62,400
Real Estate, Rental & Leasing	20,400	21,000	21,600	22,200	23,700
Professional and Business Services	251,900	262,100	267,200	277,900	291,100
Educational and Health Services	129,900	133,400	136,000	138,900	145,100
Leisure and Hospitality	137,100	141,400	142,400	143,600	147,700
Other Services	40,000	40,700	41,100	41,400	41,600
Federal Government	17,700	17,800	17,600	16,900	16,600
State Government	34,100	35,300	36,100	37,000	38,200
Local Government	72,600	74,600	76,200	77,500	77,200
Total All Industries [(3)]	1,040,800	1,082,200	1,106,500	1,138,900	1,179,600

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

The following table lists the twenty-five largest employers within the County as of February 2021, listed alphabetically.

SAN MATEO COUNTY
Major Employers
(As of February 2021)

Employer Name	Location	Industry
BART Daly City Station	Daly City	Transit Lines
Electric Charging Station	Menlo Park	Research Service
Electronic Arts Inc	Redwood City	Game Designers (mfrs)
Fisher Investments	San Mateo	Investment Management
Fisher Investments	Woodside	Investment Management
Forced Dump Debris Box Svc	Burlingame	Garbage Collection
Genentech Inc	San Francisco	Biotechnology Products & Services
Gilead Sciences Inc	Foster City	Biological Products (mfrs)
Guckenheimer Enterprises Inc	Foster City	Marketing Programs & Services
Kaiser Permanente Redwood City	Redwood City	Hospitals
Kaiser Permanente South Sn	San Francisco	Hospitals
Lsa Global	Redwood City	Training Consultants
Mills-Peninsula Medical Ctr	Burlingame	Hospitals
Motif Inc	San Mateo	Business Services NEC
Oracle Corp	Redwood City	Computer Software-Manufacturers
Palo Alto VA Hosp Med Ctr	Menlo Park	Hospitals
Plateau Systems	San Mateo	Computer Software
San Francisco Intl Airport-Sfo	San Francisco	Airports
San Mateo County Behavior	San Mateo	Government Offices-County
San Mateo County Tax Collector	Redwood City	Tax Return Preparation & Filing
San Mateo Medical Ctr	San Mateo	Hospitals
Sciex LLC	Redwood City	Scientific Apparatus & Instruments-Mfrs
SRI International Inc	Menlo Park	Engineers-Research
Visa Inc	Foster City	Credit Card & Other Credit Plans
Youtube LLC	San Bruno	Online Services

Source: State of California Employment Development Department, America's Labor Market Information System (ALMIS) Employer Database, 2020 2nd Edition.

[Remainder of page intentionally left blank.]

Commercial Activity

Summaries of historic taxable sales within the County during the past five years in which data is available are shown in the following table.

Total taxable sales during calendar the first three quarters of calendar year 2020 in the County were reported to be $11.089 billion, a 15.57% decrease over the total taxable sales of $13.134 billion reported during the first three quarters of calendar year 2019.

SAN MATEO COUNTY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)
2015 through 2019

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015	8,833	$10,301,197	21,825	$15,478,010
2016	12,966	10,394,055	21,899	15,658,573
2017	12,744	10,949,848	21,534	16,552,584
2018	12,802	11,674,214	22,554	17,547,097
2019	12,817	11,989,035	22,908	18,168,258

Source: State Department of Tax and Fee Administration.

[Remainder of page intentionally left blank.]

Median Effective Buying Income

Effective buying income ("**EBI**") is designated by Sales and Marketing Management Magazine as personal income less personal tax and non-tax payments. Personal income is the aggregate of wages and salaries, other labor income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, personal interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local, non-tax payments such as fines, fees, penalties), and personal contributions for social insurance. Effective buying income is a bulk measure of market potential. It indicates the general ability to buy and is essential in comparing, selecting and grouping markets on that basis.

The following table demonstrates the growth in annual estimated EBI for the County, the State and the United States for the period 2017 through 2021.

COUNTY OF SAN MATEO, STATE OF CALIFORNIA AND UNITED STATES
Effective Buying Income
2017 through 2021

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2017	San Mateo County	$33,690,067	$81,795
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	San Mateo County	$35,362,153	$87,101
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	County of San Mateo	$39,578,320	$93,319
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	San Mateo County	$40,511,605	$96,614
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	San Mateo County	$43,397,132	$102,641
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790

Source: The Nielsen Company (US), Inc for years 2017 and 2018; Claritas, LLC for 2019 through 2021.

Construction Activity

Building activity for the calendar years 2015 through 2019 in the County is shown in the following table.

COUNTY OF SAN MATEO
Building Permit Valuation
(Valuation in Thousands of Dollars)

	2015	2016	2017	2018	2019
Permit Valuation					
New Single-family	$374,275.5	$367,334.0	$338,186.5	$330,908.0	$486,257.4
New Multi-family	259,181.0	252,560.4	210,996.5	195,226.4	322,896.6
Res. Alterations/Additions	408,011.2	395,240.9	503,351.5	424,804.7	365,784.7
Total Residential	$1,041,467.7	$1,015,135.3	$1,052,534.5	$950,939.1	$1,174,938.7
New Commercial	$328,133.6	$716,150.7	$1,207,218.1	$1,505,602.0	$737,402.4
New Industrial	0.0	4,954.8	500.0	0.0	0.0
New Other	192,961.9	196,145.2	135,392.7	77,503.7	63,741.5
Com. Alterations/Additions	489,389.7	728,965.3	1,047,885.6	972,646.5	618,727.3
Total Nonresidential	$1,010,485.2	$1,646,216.0	$2,390,996.4	$2,555,752.2	$1,419,871.2
New Dwelling Units					
Single Family	521	458	411	443	497
Multiple Family	1,386	1,319	1,169	1,046	1,049
TOTAL	1,907	1,777	1,580	1,489	1,546

Source: Construction Industry Research Board, Building Permit Summary.

Transportation

San Francisco International Airport ("**SFO**"), the "gateway to the Pacific," is a world-class airport serving tens of millions of domestic and international passengers annually. One of the world's 30 busiest airports, SFO is committed to setting the standard for our industry. This includes being a leader in safety and security, customer service and satisfaction, community relations, environmental commitment, quality of facilities, and financial and economic vitality. SFO was the first major U.S. airport to achieve 100 percent fully automated and integrated baggage screening. Today, efficient operations ensure that passenger screening wait times are among the shortest in the nation.

The Port of Redwood City is also located in the County. The Port has a deep-water channel and handles bulk cargo, including lumber and scrap metal.

The County is connected to downtown San Francisco, SFO, and the East Bay by the San Francisco Bay Area Rapid Transit ("**BART**") District.

The County is also served by Caltrain, a commuter rail service between San Jose and San Francisco, running along the Southern Pacific right-of-way.

APPENDIX B

FISCAL YEAR 2019-20 AUDITED FINANCIAL STATEMENTS

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the San Mateo County Community College District (the "District") in connection with the issuance of $___________ aggregate principal amount of San Mateo County Community College District (County of San Mateo, California) 2021 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). The Bonds are being issued under a resolution adopted by the Board of Trustees of the District on March 10, 2021 (the "Bond Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission.

Section 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District.

"*Dissemination Agent*" means the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"Official Statement" means the final Official Statement relating to the Bonds.

"*Participating Underwriter*" means Morgan Stanley & Co. LLC.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2022 with the report for fiscal year 2020-21, provide to the Participating Underwriter and the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure

Certificate. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the District is unable to provide to the MSRB an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A, with a copy to the Paying Agent.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District, with a copy to the Paying Agent, certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. <u>Content of Annual Reports</u>. The Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding clause (a), the Annual Report shall contain information showing:

(i) Current fiscal year assessed valuation of taxable properties in the District, including assessed valuation of the top ten properties, in the forms provided in the Official Statement.

(ii) Amount of all general obligation debt of the District outstanding, and total scheduled debt service on such general obligation debt.

(iii) Any changes in the operation of the County's Teeter Plan since the previous Annual Report affecting the District's receipt of *ad valorem* property tax revenues used to pay debt service on the Bonds.

(iv) Prior fiscal year total secured property tax levy and collections, showing current collections as a percent of the total levy, in any fiscal year in which the District does not participate in the Teeter Plan, if any.

(v) The District's approved annual budget or a summary thereof for the then-current fiscal year.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District or other obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the District or an obligated person, or the sale of all or substantially all of the assets of the District or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, and, if the Listed Event is described in subsections (a)(2), (a)(6) (other than adverse tax opinions with respect to the tax status of the Bonds or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a notice of Proposed Issuance (IRS Form 5701 TEB) with respect to the Bonds), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) or (a)(15) above, the District determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds.

(c) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule, and the issuer thereof has entered into a continuing disclosure undertaking for such municipal securities.

Section 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 7. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings in this Official Statement, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _______, 2021

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By ______________________________________
Chancellor

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: San Mateo County Community College District

Name of Issue: $___________ aggregate principal amount of San Mateo County Community College District (San Mateo County, California) 2021 General Obligation Refunding Bonds (Federally Taxable)

Date of Issuance: _______, 2021

NOTICE IS HEREBY GIVEN that the San Mateo County Community College District (the "District") has not provided an Annual Report with respect to the above-named bonds as required by its Continuing Disclosure Certificate dated _______, 2021. The District anticipates that the Annual Report will be filed by _____________.

Dated:_____________

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By ______________________________________
Name:
Title:

APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the District nor the Paying Agent take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

Agenda draft

ESCROW DEPOSIT AND TRUST AGREEMENT

Relating to

$107,595,000
San Mateo County
Community College District
(County of San Mateo, California)
2012 General Obligation Refunding Bonds

$121,805,000
San Mateo County
Community College District
(County of San Mateo, California) 2014
General Obligation Refunding Bonds

$127,000,000
San Mateo County
Community College District
(County of San Mateo, California) 2015
General Obligation Refunding Bonds
(Election of 2014), Series A

$261,000,000
San Mateo County
Community College District
(County of San Mateo, California) 2018
General Obligation Bonds (Election of
2014), Series B

This ESCROW DEPOSIT AND TRUST AGREEMENT (this "**Agreement**"), dated _____ 1, 2021, is between the SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT, a community college district organized and existing under the Constitution and laws of the State of California (the "**District**"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as escrow agent for the Refunded Prior Bonds described below (the "**Escrow Agent**").

B A C K G R O U N D :

1. The District previously issued the following outstanding bonds (collectively, the "Prior Bonds"):

(a) San Mateo County Community College District (County of San Mateo, California) 2012 General Obligation Refunding Bonds, issued on June 5, 2012, in the aggregate principal amount of $107,595,000 (the "**2012 Bonds**"), under Resolution No. 12-5 adopted by the Board of Trustees of the District on March 28, 2012 (the "**2012 Bond Resolution**");

(b) San Mateo County Community College District (County of San Mateo, California) 2014 General Obligation Refunding Bonds, issued on October 9, 2014, in the aggregate principal amount of $121,805,000 (the "**2014 Bonds**"), under Resolution No. 14-12, adopted by the Board of Trustees of the District on August 13, 2014 (the "**2014 Bond Resolution**");

(c) San Mateo County Community College District (County of San Mateo, California) 2015 General Obligation Refunding Bonds (Election of 2014), Series A, issued June 18, 2015, in the aggregate original principal amount of $127,000,000 (the "**2015 Bonds**"), under Resolution No. 15-1, adopted by the Board of Trustees of the District on March 25, 2015 (the "**2015 Bond Resolution**"); and

(d) San Mateo County Community College District (County of San Mateo, California) 2018 General Obligation Bonds (Election of 2014), Series B, issued November 20, 2018, in the aggregate original principal amount of $261,000,000 (the "**2018 Bonds**"), under Resolution No. 18-24 adopted by the Board of Trustees of the District on September 26, 2018 (the "**2018 Bond Resolution**"; together with the 2012 Bond Resolution, the 2014 Bond Resolution and the 2015 Bond Resolution, the "**Prior Bond Resolutions**").

2. In order to provide funds to refund a portion of the Prior Bonds, as such portion is identified on <u>Exhibit A</u> hereto (the "**Refunded Prior Bonds**"), and thereby realize interest rate savings to the property taxpayers of the District, the Board of Trustees of the District has authorized the issuance of San Mateo County Community College District 2021 General Obligation Refunding Bonds in the aggregate principal amount of $_______ (the "**2021 Refunding Bonds**") under the provisions of Resolution No. __ adopted on March 10, 2021 (the "**2021 Bond Resolution**").

3. The District wishes to appoint the Escrow Agent for the purpose of establishing an irrevocable escrow fund to be funded, invested, held and administered for the purpose of providing for the payment in full of the principal, interest and redemption premium on the outstanding Refunded Prior Bonds.

4. As a result of the deposit and investment of funds in accordance with this Agreement, (i) the Refunded Prior Bonds that are 2012 Bonds (the "**Refunded 2012 Bonds**") will be discharged and defeased in accordance with the provisions of Section 9.02 of the 2012 Bond Resolution, (ii) the Refunded Prior Bonds that are 2014 Bonds (the "**Refunded 2014 Bonds**") will be discharged and defeased in accordance with the provisions of Section 9.02 of the 2014 Bond Resolution, (iii) the Refunded Prior Bonds that are 2015 Bonds (the "**Refunded 2015 Bonds**") will be discharged and defeased in accordance with the provisions of Section 9.02 of the 2015 Bond Resolution, and (iv) the Refunded Prior Bonds that are 2018 Bonds (the "**Refunded 2018 Bonds**") will be discharged and defeased in accordance with the provisions of Section 9.02 of the 2018 Bond Resolution.

A G R E E M E N T :

In consideration of the premises and the material covenants contained herein, the District and the Escrow Agent hereby agree as follows:

SECTION 1. *Appointment of Escrow Agent; Establishment of Escrow Fund.* The District hereby appoints the Escrow Agent to act as escrow agent for purposes of administering the funds required to redeem and defease the Refunded Prior Bonds in accordance with the Prior Bond Resolution. The Escrow Agent is directed to establish an escrow fund (the "**Escrow Fund**") to be held by the Escrow Agent in trust as an irrevocable escrow securing the payment of the Refunded Prior Bonds as hereinafter set forth. All cash and securities in the Escrow Fund are hereby irrevocably pledged as a special fund for the payment of the principal of and interest and premium on the Refunded Prior Bonds in accordance with the related Prior Bond Resolution.

If at any time the Escrow Agent receives actual knowledge that the cash and securities in the Escrow Fund will not be sufficient to make any payment required by Section 4 in respect of the Refunded Prior Bonds, the Escrow Agent shall notify the District of such fact and the District shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent has no liability for any such insufficiency.

SECTION 2. *Deposit and Investment of Amounts in Escrow Fund.* On ______, 2021 (the "**Closing Date**"), the District shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of $_________ in immediately available funds, to be derived from the proceeds of the 2021 Bonds received by the Escrow Agent on the Closing Date.

On the Closing Date, the Escrow Agent shall invest $______ of the amounts deposited in the Escrow Fund in the federal securities listed on Exhibit B. The Escrow Agent shall hold the remaining $_______ in cash, uninvested.

If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a subscription of state and local government series securities ("**SLGS**") that is to be submitted pursuant to this Agreement, the Escrow Agent shall promptly request alternative written investment instructions from the District with respect to funds which were to be invested in SLGS. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold such funds uninvested and without liability for interest until receipt of further written instructions from the District. In the absence of investment instructions from the District, the Escrow Agent shall hold such funds uninvested. The Escrow Agent may conclusively rely upon the District's selection of an alternative investment as a determination of the alternative investment's legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

SECTION 3. *Application of Amounts in Escrow Fund.* The Escrow Agent is hereby instructed to withdraw from the Escrow Fund and transfer to the Paying Agent an amount required to pay the principal of and interest and redemption premium on the Refunded Prior Bonds, in accordance with the schedule attached as Exhibit C hereto.

Following the payment and redemption of the Refunded Prior Bonds in full, the Escrow Agent shall transfer any amounts remaining on deposit in the Escrow Fund to the San Mateo County Treasurer-Tax Collector, in its capacity as paying agent for the 2021 Bonds, for deposit into the Debt Service Fund established under Section 4.02 of the 2021 Bond Resolution, to be applied to pay interest next coming due and payable on the 2021 Bonds.

SECTION 4. *Irrevocable Election to Redeem Refunded Prior Bonds; Redemption Notice; Defeasance Notice*. The District has irrevocably elected to pay and redeem all of the outstanding Refunded Prior Bonds on the dates set forth in Exhibit C, in accordance with the provisions of the related Prior Bond Resolutions. The District hereby directs the Escrow Agent, as paying agent for the Prior Bonds, to give notice of the redemption of the Refunded Prior Bonds in accordance with the requirements of the Prior Bond Resolutions, at the expense of the District, using forms in the form of Exhibit D.

The District further hereby directs the Escrow Agent to file on the Closing Date the notice attached as Exhibit E on the Municipal Securities Rulemaking Board's EMMA system.

SECTION 5. *Compensation to Escrow Agent.* The District shall pay the Escrow Agent full compensation for its services under this Agreement, including out-of-pocket costs such as publication costs, redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, all fees, costs and expenses relating to the purchase, substitution or withdrawal of any securities after the date hereof. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The Escrow Agent has no lien upon or right of set off against the cash and securities at any time on deposit in the Escrow Fund.

SECTION 6. *Immunities and Liability of Escrow Agent*. The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages. The Escrow Agent shall not be liable for any loss from any investment made by it in accordance with the terms of this Agreement. The Escrow Agent may consult with legal counsel of its own choice and the Escrow Agent shall not be liable for any action taken or not taken by it in good faith in reliance upon the opinion or advice of such counsel. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys and securities to pay the principal, interest and redemption premium with respect to the Refunded Prior Bonds.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter may be deemed to be conclusively proved and established by a certificate of an authorized representative of the District and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care.

The Escrow Agent may at any time resign by giving 30 days' written notice of resignation to the District. Upon receiving such notice of resignation, the District shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Agent from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to the resigning Escrow Agent and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

The District shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby except to the extent caused by the Escrow Agent's negligence or willful misconduct. The provisions of the foregoing sentence shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Agreement and delivered using Electronic Means ("**Electronic Means**" means mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder); provided, however, that the District shall provide to the Escrow Agent an incumbency certificate listing officers with the District to provide such Instructions ("**Authorized Officers**") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The District understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The District shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the District and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the

Escrow Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The District agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 7. *Termination of Agreement.* Upon payment in full of the principal of and interest and redemption premium on the Refunded Prior Bonds and all fees, expense and charges of the Escrow Agent as described above, this Agreement shall terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

SECTION 8. *Execution in Counterparts.* This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9. *Applicable Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

By: ________________________________
Chief Financial Officer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Escrow Agent

By: ________________________________
Authorized Officer

EXHIBIT A

REFUNDED PRIOR BONDS

Refunded 2012 Bonds

Type	Maturity Date	Principal Amount	Interest Rate
Total			

Refunded 2014 Bonds

Type	Maturity Date	Principal Amount	Interest Rate
Total			

Refunded 2015 Bonds

Type	Maturity Date	Principal Amount	Interest Rate
Total			

Refunded 2018 Bonds

Type	Maturity Date	Principal Amount	Interest Rate
Total			

EXHIBIT B

ESCROW SECURITIES

Type of Security	CUSIP or ID	Purchase Date	Maturity Date	First Int Pmt Date	Par Amount	Rate	Purchase Price	Interest Class

EXHIBIT C

ESCROW REQUIREMENTS

Refunded 2012 Bonds

Payment Date	Interest Payment	Maturing Principal	Redeemed Principal	Redemption Premium	Total Payment
9/1/21					
3/1/22					
9/1/22					

Refunded 2014 Bonds

Payment Date	Interest Payment	Maturing Principal	Redeemed Principal	Redemption Premium	Total Payment
9/1/21					
3/1/22					
9/1/22					
3/1/23					
9/1/23					
3/1/24					
9/1/24					

Refunded 2015 Bonds

Payment Date	Interest Payment	Maturing Principal	Redeemed Principal	Redemption Premium	Total Payment
9/1/21					
3/1/22					
9/1/22					
3/1/23					
9/1/23					
3/1/24					
9/1/24					
3/1/25					
9/1/25					

Refunded 2018 Bonds

Payment Date	Interest Payment	Maturing Principal	Redeemed Principal	Redemption Premium	Total Payment
9/1/21					
3/1/22					
9/1/22					
3/1/23					
9/1/23					
3/1/24					
9/1/24					
3/1/25					
9/1/25					
3/1/26					
9/1/26					
3/1/27					
9/1/27					
3/1/28					
9/1/28					

EXHIBIT D

FORM OF NOTICES OF REDEMPTION

2012 Bonds

NOTICE OF PARTIAL REDEMPTION

$107,595,000
San Mateo County Community College District
(County of San Mateo, California)
2012 General Obligation Refunding Bonds
Original Date of Issue: June 5, 2012

NOTICE IS HEREBY GIVEN, by the San Mateo County Community College District (the "District") with respect to the captioned bonds (the "2012 Bonds"), that a portion of the 2012 Bonds (the "Refunded 2012 Bonds") has been defeased and discharged under and within the meaning of the Resolution authorizing the issuance of the 2012 Bonds, and that the District has irrevocably elected to redeem all of the outstanding Refunded 2012 Bonds on September 1, 2022, at a redemption price equal to the par amount thereof together with accrued interest thereon to the redemption date, without premium. Interest on the Refunded 2012 Bonds will not accrue after the redemption date.

The Refunded 2012 Bonds consist of the following:

Maturity Date	Principal Amount	Interest Rate	CUSIP
			799038 ___

Funds for the payment of the Refunded 2012 Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., as escrow bank, and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded 2012 Bonds has been verified by ______, certified public accountants. The Refunded 2012 Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent.

The District and the escrow bank shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Refunded 2012 Bonds; the CUSIP numbers are included solely for the convenience of the owners of the Refunded 2012 Bonds.

Dated: ___________, 2021

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank

2014 Bonds

NOTICE OF PARTIAL REDEMPTION

$121,805,000
San Mateo County Community College District
(County of San Mateo, California)
2014 General Obligation Refunding Bonds
Original Date of Issue: October 9, 2014

NOTICE IS HEREBY GIVEN, by the San Mateo County Community College District (the "District") with respect to the captioned bonds (the "2014 Bonds"), that a portion of the 2014 Bonds (the "Refunded 2014 Bonds") has been defeased and discharged under and within the meaning of the Resolution authorizing the issuance of the 2014 Bonds, and that the District has irrevocably elected to redeem all of the outstanding Refunded 2014 Bonds on September 1, 2024, at a redemption price equal to the par amount thereof together with accrued interest thereon to the redemption date, without premium. Interest on the Refunded 2014 Bonds will not accrue after the redemption date.

The Refunded 2014 Bonds consist of the following:

Maturity Date	Principal Amount	Interest Rate	CUSIP
			799038 ___

Funds for the payment of the Refunded 2014 Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., as escrow bank, and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded 2014 Bonds has been verified by _______, certified public accountants. The Refunded 2014 Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent.

The District and the escrow bank shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Refunded 2014 Bonds; the CUSIP numbers are included solely for the convenience of the owners of the Refunded 2014 Bonds.

Dated: ____________, 2021

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank

2015 Bonds

NOTICE OF PARTIAL REDEMPTION

$127,000,000
San Mateo County Community College District
(County of San Mateo, California)
2015 General Obligation Bonds
(Election of 2014), Series A
Original Date of Issue: June 18, 2015

NOTICE IS HEREBY GIVEN, by the San Mateo County Community College District (the "District") with respect to the captioned bonds (the "2015 Bonds"), that a portion of the 2015 Bonds (the "Refunded 2015 Bonds") has been defeased and discharged under and within the meaning of the Resolution authorizing the issuance of the 2015 Bonds, and that the District has irrevocably elected to redeem all of the outstanding Refunded 2015 Bonds on September 1, 2025, at a redemption price equal to the principal amount to be redeemed plus accrued interest thereon to the redemption date, without premium. Interest on the Refunded 2015 Bonds will not accrue after the redemption date.

The Refunded 2015 Bonds consist of the following:

Maturity Date	Principal Amount	Interest Rate	CUSIP
			799038 ___

Funds for the payment of the Refunded 2015 Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., as escrow bank, and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded 2015 Bonds has been verified by ________, certified public accountants. The Refunded 2015 Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent.

The District and the escrow bank shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Refunded 2015 Bonds; the CUSIP numbers are included solely for the convenience of the owners of the Refunded 2015 Bonds.

Dated: ____________, 2021

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank

2018 Bonds

NOTICE OF PARTIAL REDEMPTION

$261,000,000
San Mateo County Community College District
(County of San Mateo, California)
2018 General Obligation Bonds
(Election of 2014), Series B
Original Date of Issue: November 20, 2018

NOTICE IS HEREBY GIVEN, by the San Mateo County Community College District (the "District") with respect to the captioned bonds (the "2018 Bonds"), that a portion of the 2018 Bonds (the "Refunded 2018 Bonds") has been defeased and discharged under and within the meaning of the Resolution authorizing the issuance of the 2018 Bonds, and that the District has irrevocably elected to redeem all of the outstanding Refunded 2018 Bonds on September 1, 2028, at a redemption price equal to the principal amount to be redeemed plus accrued interest thereon to the redemption date, without premium. Interest on the Refunded 2018 Bonds will not accrue after the redemption date.

The Refunded 2018 Bonds consist of the following:

Maturity Date	Principal Amount	Interest Rate	CUSIP
			799038 ___

Funds for the payment of the Refunded 2018 Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., as escrow bank, and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded 2018 Bonds has been verified by ________, certified public accountants. The Refunded 2018 Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent.

The District and the escrow bank shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Refunded 2018 Bonds; the CUSIP numbers are included solely for the convenience of the owners of the Refunded 2018 Bonds.

Dated: ____________, 2021

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

EXHIBIT E

FORM OF NOTICES OF DEFEASANCE

2012 Bonds

NOTICE OF PARTIAL DEFEASANCE

$107,595,000
San Mateo County Community College District
(County of San Mateo, California)
2012 General Obligation Refunding Bonds
Original Date of Issue: June 5, 2012

NOTICE IS HEREBY GIVEN, by the San Mateo County Community College District (the "District") with respect to the captioned bonds (the "2012 Bonds"), that a portion of the 2012 Bonds (the "Refunded 2012 Bonds") has been defeased and discharged under and within the meaning of the Resolution authorizing the issuance of the 2012 Bonds. Funds for the payment of the Refunded 2012 Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., as escrow bank, and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded 2012 Bonds has been verified by _______, certified public accountants. As a consequence of the foregoing actions and in accordance with the Resolution, the Refunded 2012 Bonds are no longer secured by a pledge of revenues under the Resolution, and the Refunded 2012 Bonds are now payable solely from the moneys set aside in escrow as described above and, if necessary, from other legally available funds of the District.

The Refunded 2012 Bonds consist of the following:

Maturity Date	Principal Amount	Interest Rate	CUSIP
			799038 ___

The District has irrevocably elected to redeem all of the outstanding Refunded 2012 Bonds on September 1, 2022, at a redemption price equal to the par amount thereof together with accrued interest thereon to the redemption date, without premium.

The District and the escrow bank shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Refunded 2012 Bonds; the CUSIP numbers are included solely for the convenience of the owners of the Refunded 2012 Bonds.

Dated: _________, 2021

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank

2014 Bonds

NOTICE OF PARTIAL DEFEASANCE

$121,805,000
San Mateo County Community College District
(County of San Mateo, California)
2014 General Obligation Refunding Bonds
Original Date of Issue: October 9, 2014

NOTICE IS HEREBY GIVEN, by the San Mateo County Community College District (the “District”) with respect to the captioned bonds (the “2014 Bonds”), that a portion of the 2014 Bonds (the “Refunded 2014 Bonds”) has been defeased and discharged under and within the meaning of the Resolution authorizing the issuance of the 2014 Bonds. Funds for the payment of the Refunded 2014 Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., as escrow bank, and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded 2014 Bonds has been verified by ________, certified public accountants. As a consequence of the foregoing actions and in accordance with the Resolution, the Refunded 2014 Bonds are no longer secured by a pledge of revenues under the Resolution, and the Refunded 2014 Bonds are now payable solely from the moneys set aside in escrow as described above and, if necessary, from other legally available funds of the District.

The Refunded 2014 Bonds consist of the following:

Maturity Date	Principal Amount	Interest Rate	CUSIP
			799038 ___

The District has irrevocably elected to redeem all of the outstanding Refunded 2014 Bonds on September 1, 2024, at a redemption price equal to the par amount thereof together with accrued interest thereon to the redemption date, without premium.

The District and the escrow bank shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Refunded 2014 Bond; the CUSIP numbers are included solely for the convenience of the owners of the Refunded 2014 Bonds.

Dated: _____, 2021

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank

2015 Bonds

NOTICE OF PARTIAL DEFEASANCE

$332,570,193.75
San Mateo County Community College District
(County of San Mateo, California)
2006 General Obligation Bonds (Election of 2005), Series B

NOTICE IS HEREBY GIVEN, by the San Mateo County Community College District (the "District") with respect to the captioned bonds (the "2015 Bonds"), that a portion of the 2015 Bonds (the "Refunded 2015 Bonds") has been defeased and discharged under and within the meaning of the Resolution authorizing the issuance of the 2015 Bonds. Funds for the payment of the Refunded 2015 Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., as escrow bank, and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded 2015 Bonds has been verified by ________, certified public accountants. As a consequence of the foregoing actions and in accordance with the Resolution, the Refunded 2015 Bonds are no longer secured by a pledge of revenues under the Resolution, and the Refunded 2015 Bonds are now payable solely from the moneys set aside in escrow as described above and, if necessary, from other legally available funds of the District.

The Refunded 2015 Bonds consist of the following:

Maturity Date	Principal Amount	Interest Rate	CUSIP
			799038 ___

The District has irrevocably elected to redeem all of the outstanding Refunded 2015 Bonds on September 1, 2025, at a redemption price equal to the par amount thereof together with accrued interest thereon to the redemption date, without premium.

The District and the escrow bank shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Refunded 2015 Bond; the CUSIP numbers are included solely for the convenience of the owners of the Refunded 2015 Bonds.

Dated: _____, 2021

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank

2018 Bonds

NOTICE OF PARTIAL DEFEASANCE

$261,000,000
San Mateo County Community College District
(County of San Mateo, California)
2018 General Obligation Bonds
(Election of 2014), Series B
Original Date of Issue: November 20, 2018

NOTICE IS HEREBY GIVEN, by the San Mateo County Community College District (the "District") with respect to the captioned bonds (the "2018 Bonds"), that a portion of the 2018 Bonds (the "Refunded 2018 Bonds") has been defeased and discharged under and within the meaning of the Resolution authorizing the issuance of the 2018 Bonds. Funds for the payment of the Refunded 2018 Bonds have been deposited with The Bank of New York Mellon Trust Company, N.A., as escrow bank, and the sufficiency of the funds and investments for the purpose of paying the principal of and interest on the Refunded 2018 Bonds has been verified by ________, certified public accountants. As a consequence of the foregoing actions and in accordance with the Resolution, the Refunded 2018 Bonds are no longer secured by a pledge of revenues under the Resolution, and the Refunded 2018 Bonds are now payable solely from the moneys set aside in escrow as described above and, if necessary, from other legally available funds of the District.

The Refunded 2018 Bonds consist of the following:

Maturity Date	Principal Amount	Interest Rate	CUSIP
			799038 ___

The District has irrevocably elected to redeem all of the outstanding Refunded 2018 Bonds on September 1, 2028, at a redemption price equal to the par amount thereof together with accrued interest thereon to the redemption date, without premium.

The District and the escrow bank shall not be responsible for the selection or use of the CUSIP numbers listed above, nor is any representation made as to the accuracy of the CUSIP numbers listed above or as printed on any Refunded 2018 Bond; the CUSIP numbers are included solely for the convenience of the owners of the Refunded 2018 Bonds.

Dated: _____, 2021

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Escrow Bank

Agenda Draft

$_______
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
2021 GENERAL OBLIGATION REFUNDING BONDS

COSTS OF ISSUANCE CUSTODIAN AGREEMENT

This Costs of Issuance Custodian Agreement (this "Agreement"), dated as of _______, 2021, has been entered into between the SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT (the "District") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (the "Bank of New York"). The District has appointed Bank of New York to act as custodian for the payment of certain costs of issuance for the above-captioned bonds of the District (the "Bonds"). This Agreement sets out the terms and conditions of said appointment. Capitalized terms used in this Agreement but not defined in this Agreement have the meaning given them in Resolution No. _______ of the District's Board of Trustees.

The District and Bank of New York agree as follows:

1. Bank of New York has received $_______ from Morgan Stanley & Co. LLC, as purchaser of the Bonds, and has deposited the funds in the Costs of Issuances Fund Account Number _____ (the "Custodial Account") established at Bank of New York in the name of San Mateo County Community College District 2021 General Obligation Refunding Bonds.

2. Bank of New York will hold amounts in the Custodial Account from ______, 2021 until ______, 2021 in cash uninvested. The District hereby acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipts of such confirmations to the extent permitted by law.

3. Bank of New York will pay authorized Costs of Issuances of the Bonds from the Custodial Account as directed by the District from time to time via a Written Request of the District signed by a District Representative.

4. Any funds remaining in the Custodial Account on _____, 2021 will be disbursed to the Treasurer-Tax Collector of the County of San Mateo, for deposit in the Debt Service Fund that has been established for the Bonds.

5. Bank of New York will receive a one-time fee of $______, payable out of amounts held in the Custodial Account, as compensation for its custodial services hereunder.

6. This Agreement will terminate on _____, 2021, or earlier upon the transfer from the Custodial Account of all funds in Custodial Account.

The liability of Bank of New York as custodian hereunder is limited to the duties listed above. Bank of New York will not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion of power conferred upon it by this Agreement. Bank of New York shall have the same rights, protections, immunities and indemnities as those afforded to it as Paying Agent under the Paying Agency Agreement between San Mateo County Community College District and The Bank of New York Mellon Trust Company, N.A., a national banking association having a corporate trust office in San Francisco, California (the "Paying Agent") dated ____, 2021 as though fully set forth herein.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT	**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**
______________________________	______________________________
Chief Financial Officer	Authorized Representative

San Mateo County Community College District March 10, 2021

BOARD REPORT NO. 20-03-102B

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff

CONSIDERATION OF ENDORSEMENT OF SB 659

Over the last several months, the Board and staff have discussed the desire to seek greater flexibility in the use of local funds to support District initiatives that support student access, success and completion. The Board has given guidance to staff to explore opportunities to expand options with fee waivers, providing for basic needs, and making attending our colleges less financially burdensome as possible for students in need of assistance.

At its retreat on February 6, 2021, the Board further discussed these priorities and authorized staff to work with local legislative leaders to pursue legislative remedies to achieve these policy goals. As a result, staff has worked with State Senator Becker's office to craft language which has resulted in the introduction of SB 659. This bill seeks to (1) provide greater flexibility to local community college districts to waive fees for eligible students; and (2) provide greater flexibility to community college districts to use local funding to assist students with their total cost of attendance (i.e. books, materials, food, housing, transportation, etc.) and increase the number of students participating in the College Promise programs (at SMCCCD, the Promise Scholars Program). This bill does not seek additional state funding or resources, simply the flexibility to use existing local resources of community college districts to support student needs.

Staff recognizes that clarification and amendments will likely be needed to build a coalition of supporters; that process is currently underway and will be ongoing throughout the month of March. District staff and the Senator's staff are working with the Senate Education Committee to schedule the bill for an initial hearing for late March/early April. However, before doing so, staff is presenting the bill to the Board of Trustees for its endorsement. The language of the bill is attached.

RECOMMENDATION

It is recommended that the Board of Trustees endorse SB 659.

SB-659 Community colleges: California College Promise. (2021-2022)

Date Published: 02/19/2021 09:00 PM

CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

SENATE BILL NO. 659

Introduced by Senator Becker

February 19, 2021

An act to amend Sections 76300 and 76396 of, and to add Section 76302 to, the Education Code, relating to community colleges.

LEGISLATIVE COUNSEL'S DIGEST

SB 659, as introduced, Becker. Community colleges: California College Promise.

Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law requires community college districts to charge students an enrollment fee of $46 per unit per semester.

This bill would instead authorize community college districts to charge students an enrollment fee of $46 per unit per semester.

Existing law establishes the California College Promise, to be administered by the Chancellor of the California Community Colleges. Existing law requires the chancellor to distribute funding, upon appropriation by the Legislature, to community college districts to fund colleges that meet prescribed requirements. Existing law authorizes a community college that receives funding under the program to, among other things, waive some or all of the fees for up to 2 academic years for first-time students who are enrolled in 12 or more semester units or the equivalent at the college and complete and submit either a Free Application for Federal Student Aid or a California Dream Act application.

This bill would authorize a community college district to use existing funds for the implementation of the California College Promise, and to provide assistance to students for the total cost of attendance. The bill would allow a community college district to waive student fees the community college district determines impede the advancement of the California College Promise. The bill would define total cost of attendance for a student attending a community college as including all items prescribed in a specified federal statute.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 76300 of the Education Code is amended to read:

76300. (a) The governing board of each community college district ~~shall~~ *may* charge each student a fee pursuant to this section.

(b) (1) The fee prescribed by this section shall be forty-six dollars ($46) per unit per semester, effective with the summer term of the 2012 calendar year.

(2) The board of governors shall proportionately adjust the amount of the fee for term lengths based upon a quarter system, and also shall proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the board of governors may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts pursuant to Section 84750.4 or 84750.5, as applicable, the board of governors shall subtract, from the total revenue owed to each district, 98 percent of the revenues received by districts from charging a fee pursuant to this section.

(d) The board of governors shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee ~~requirement~~ *authorized under subdivision (a)* does not apply to any of the following:

(1) Students enrolled in the noncredit courses designated by Section 84757.

(2) California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

(3) Students enrolled in credit contract education courses pursuant to Section 78021, if the entire cost of the course, including administrative costs, is paid by the public or private agency, corporation, or association with which the district is contracting and if these students are not included in the calculation of the full-time equivalent students (FTES) of that district.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee ~~requirement.~~ *authorized under subdivision (a).*

(g) (1) The fee ~~requirements of this section~~ shall be waived for any student who meets all of the following requirements:

(A) Meets minimum academic and progress standards adopted by the board of governors, which fulfill the requirements outlined in this paragraph and paragraphs (2) to (5), inclusive. Any minimum academic and progress standards adopted pursuant to this section shall be uniform across all community college districts and campuses. These standards shall not include a maximum unit cap, and community college districts and colleges shall not impose requirements for fee waiver eligibility other than the minimum academic and progress standards adopted by the board of governors and the requirements of subparagraph (B).

(B) Meets one of the following criteria:

(i) At the time of enrollment, is a recipient of benefits under the Temporary Assistance for Needy Families program, the Supplemental Security Income/State Supplementary Payment Program, or a general assistance program.

(ii) Demonstrates eligibility according to income standards established by regulations of the board of governors.

(iii) Demonstrates financial need in accordance with the methodology set forth in federal law or regulation for determining the expected family contribution of students seeking financial aid.

(iv) At the time of enrollment, is a homeless youth or a former homeless youth as defined in subdivision (b) of Section 66025.9.

(2) (A) The board of governors, in consultation with students, faculty, and other key stakeholders, shall consider all of the following in the development and adoption of minimum academic and progress standards pursuant to

subparagraph (A) of paragraph (1):

(i) Minimum uniform academic and progress standards that do not unfairly disadvantage financially needy students in pursuing their education.

(ii) Criteria for reviewing extenuating circumstances and granting appeals that, at a minimum, take into account and do not penalize a student for circumstances outside the student's control, such as reductions in student support services or changes to the economic situation of the student.

(iii) A process for reestablishing fee waiver eligibility that provides a student with a reasonable opportunity to continue or resume the student's enrollment at a community college.

(B) To ensure that students are not unfairly impacted by the requirements of subparagraph (A) of paragraph (1), the board of governors shall establish a reasonable implementation period that commences no sooner than one year from adoption of the minimum academic and progress standards, or any subsequent changes to these standards, pursuant to subparagraph (A) of paragraph (1) and that is phased in to provide students adequate notification of this requirement and information about available support resources.

(3) It is the intent of the Legislature that minimum academic and progress standards adopted pursuant to subparagraph (A) of paragraph (1) be implemented only as campuses develop and implement the student support services and interventions necessary to ensure no disproportionate impact to students based on ethnicity, gender, disability, or socioeconomic status. The board of governors shall consider the ability of community college districts to meet the requirements of this paragraph before adopting minimum academic and progress standards, or any subsequent changes to these standards, pursuant to subparagraph (A) of paragraph (1).

(4) It is the intent of the Legislature to ensure that a student shall not lose fee waiver eligibility without a community college campus first demonstrating a reasonable effort to provide a student with adequate notification and assistance in maintaining the student's fee waiver eligibility. The board of governors shall adopt regulations to implement this paragraph that ensure all of the following:

(A) Students are provided information about the available student support services to assist them in maintaining fee waiver eligibility.

(B) Community college district policies and course catalogs reflect the minimum academic and progress standards adopted pursuant to subparagraph (A) of paragraph (1) and that appropriate notice is provided to students before the policies are put into effect.

(C) A student does not lose fee waiver eligibility unless the student has not met minimum academic and progress standards adopted pursuant to subparagraph (A) of paragraph (1) for a period of no less than two consecutive academic terms.

(5) The board of governors shall provide notification of a proposed action to adopt regulations pursuant to this subdivision to the appropriate policy and fiscal committees of the Legislature in accordance with the requirements of paragraph (1) of subdivision (a) of Section 70901.5. This notification shall include, but not be limited to, all of the following:

(A) The proposed minimum academic and progress standards and information detailing how the requirements of paragraphs (1) to (4), inclusive, have been or will be satisfied.

(B) How many students may lose fee waiver eligibility by ethnicity, gender, disability, and, to the extent relevant data is available, by socioeconomic status.

(C) The criteria for reviewing extenuating circumstances, granting appeals, and reestablishing fee waiver eligibility pursuant to paragraph (2).

(h) The fee ~~requirements of this section~~ shall be waived for any student who, at the time of enrollment, is a dependent or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. "Active service of the state," for the purposes of this subdivision, refers to a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(i) The fee ~~requirements of this section~~ shall be waived for any student who is the surviving spouse or the child, natural or adopted, of a deceased person who met all of the requirements of Section 68120.

(j) The fee ~~requirements of this section~~ shall be waived for any student in an undergraduate program, including a student who has previously graduated from another undergraduate or graduate program, who is the dependent of any individual killed in the September 11, 2001, terrorist attacks on the World Trade Center and the Pentagon or the crash of United Airlines Flight 93 in southwestern Pennsylvania, if that dependent meets the financial need requirements set forth in Section 69432.7 for the Cal Grant A Program and either of the following applies:

(1) The dependent was a resident of California on September 11, 2001.

(2) The individual killed in the attacks was a resident of California on September 11, 2001.

(k) A determination of whether a person is a resident of California on September 11, 2001, for purposes of subdivision (j) shall be based on the criteria set forth in Chapter 1 (commencing with Section 68000) of Part 41 of Division 5 for determining nonresident and resident tuition.

(l) (1) "Dependent," for purposes of subdivision (j), is a person who, because of the person's relationship to an individual killed as a result of injuries sustained during the terrorist attacks of September 11, 2001, qualifies for compensation under the federal September 11th Victim Compensation Fund of 2001 (Title IV (commencing with Section 401) of Public Law 107-42).

(2) A dependent who is the surviving spouse of an individual killed in the terrorist attacks of September 11, 2001, is entitled to the waivers provided in this section until January 1, 2013.

(3) A dependent who is the surviving child, natural or adopted, of an individual killed in the terrorist attacks of September 11, 2001, is entitled to the waivers under subdivision (j) until that person attains 30 years of age.

(4) A dependent of an individual killed in the terrorist attacks of September 11, 2001, who is determined to be eligible by the California Victim Compensation Board, is also entitled to the waivers provided in this section until January 1, 2013.

(m) (1) It is the intent of the Legislature that sufficient funds be provided to support the provision of a fee waiver for every student who demonstrates eligibility pursuant to subdivisions (g) to (j), inclusive.

(2) From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to 2 percent of the fees waived pursuant to subdivisions (g) to (j), inclusive. From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to ninety-one cents ($0.91) per credit unit waived pursuant to subdivisions (g) to (j), inclusive. It is the intent of the Legislature that funds provided pursuant to this subdivision be used to support the determination of financial need and delivery of student financial aid services, on the basis of the number of students for whom fees are waived. It also is the intent of the Legislature that the funds provided pursuant to this subdivision directly offset mandated costs claimed by community college districts pursuant to Commission on State Mandates consolidated Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15 (Enrollment Fee Waivers). Funds allocated to a community college district for determination of financial need and delivery of student financial aid services shall supplement, and shall not supplant, the level of funds allocated for the administration of student financial aid programs during the 1992–93 fiscal year.

(n) The board of governors shall adopt regulations implementing this section.

SEC. 2. Section 76302 is added to the Education Code, to read:

76302. The total cost of attendance for a student attending a community college shall be defined to include all items prescribed in Section 108711 of Title 20 of the United States Code.

SEC. 3. Section 76396 of the Education Code is amended to read:

76396. (a) The California College Promise is hereby established, to be administered by the Chancellor of the California Community Colleges.

(b) (1) Upon appropriation by the Legislature, the chancellor shall distribute funding to community college districts to fund colleges that satisfy the requirements of this article.

(2) (A) The chancellor shall establish a funding formula that advances the goals outlined in Section 76396.1.

(B) It is the intent of the Legislature that sufficient funding be allocated to each community college to waive all student fees pursuant to subdivision (b) of Section 76396.3.

(C) The funding formula established pursuant to subparagraph (A) shall, for funding appropriated for this article in excess of the funding determined pursuant to subparagraph (B), include, but not be limited to, both of the following factors:

(i) Number of full-time equivalent students at a community college.

(ii) Number of students at a community college who satisfy the requirements to receive federal Pell Grants and the requirements in Section 68130.5.

(c) In addition to funding received pursuant to subdivision (b), a community college district may use existing funds to support the implementation of this article and to provide assistance to students for the total cost of attendance.

(d) A community college district may waive student fees the community college district determines impede the advancement of the goals of this program.

~~(c)~~

(e) For purposes of this article, "chancellor" means the Chancellor of the California Community Colleges.

(f) For purposes of this article, "total cost of attendance" has the same meaning as specified in Section 76302.

San Mateo County Community College District March 10, 2021

BOARD REPORT NO. 21-03-01C

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff

DISCUSSION OF BOARD GOVERNANCE RELATING TO PROPOSED INTERNAL AUDIT FUNCTION AND EXTERNAL PERFORMANCE REVIEW OF SELECT DISTRICT OPERATIONS

The Board will continue its conversation relating to prior discussions of a proposed internal audit function within the District and engaging external, neutral, third-parties to conduct performance reviews of selected District operations. The Board sub-committee (Vice President Holober and Trustee Pimentel) will discuss the work of their sub-committee.

March 10, 2021

To: San Mateo County Community College District Board of Trustees

From: John Pimentel and Richard Holober – Ad Hoc Committee on Board Oversight

Re: Report of Ad Hoc Committee on Board Oversight

At the Board meeting on February 6, 2021, the Board designated John Pimentel and Richard Holober to serve as an ad-hoc Committee on Board Oversight, and to meet with Chancellor Claire to develop a report including recommendations regarding potentially establishing an Internal Auditor position and potentially conducting external independent review of specific District operations and programs. We met with Chancellor Claire on February 22. We agreed to develop for presentation for the March 10, 2021 Board Study Session a draft job description and scope of work for an Internal Auditor and to draft a potential addition to Board Policy to establish the Board's role in directing independent external performance audits. We also agreed that pursuant to Board discussion and consensus on March 10, these items would be presented as action items for the March 24 Board meeting.

20 or more California community college districts, and numerous community college districts and four year public colleges and universities across the nation have permanent Internal Auditor positions. Some California community college districts have Internal Audit Departments. Many local cities and counties in California have Internal Auditors or Internal Audit Departments.

Our draft job description and scope of work draw on existing Internal Auditor positions in California community colleges and local government. The draft job description also contains duties that reflect lessons learned from our own college district's experiences. The Board of Trustees has spent countless hours in closed session over recent years addressing potential and existing litigation. While all public sector entities are targets for many meritless claims, our recent experiences exceed our customary level for such closed session Board involvement. While we have acted decisively and successfully to defend the District from frivolous and meritless claims, these experiences should inform how the Board carries out its oversight responsibilities. It is not sufficient to state that the Board has ultimate responsibility for any shortcomings, without taking actions to put in place systems and policies that will minimize their future occurrence.

In our opinion, establishing an Internal Auditor and external independent Board-directed performance audits represent best practices for a high performing organization, whether in the public or private sector. This structure creates proper methods, informed expertise and adequate resources for the Board of Trustees to carry out our duties as representatives of the people of San Mateo County, as stewards of the public's assets, in ensuring that our community colleges serve our students in providing excellent, accessible, equitable and efficiently managed higher education and job training, and in cost-effectively managing the facilities and services that advance our student-centered mission.

Establishing an Internal Auditor and independent external performance audits are not in any way a reflection on any current District employees. On the contrary, with the support of our current Chancellor and current Board, we have a window of opportunity to put in place controls, rules, and oversight procedures that may prove to be essential safeguards against errors, misinterpretations or abuses in the future when different people serve on the Board and in executive staff roles.

Internal Auditor – Scope of Work

The Internal Auditor is a permanent administrative employee of the San Mateo County Community College District. The Internal Auditor works with sufficient independence to insure the integrity of work product, free from any undue influence by District Trustees, executives, employees or others. The Internal Auditor reviews internal controls and processes and makes recommendations for changes to controls and processes to assure the accuracy and comprehensiveness of financial and programmatic activities; reviews and verifies authorization for and compliance with Board policy, applicable law, and reporting requirements of fiscal and programmatic activities; directs fraud prevention and investigations; and conducts special assignments and produces reports as directed by the Board of Trustees.

The Internal Auditor may need support staff. If possible, existing staff should be reassigned to provide this support to the Internal Auditor. Where appropriate, external resources can be retained on a temporary basis for specific projects or with certain sector expertise.

Internal Auditor –Job Description

Job Summary

Under the direction of the Board of Trustees[1], reviews, evaluates and reports on the District's fiscal and operational records, processes, systems, procedures, and internal controls including compliance reviews, conducts performance audits, assists in updating policies and procedures, and performs special investigative functions.[2]

Typical Duties

Advises the Board of Trustees, Chancellor and Chief Business Official in reviewing and appraising the soundness, adequacy, and application of accounting, financial, management and other operating controls. Makes recommendations regarding internal controls. Assists in implementation of changes in internal control procedures.[3]

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[1] Antelope Valley College: Announcement of Confidential, Management, Supervisory Position: Internal Auditor. https://www.avc.edu/sites/default/files/FINAL%20Internal%20Auditor.pdf

[2] Los Angeles Community College District: Director of Internal Audit (#1203). https://www.jobapscloud.com/LACCD/specs/classspecdisplay.asp?ClassNumber=1203&LinkSpec=RecruitNum2&R1=&R3=

[3] Kern Community College District - Internal Auditor Job Description. https://do-prod-webteam-drupalfiles.s3-us-west-2.amazonaws.com/kccdedu/s3fs-public/job_descriptions/DO--Internal%20Auditor.pdf

Conducts pre-audits of disbursements to determine validity and completeness of documentation substantiating the appropriateness and authenticity of fiscal transactions[4]

Monitors the preparation and issuance of warrants, including the affixing of signatures onto warrant stock, and analyzing and categorizing expenses to ensure consistency with annual budget.[5]

Plans and conducts periodic audits to determine compliance with Government, Public Contract and Education Code provisions, Board policies and procedures, California Community College Budget and Accounting Manual, and other relevant program requirements.[6]

Conducts unannounced audits in areas where cash and other assets require special safeguards and appropriate internal controls; conducts special audits at the request of the Board of Trustees.[7]

Meets and communicates with District personnel to gain an understanding of the operation of individual departments and functions under review and to obtain sufficient evidentiary matter to develop appropriate audit findings and recommendations, documents and prepares reports on findings. [8]

Verifies accuracy of enrollment, attendance, and completion data by examining supporting records at the colleges.[9]

Assists in developing, and ensures proper and effective operation of a whistle blower program by planning scope, developing a work plan, establishing protocols, monitoring and investigating complaints and reports.[10]

Plans, organizes, and directs the development of fraud prevention programs and directs staff in conducting fraud awareness training for staff.[11] Investigates any alleged fiscal wrongdoing by vendors, District administrators and other District employees and contractors.[12]

Assures that employment actions, including hiring, promotions, changes in assignment, compensation, classifications, and separations, including separation agreements, are documented in writing and are in compliance with Board of Trustees action as described in Board agenda, Board meeting reports and Board meeting minutes.

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[4] Antelope Valley College: Announcement of Confidential, Management, Supervisory Position: Internal Auditor. https://www.avc.edu/sites/default/files/FINAL%20Internal%20Auditor.pdf

[5] Antelope Valley College and Kern Community College District. See footnotes 1 and 3

[6] Kern Community College District. See footnote 3

[7] Antelope Valley College. See footnote 1

[8] Palomar Community College District: Classification Title: Internal Auditor/Analyst. https://www2.palomar.edu/hr/jobdescriptions/aa-cast/InternalAuditorAnalyst.pdf

[9] Rancho Santiago Community College District. Internal Audit Manager. https://www.rsccd.edu/Departments/Human-Resources/Documents/Supervisory-Confidential/E-Z/Manager_Internal_Audit.pdf

[10] Los Angeles Community College District. Director of Internal Audit (#1203). https://www.jobapscloud.com/LACCD/specs/classspecdisplay.asp?ClassNumber=1203&LinkSpec=RecruitNum2&R1=&R3=

[11] Ibid

[12] Antelope Valley College and Kern Community College District. See footnotes 1 and 3

Develops protocols for, and reviews compliance with, documentation of findings, documents security, confidentiality, retention, disposal requirements of records, safeguarding of confidential sources, and protection of privileged and confidential information. [13]

At the direction of the Board of Trustees, assists in reviewing Board policies and procedures, researches current practices, identifies potential weaknesses, and recommends revisions to policies and procedures.

At the direction of the Board of Trustees, plans, and conducts performance audits of District operations or functions, researches best practices and benchmarks, and reports results to Board, including any recommendations for changes or additions to current operations and functions.[14]

Assures that facilities planning and expenditures comply with Board policies and procedures, District Facilities Master Plan, applicable Facilities Bond Measure Ballot Language, including Bond Project List, and other applicable laws.

Assists the Board of Trustees in identifying and screening independent, neutral experts to conduct external performance audits of District operations and functions, assists in developing scoping documents, assists in gathering data as requested by external performance auditors, and facilitates communications between external performance auditors and district personnel, students, and others.

Assures appropriate confidentiality of work product, maintains sufficient independence from other District staff, and functions in a manner that ensures integrity of responsibilities. [15]

Develops with the Board of Trustees an annual work plan regarding specific projects and priority assignments,[16] and revises work plan in consultation with and as directed by the Board of Trustees.

Other duties as assigned.

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[13] Los Angeles Community College District. See footnote 10

[14] County of Santa Clara. Policy Name: Management Auditor Policy – Board Policy 3.35.
https://www.sccgov.org/sites/scc/gov/CountyPolicies/Board-Policy-3.35-Management-Auditor-Policy.pdf
Audit Manual. City Auditor. City of San Diego.
https://www.sandiego.gov/sites/default/files/legacy/auditor/pdf/auditmanual_complete.pdf

[15] Kern Community College District. See footnote 3

[16] Antelope Valley College. Internal Audit Services. Audit Plan July 1, 2019 – June 30, 2020.
https://www.avc.edu/sites/default/files/InternalAudit/IAS%20Plan%202019-2020.pdf

Proposed Changes to Board Policy No. 1.10

CHAPTER 1: **Board of Trustees BOARD POLICY NO. 1.10 (BP 2200 and 2740)**

BOARD POLICY San Mateo County Community College District

BP 1.10 Duties and Responsibilities of the Board 2/12; 3/16 ACCJC Accreditation Standards III.A.1.b, IV and IV.C.9; Education Code Section 70902

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1. The essential duties of the Board, as the elective body representative of all the people of the District, shall be:

a. To provide policy guidelines for staff through adoption and periodic review of District Mission and Goals Statement.

b. To establish, enforce, and periodically review Board policies consistent with the goals and operation of the District and its Colleges.

c. To appoint and annually evaluate the Chancellor of the District.

d. By Board action and decision making, may give direction to staff on matters relating to District organization, operations, and property.

e. To approve all District and College programs, ensuring that program offerings are responsive to and reflect community needs.

f. To establish guidelines for District negotiations and the collective bargaining process.

g. To review and set salary schedules annually for all District personnel. Considers and approves all personnel assignments and transfers on the recommendation of the Chancellor.

h. To provide guidelines on funding levels, allocations, and District reserves; review and consider staff-prepared District and College budgets; adopt annual budget; assure fiscal health and stability.

i. To delegate appropriate authority for implementation of State law, regulations, and Board policies.

j. Under most circumstances, to serve as the final appeal within the District for students, staff, and citizens of the San Mateo County Community College District.

k. To monitor institutional performance and educational quality.

l. **To direct independent internal review and independent external reports and performance audits to assure: the sufficiency and soundness of management, financial and operational controls and processes; compliance with Board policies and procedures, governing laws and other relevant program requirements; program effectiveness and efficiency; and controls against fraud or other fiscal wrongdoing.**

m. To carry out such specific duties as required by law.

2. The essential responsibilities of the Board, in the public interest and trust, shall be:

a. To provide the best possible learning experiences for students of the Colleges, **and wherever possible to remove financial, physical and operational barriers to participation for potential students.**

b. To assure that the District and its Colleges are effectively and efficiently managed.

c. To maintain enlightened, fair, and equitable policies for employees and students of the District and its Colleges.

d. To represent the general interests of the entire College District and to act only on the basis of what is in the best interests of the College District and the community.

e. To be knowledgeable of and support the mission and philosophy of community colleges.

f. To hire and evaluate the Chancellor.

g. To support the work of the Colleges in the community.

h. To engage in ongoing development of the Board. The Board will conduct study sessions, provide access to reading materials, and support conference attendance and other activities that foster trustee education.

BP 1.10 Duties and Responsibilities of the Board (continued)

i. To provide a comprehensive new trustee orientation program for newly elected or appointed trustees that may include attendance at a statewide “New Trustee” orientation program; one- on-one interviews with the Chancellor, Presidents and Executive Vice Chancellor; discussions with representatives of employee groups, the Academic and Classified Senates and student leaders; delivery of the Trustee Handbook prepared by the Community College League of California (CCLC); and review of the CCLC’s comprehensive online education program titled “Elected/ Appointed Trustees: Next Steps.”

San Mateo County Community College District March 10, 2021

BOARD REPORT NO. 21-03-02C

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff

DISCUSSION OF RFP PROCESS FOR SELECTING VENDOR TO OPERATE THE SAN MATEO ATHLETIC CLUB

At a special meeting on January 19, 2021, the Board voted to cancel RFP #86826 and explore issuance of a reimagined RFP that will include options to expand the District's potential and service delivery to our students, faculty and greater San Mateo County community. A Board sub-committee (Vice President Holober and Trustee Goodman) was appointed to assist with this reimagined process. The Board will discuss the process for selecting a vendor to operate the San Mateo Athletic Club and the Board sub-committee will discuss the work of their sub-committee.

San Mateo County Community College District March 10, 2021

BOARD REPORT NO. 21-03-03C

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff

DISCUSSION OF FUTURE STUDY SESSION AND INFORMATIONAL REPORT TOPICS

In preparing for its annual retreat, the Board suggested a number of topics for the agenda for that meeting and acknowledged that certain topics lent themselves to future study sessions or informational reports.

The Board will review that list of topics and determine priority discussions and reports for the year.

San Mateo County Community College District March 10, 2021

BOARD REPORT NO. 21-03-04C

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff

DISCUSSION OF SHORT-TERM CONTRACT EXTENSION WITH EXOS FOR THE OPERATION OF THE SAN MATEO ATHLETIC CLUB

With the Board's cancellation of RFP #86826 relating to the operation of the San Mateo Athletic Club and reimagining the RFP, it will likely be necessary to extend, on a short-term basis, the current contract with EXOS to ensure operational continuity during the new RFP process. The Board will discuss this potential need and give direction to staff regarding the terms of any such extension.