

AGENDA
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
REGULAR MEETING OF THE BOARD OF TRUSTEES
August 25, 2021
Closed Session at 5:00 p.m.; Open Session at 6:00 p.m.

In Person at 3401 CSM Drive, San Mateo, CA 94402

Members of the Public may also participate via Zoom.
Zoom Meeting ID – <https://smccd.zoom.us/j/84053670398>
Dial-In: 1-669-900-9128 – Webinar ID: 840 5367 0398

NOTICE ABOUT PUBLIC PARTICIPATION AT BOARD MEETINGS

Observing the Meeting

Members of the public who wish to observe the meeting in-person or remotely by accessing the link or calling the following telephone number above at the beginning of the meeting.

For individuals who attend the meeting in person, face coverings will be required while in-doors at the District Office for all individuals, regardless of COVID-19 vaccination status.

Providing Public Comment During the Meeting on NON-AGENDA Items

To make a comment regarding a non-agenda item, members of the public:

- (1) If in person, may seek recognition at the speaker's lectern when called upon by the Board President, or
- (2) If remote, 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.
- (3) Members of the public making comment are reminded of the 3-minute time limit for comment.

Providing Public Comment During the Meeting on AGENDA Items

To make a comment regarding an item on the agenda, members of the public:

- (1) If in person, may seek recognition at the speaker's lectern when called upon by the Board President, or
- (2) If remote, 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.
- (3) Members of the public making comment are reminded of the 3-minute time limit for comment.

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 Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): Two Cases
2. Ratification of May and June 2021 Confidential District Warrants
3. Public Employee Appointment: Executive Vice Chancellor for Administrative Services

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

MINUTES

- 21-08-01 Approval of the Minutes of the July 17, 2021 Retreat
- 21-08-02 Approval of the Minutes of the July 28, 2021 Regular Meeting

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

STATEMENTS FROM OTHER REPRESENTATIVE GROUPS

- AFT, Local 1493
- CSEA, Chapter 33
- AFSCME, AFL-CIO, Local 829, Council 57

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

NEW BUSINESS

- 21-08-01A Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel *(Time Allotted: 5 minutes)*
- 21-08-02A Consideration and Approval of Executive Vice Chancellor for Administrative Services Employment Agreement *(Time Allotted: 5 minutes)*
- 21-08-03A Approval of Modifications to Instructional Adjunct Salary Schedule (HI) *(Time Allotted: 5 minutes)*

Approval of Consent Agenda

All items on the consent agenda may, by unanimous vote of the Board members present, be approved by one motion after allowing for Board member questions about a particular item. Prior to a motion for approval of the consent agenda, any Board member, interested student or citizen or member of the staff may request that an item be removed to be discussed in the order listed, after approval of remaining items on the consent agenda.

- 21-08-01CA Ratification of Agreement with the Registry for College and University Presidents for Interim Chief Human Resources Officer Services
- 21-08-02CA Ratification of District Warrants for May and June 2021

- 21-08-03CA Approval of an Instructional Services Agreement with Community Initiatives to Support Dual Language Learning Courses in Early Childhood Education Including Tuition, Fees and Faculty Salary
- 21-08-04CA Approval of Declaration of Surplus Property

Other Recommendations

- 21-08-101B Approval to Continue Accommodation for Students Impacted by Extraordinary Conditions – Fee Refunds *(Time Allotted: 5 minutes)*
- 21-08-102B Approval of Revision to Board Policy 6.21 – Grading and Academic Record Symbols *(Time Allotted: 5 minutes)*

INFORMATION ITEMS

- 21-08-02C Review of Bookstore Business Model Analysis *(Time Allotted: 30 minutes)*
- 21-08-03C Update on Crystal Springs Cross Country Course Use Agreement and Stakeholder Engagement *(Time Allotted: 30 minutes)*
- 21-08-04C Review of Proposed Allocation from Federal American Rescue Plan’s Higher Education Emergency Relief Fund III *(Time Allotted: 15 minutes)*
- 21-08-05C Review of Suggested Updates to Board Policy 1.60 – Rules of Order for Board Meetings *(Time Allotted: 10 minutes)*
- 21-08-06C Review of Potential Board Ad-Hoc Committee on Board Operations *(Time Allotted: 10 minutes)*
- 21-08-07C Report on the Use of Public Agency Contracts for the Purchase of Materials, Equipment, Supplies and Services

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 Meeting – Retreat of the Board of Trustees
San Mateo County Community College District
July 17, 2021
Miramar Farms, 420 Purisma Way, Half Moon Bay, CA**

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, Student Trustee Ashley Garcia

Others Present: Chancellor Michael Claire, Dr. Brice Harris (facilitator)

DISCUSSION OF THE ORDER OF THE AGENDA

There were no changes to the order of the agenda.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

None.

RETREAT – INFORMATIONAL AND DISCUSSION ITEMS

President Nuris welcomed those present and asked Chancellor Claire to make general remarks about the retreat. Chancellor Claire introduced Dr. Harris who served as the retreat facilitator. Dr. Harris reviewed the agenda with the Board and discussed the format for the day.

Dr. Harris began the discussion by reviewing Accrediting Commission for Community and Junior Colleges (ACCJC) Standard IV: Leadership and Governance. Dr. Harris discussed decision making roles in general, the role of the chief executive officer, and the role of the Board.

Next, Dr. Harris discussed his impressions of his interviews with individual Board members. Dr. Harris noted that individual Board members are in general agreement about areas of strength and areas that the Board would like to improve.

Dr. Harris reviewed the results of the Board Self-Evaluation and invited a discussion on the results. The Self-Evaluation is organized around the following themes: Board Operation, Financial Management, Mission of the District, Relationship with the Chancellor, Relationship with the Colleges, and Relationship with the Community.

Dr. Harris highlighted a few items in each category where there was strong agreement among Board members:

Board Operations:

- Discussions are conducted at meetings so that all trustees have an opportunity to participate in the discussion and decision making.

Mission of the District:

- The board understands the mission of the District.

Relationship with the Chancellor:

- The Board regularly communicates with the Chancellor on matters concerning the District.
- The Board regularly receives information from the Chancellor regarding matters concerning the District.
- Board members respect the rule of the Chancellor as the Board's employee responsible for the operation of the District.

Relationship with the Community:

- The Board works to represent the constituents in the community they serve by understanding the education needs of the community.
- The Board listens to input from the community in their participation in community activities as well as in their regular meetings.
- The Board ensures that concerns from the community are appropriately communicated to other Board members and the Chancellor.

Dr. Harris also cited areas where there was general agreement among Board members for improvement. Particular areas of interest included having a better understanding of the accreditation process, on-boarding for new Board members, regular participation in professional development activities, regular evaluations and effective evaluations of the Chancellor, and having a better understanding of the participatory governance process. Board members were also in agreement that Board operations and Board meetings need to be improved.

Dr. Harris shared his observation that the District has a long proud history. However, in the last two years the District has experienced significant leadership turmoil, a leadership change, and a change in trustees serving on a long-standing Governing Board. Dr. Harris offered several suggestions based upon individual interviews and the Board Self Evaluation instrument:

- 1) The Board should appoint a sub-committee to work with the Chancellor and appropriate staff to redesign the regular business meeting and closed session board meeting agendas.
- 2) The Board should conduct 12 regular business meetings a year with the goal of those meetings lasting no longer than three hours (including the closed session).
- 3) The Board should schedule no more than six additional study sessions to provide an opportunity for more in-depth review of significant topics in advance of ultimate consideration by the Board at a regular meeting.
- 4) The Board should have a candid and direct conversation regarding reaching closure on recent challenges faced by the District that have caused significant upheaval.
- 5) The Board should participate in a workshop on the Brown Act to ensure that all Board members have a consistent and common understanding of the law and its impact on the Board.

The meeting concluded with an open discussion on moving forward with Board goals, and goals for the Chancellor. As a next step, Board members will submit their individual goals to the Chancellor and the Chancellor will compile those goals for review and prioritization.

ADJOURNMENT

The meeting adjourned by consent at 2:30 p.m.

Submitted by

Michael Claire, Secretary

**Minutes of the Regular Meeting of the Board of Trustees
San Mateo County Community College District
July 28, 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 Conference with Labor Negotiator for Employee Organizations: AFSCME, AFT, CSEA and Unrepresented Employees; and (2) 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

None.

RECESS TO CLOSED SESSION

The Board recessed to closed session at 5:10 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to open session at 6:17 p.m.

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

Others Present: Chancellor Michael Claire, Chief Financial Officer Bernata Slater; Skyline College Acting President Newin Orante, College of San Mateo President Jennifer Taylor-Mendoza, Cañada College Acting President Manuel Perez, District Academic Senate President Kate Williams Browne

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION

[\(Time Stamp: 1:08:38\)](#)

President Nuris stated that no reportable actions were taken in Closed Session. He further stated that there was an omission in reporting an item out of closed session of the June 23 meeting. At that meeting, the Board did vote to ratify the confidential district warrants for March and April 2021 and that should be reflected in the record.

DISCUSSION OF THE ORDER OF THE AGENDA

[\(Time Stamp: 1:09:18\)](#)

Staff requested and the Board agreed that Information Item 21-07-07C – Update on the Futuris Trust – be moved up in the agenda to be considered immediately following the discussion on the order of the agenda.

Update on the Futuris Trust (21-07-07C)

(Time Stamp: 1:09:57)

Summary of Discussion: Chief Financial Officer Slater noted that for many years, the District has been setting aside funds for the OPEB fund for post-retirement benefits and that the District has contracted with Benefits Trust Company to keep those funds in a revocable trust, with Morgan Stanley to direct the investments and with Keenan and Associates to manage the process and support the District's Retirement Board of Authority. She said the District's fund is called the Futuris Trust. Ms. Slater noted that at a prior meeting the Board authorized the approval of a contract for construction of employee housing at Skyline College and that the possibly of filling the funding gap for that project from funds from the OPEB fund.

Cary Allison from Morgan Stanley provided an overview of the fund, including the team that manages the Futuris fund, the Governmental Accounting Standards Board requirements for the fund, the structure of the program, the role of the Retirement Board of Authority and portfolio returns. He noted that the District was fully funded, along with only six other districts in the state. Mr. Allison summarized that since inception in 2009, \$91.8 million in deposits had been made, with a total value of \$157 million, and there currently were excess assets over net OPEB liability of \$39 million.

President Nuris noted the unusually high one-year performance of the fund and asked what the average growth should be. Mr. Allison noted that the fund is designed for six to seven percent annual growth.

Vice President Holober asked if the District was at a point where it could stop taking general fund money to set aside for this fund. Ms. Slater explained that the District continues to charge a service cost at a rate of three percent as determined by an actuarial study, because the District has not capped benefits. She noted that it is a much lower rate and that annually the amount is approximately \$3 million.

Trustee Pimentel asked how often the services for managing the OPEB fund are bid and requested that a follow-up note be provided that identifies all the fees charged on an annual basis both on a percentage and dollar basis for each service provider. Ms. Slater said that she would provide that information to the Board.

Public Comment: None.

Approval of the Minutes of the June 23, 2021 Regular Meeting (21-07-01)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved, with all Trustees voting Aye

Summary of Edits or Corrections: None.

Approval of the Minutes of the June 29, 2021 Special Closed Session Meeting (21-07-02)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved, with all Trustees voting Aye

Summary of Edits or Corrections: None.

Approval of the Minutes of the July 14, 2021 Study Session (21-07-03)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved as corrected, with all Trustees voting Aye

Summary of Edits or Corrections: Trustee Pimentel asked that under Item 21-07-01, paragraph four, second sentence that “*Acknowledging that things seem to be working well,*” be removed.

PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS

Contemporary Conversation Regarding Race, Class, Gender, Privilege and Equity: Pride Month – Discussion of Recent Federal Court Ruling Declaring Deferred Action for Childhood Arrivals (DACA) Unlawful and Suspending Applications (21-07-05C)

(Time Stamp: 1:34:10)

Summary of Discussion: Vice Chancellor/Chief of Staff Mitchell Bailey explained that on July 16, a federal judge in Texas ruled that the Deferred Action for Childhood Arrivals (DACA) program was unlawful and yet again put into question the fate of immigrants known as Dreamers, some of whom are students who study at our colleges. Mr. Bailey noted that this is not just a political issue for the District, it is a personal issue, because we know the students it impacts. He noted that only Congress can ensure a permanent solution by granting a path to citizenship for Dreamers. Mr. Bailey reminded the Board that it has been active in supporting the DACA program, through Resolution 17-12, adopted in September 2017, which condemned the elimination of DACA and called for federal legislation to protect DACA students, and through Resolution 17-1, in which the Board committed to protecting undocumented students and the privacy of all students against federal law enforcement agencies as it related to immigration.

President Nuris noted that the Board was in full support of the DACA program and suggested that the Board reaffirm its commitment of prior resolutions and let that support be known to members of the District’s congressional delegation. Trustee Goodman suggested that as campuses are re-opened that that Dream Centers be fully staffed in-person and remotely to support students, particularly those completing new applications. Trustee Holober suggested that the District consider joining other higher education partners in amicus briefs supporting the DACA program. Trustee Petrides and Trustee Pimentel asked if there is anything else that could be done to reaffirm and support the program.

Acting President Perez provided examples of collaboration and cooperation efforts across the District and the importance of the emergency funding during the pandemic for undocumented students. President Taylor-Mendoza discussed partnerships for families, including community legal services and statewide advocacy efforts through the state chancellor’s office. Acting President Orante commented that mental health and personal counseling supports are available for students experiencing anxiety and fear due to their immigration status.

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

(Time Stamp: 1:52:09)

Chancellor Claire noted that he had provided recent marketing collateral to Trustees. He thanked Dr. Manuel Perez for serving as Acting President at Cañada College and welcomed College of San Mateo President Taylor-Mendoza to her first live Board meeting. Chancellor Claire also noted that the District had received several notes of commendation for its J. Russell Kent Award recognition.

District Academic Senate President Browne noted that faculty would soon be receiving information about fall flex days.

STATEMENTS FROM OTHER REPRESENTATIVE GROUPS

[\(Time Stamp: 1:57:22\)](#)

- ***AFT, Local 1493:*** Monica Malamud thanked the District for its efforts in supporting DACA and undocumented students. She also addressed the union's concerns regarding class cancellations and conversions and safe return to campus efforts.
- ***CSEA, Chapter 33:*** Annette Perot also thanked the Board in supporting the District's DACA students. She spoke about return to campus safety issues and encouraged the Board to issue a universal mask mandate.
- ***AFSCME, AFL-CIO, Local 829, Council 57:*** Joseph Puckett said that the facilities are beautiful and clean and ready for students, faculty and staff to return to campus.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

[\(Time Stamp: 2:16:39\)](#)

None.

NEW BUSINESS

Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel (21-07-02A)

[\(Time Stamp: 2:16:58\)](#)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved as amended, with all Trustees voting Aye

Summary of Discussion: Chancellor Claire asked that the item relating to the appointment of the Executive Vice Chancellor be removed from the report.

Public Comment: None.

NEW BUSINESS: Approval of Consent Agenda

[\(Time Stamp: 2:14:53\)](#)

Annual Review and Approval of Instructional Material Fees (21-07-01CA)

Approval of Budgetary Transfers for the Period Ending May 31, 2021 and Adoption of Resolution No. 21-08 Authorizing Budget Revisions and Transfers for 2020-21 (21-07-02CA)

Approval of Community College League of CA and California Community and College Athletic Association Annual Memberships (21-07-03CA)

Approval of Agreement with Dannis Woliver Kelley for District Legal Services (21-07-04CA)

Adoption of COVID-19 Vaccine Requirement Policy (21-07-05CA)

Approval of Memorandum of Understanding with South San Francisco Unified School District Regarding Middle College at Skyline College (21-07-06CA)

Approval of Agreement with San Mateo Union High School District Regarding Middle College at Skyline College (21-07-07CA)

Motion to Approve by: Vice President Holober

Second by: Trustee Petrides

Action: Approved unanimously, with all Trustees voting Aye

Summary of Discussion: None.

NEW BUSINESS: Other Recommendations

Adoption of the San Mateo County Community College District Strategic Plan, 2021 – 2026 (21-07-102B (Time Stamp: 2:20:56))

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved unanimously, with all Trustees voting Aye

Summary of Discussion: Vice Chancellor Aaron McVean provided a summary of the changes made to the plan based on feedback from the Board at prior meetings. He noted that the implementation of the plan will require the focusing of efforts and resources collectively as a district to support the key elements of the free community college initiatives, and focus on equity, social justice and completion.

Trustee Goodman acknowledged the work of those who contributed to the revision of the plan and asked if the finished plan reflected the spirit and cumulative work of those contributors. Dr. McVean said that he felt the plan does reflect the spirit and work of the steering committee and those who have worked on the plan. Trustee Pimentel asked what the next step would be after the plan is approved. Dr. McVean noted that during the fall, metrics and targets would be developed to measure implementation. Trustee Petrides asked if Dr. McVean felt if the District met the metrics and targets of the last plan. Dr. McVean noted that the last plan was the District's first plan and that there were areas that helped the District provide focus, such as with equity, social justice and completion. Vice President Holober suggested that enrollment targets be part of the metrics that are developed for the plan.

Public Comment: None.

Approval of 2023-2027 Five-Year Capital Construction Plan (21-07-103B) (Time Stamp: 2:37:04)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved unanimously, with all Trustees voting Aye

Summary of Discussion: Jose Nunez, Vice Chancellor of Facilities Planning, Maintenance and Operations, provided a brief overview of the report, including projects approved by the state chancellor's office and in progress, projects approved by the state and considered in the governor's budget, projects subject to state approval and future funding, and locally funded current and future projects.

Trustee Pimentel asked about the timing of completing a facilities master plan. Mr. Nunez stated that the District prepares a plan every five years and one is currently in process. Trustee Pimentel asked that the community and the Board be given an opportunity to provide input before the plan is fully developed, as priorities may have shifted based on current circumstances. Mr. Nunez and Chancellor Claire affirmed that the engagement process most certainly includes Board and community input and feedback.

Public Comment: None.

Approval of Contract with MV Transportation as Operator of the Skyline Express Shuttle Service (21-07-104B) (Time Stamp: 2:57:29)

Motion to Approve by: Trustee Goodman

Second by: Vice President Holober

Action: Approved unanimously, as amended, with all Trustees voting Aye

Summary of Discussion: Trustee Pimentel asked if the shuttle was for the exclusive use of the District or if it was shared and if the shuttle would be wrapped in Skyline colors. Acting President Orante confirmed that the shuttle was for the college's exclusive use and would be wrapped with Skyline College imagery. Trustee Pimentel also asked that the District consider the efficacy of creating its own shuttle service versus contracting for the service.

Public Comment: None.

INFORMATIONAL ITEMS

Discussion of Process for Considering Trustee Area Adjustments (21-07-06C) (Time Stamp: 2:59:30)

Summary of Discussion: Vice Chancellor/Chief of Staff Mitchell Bailey provided a summary of suggested actions the Board should consider in relation to examining how the population data from the recent national census may impact the Board's trustee areas. Mr. Bailey suggested that the Board retain legal counsel and a demographer to assist with this process.

Vice President Holober expressed concern with the demographer used when creating the original trustee areas map and recommended using a different demographer for this new cycle. He further noted that he believed that there should be no staff involvement in this process, except in a facilitative capacity to schedule meetings and process matters as directed by the Board. Trustee Goodman suggested that a possible sub-committee be created to guide this matter and have any consultants work directly with the Board. Trustees concurred with this approach.

The Board agreed to engage the firm of Dannis Woliver Kelley as their legal advisor for this process and asked that quotes be solicited for demographer services and presented to the Board for consideration.

Public Comment: None.

Update on Face Covering Guidance as it Relates to COVID-19 (21-07-08C) (Time Stamp: 3:14:04)

Summary of Discussion: Chancellor Claire noted that the Centers for Disease Control is recommending masking in indoor spaces regardless of vaccination status for areas with high levels of spread for the COVID-19 Delta variant. He recommended that the District adopt such a posture

requiring all individuals to wear facial coverings when indoors of a District facility regardless of vaccination status. The Board supported the approach of requiring facial coverings.

Public Comment: None.

COMMUNICATIONS

(Time Stamp: 3:19:02)

None.

STATEMENTS FROM BOARD MEMBERS

(Time Stamp: 3:19:21)

President Nuris: No comments.

Vice President Holober: No comments.

Trustee Goodman: No comments.

Trustee Petrides: No comments.

Trustee Pimentel: Relating to AFT comments regarding course cancellations, encouraged outreach and communication to students about signing up for courses.

Student Trustee Garcia: No comments.

President Nuris announced that the next meeting of the Board of Trustees would be a regular meeting on August 25, 2021.

ADJOURNMENT

The meeting adjourned by consent at 8:31 p.m. in the memory of Cañada College student Tatyana Fleming.

Submitted by

Michael Claire, Secretary

BOARD REPORT NO. 21-08-01A

TO: Members of the Board of Trustees
FROM: Michael Claire, Chancellor
PREPARED BY: 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

College of San Mateo

Tabitha Conaway Acting Dean of Enrollment Services and Support Programs Enrollment Services

Reassigned from Instructional Aide II (Grade 22 of the Classified Salary Schedule 60; Salary Range: \$60,552 - \$77,688) into this acting administrative assignment (Grade AD of the Management Salary Schedule 20; Salary Range: \$169,668 - \$215,580), effective August 16, 2021, replacing Lizette Bricker who is on a leave of absence.

Kristiane Ridgway Acting Vice President of Student Services Office of the Vice President
of Student Services

Reassigned from Dean, Language Arts (Grade AD of the Management Salary Schedule 20; Salary Range: \$169,668 - \$215,580) into this acting administrative assignment (Grade AB of the Management Salary Schedule 20; Salary Range: \$180,804 - \$232,260), effective August 26, 2021, replacing Kim Lopez who was reassigned to interim President of Cañada College.

District Office

Richard Storti* Executive Vice Chancellor for Administrative Services Chancellor's Office

New full-time, 12-month administrative employment (Grade EC of the Executive Salary Schedule; Salary Range: \$249,912 - \$311,088), effective September 13, 2021. This position was previously vacant.

B. PUBLIC EMPLOYMENT**1. New Hires (NP = New Position, * = New Employee)****Cañada College**

Mercedes White* Program Services Coordinator Strategic Partnerships &
(Funded by Menlo Park Redevelopment Project) (NP) Workforce Development

New full-time, 12-month classified employment (Grade 27 of the Classified Salary Schedule 60; Salary Range: \$68,580 - \$87,504), effective August 26, 2021. This position was previously Board approved on May 12, 2021.

District Office

Israel Angeles* Custodian Facilities

New full-time, 12-month classified employment (Grade AA of the Buildings and Grounds Salary Schedule 70; Salary Range: \$50,604 - \$62,736), effective August 30, 2021, replacing King Lau who retired.

Candice Bell* Executive Assistant Chancellor's Office

New full-time, 12-month classified confidential employment (Grade 201C of the Confidential Salary Schedule 50; Salary Range: \$78,936 - \$100,860), effective September 13, 2021. This position was previously vacant.

Paul Carlisle* Custodian Facilities

New full-time, 12-month classified employment (Grade AA of the Buildings and Grounds Salary Schedule 70; Salary Range: \$50,604 - \$62,736), effective August 30, 2021, replacing Anthony Burrola, Jr. who was reassigned.

Jian Hua Deng* Custodian Facilities

New full-time, 12-month classified employment (Grade AA of the Buildings and Grounds Salary Schedule 70; Salary Range: \$50,604 - \$62,736), effective August 30, 2021, replacing Francisco Carlos who retired.

Albert Elzey Jr.* Public Safety Captain Public Safety

New full-time, 12-month classified supervisory exempt employment (Grade 190E of the Academic-Classified Exempt Supervisory Salary Schedule 35; Salary Range: \$111,264 - \$140,928), effective August 26, 2021, replacing Brian Tupper who was reassigned.

Omari Green* Custodian Facilities

New full-time, 12-month classified employment (Grade AA of the Buildings and Grounds Salary Schedule 70; Salary Range: \$50,604 - \$62,736), effective August 30, 2021, replacing Nicholas Chavez, Jr. who was reassigned.

Jessica Ho* Utility and Sustainability Specialist Facilities

New full-time, 12-month classified employment (Grade 30 of the Classified Salary Schedule 60; Salary Range: \$73,968 - \$94,392), effective September 13, 2021, replacing Isaac Knipfing who resigned.

College of San Mateo

Julieth Diaz-Benitez* Instructional Designer Academic Support & Learning Technologies

New Contract I status academic employment, effective September 6, 2021. This position was previously vacant.

Jennifer Howze-Owens* Instructional Designer (NP) Academic Support & Learning Technologies

New Contract I status academic employment, effective September 6, 2021. This position was previously Board approved on March 10, 2021.

Shannon Spring* Instructor, Nursing Math and Science

New Contract I status academic employment, effective August 16, 2021. This position was previously vacant.

Jessica Tohmc Instructor, Nursing Math and Science

New Contract II status academic employment, effective August 16, 2021. This position was previously vacant.

Brandon Williams* Counselor Counseling/EOPS

New Contract I status academic employment, effective August 16, 2021, replacing Sylvia Aguirre-Alberto who retired.

Skyline College

Derek Allenby* Career Resources/Counseling Aide Strategic Partnerships & Workforce Development

New full-time, 12-month classified employment (Grade 19 of the Classified Salary Schedule 60; Salary Range: \$56,412 - \$72,000), effective August 30, 2021, replacing Jose Milan who was reassigned.

Margaret Leary* Admissions & Records Assistant III Enrollment Services

New full-time, 12-month classified employment (Grade 24 of the Classified Salary Schedule 60; Salary Range: \$63,840 - \$81,636), effective August 26, 2021, replacing Manying Wu who was reassigned.

Lauren Wagner* Admissions & Records Assistant III Enrollment Services

New full-time, 12-month classified employment (Grade 24 of the Classified Salary Schedule 60; Salary Range: \$63,840 - \$81,636), effective September 9, 2021, replacing Bianca Pineda who resigned.

2. Re-Employment**Skyline College**

Jenny Le Counselor (STEM) Counseling

Recommend approval of an extension for a temporary academic position (10-month), effective Fall semester 2021 through Spring semester 2022. The position was originally approved on June 26, 2019.

Alejandra Tovar Counselor (Promise Scholars Program) Counseling

Recommend approval of an extension for a temporary academic position (10-month), effective Fall semester 2021 through Spring semester 2022. The position was originally approved on June 26, 2019.

C. REASSIGNMENT THROUGH THE HIRING PROCESS

District Office

Aung Linn Senior Programmer II ITS

Reassigned from Senior Programmer I (Grade 210S of the Classified Professional/Supervisory Salary Schedule 40; Salary Range: \$104,832 - \$133,800) into this full-time, 12-month position at Grade 220S of the same salary schedule; Salary Range: \$114,144 - \$146,460, effective September 1, 2021, replacing Shell Chen who will be retiring.

Skyline College

Zahra Mojtahedi Senior Research Analyst (NP) Planning/Research/
Institutional Effectiveness

Reassigned from Planning and Research Analyst (Grade 195S of the Classified Professional/Supervisory Salary Schedule 40; Salary Range: \$93,588 - \$119,520) into this full-time, 12-month position at Grade 210S of the same salary schedule; Salary Range: \$104,832 - \$133,800, effective August 26, 2021. This position was previously Board approved on May 12, 2021.

D. TRANSFER/ADMINISTRATIVE REASSIGNMENT

District Office

Erick Fesili Custodian Facilities

Transferred from a Custodian (Grade AA of the Buildings and Grounds Salary Schedule 70; Salary Range: \$50,604 - \$62,736) at Skyline College into this full-time 12-month position at Cañada College at the same grade of the same salary schedule, effective September 1, 2021.

Errol Hodgson Custodian Facilities

Transferred from a Custodian (Grade AA of the Buildings and Grounds Salary Schedule 70; Salary Range: \$50,604 - \$62,736) at Skyline College into this full-time 12-month position at Cañada College at the same grade of the same salary schedule, effective September 1, 2021.

Alberto Zamora Custodian Facilities

Transferred from a Custodian (Grade AA of the Buildings and Grounds Salary Schedule 70; Salary Range: \$50,604 - \$62,736) at College of San Mateo into this full-time 12-month position at Cañada College at the same grade of the same salary schedule, effective September 1, 2021.

E. NON-REPRESENTED EMPLOYEES ADDITIONAL DUTIES ASSIGNMENT**Cañada College****Mary Ho**Director of Post-Secondary Success
& the University Center

Student Services

Per Administrative Procedure 5.01.1, a non-represented employee assigned additional duties that are impacting several areas in the college and/or the District Office shall receive an additional responsibilities pay equal to 10% of the employee's base salary. Recommend the approval of additional responsibilities pay in the amount of \$1,150.30 per month, for activities relating to creating Districtwide transfer pathways with a partner university, effective August 1, 2021 and ending June 30, 2022.

F. CHANGES IN STAFF ALLOCATION

None

G. PHASE-IN RETIREMENT

None

G. LEAVE OF ABSENCE

None

H. PUBLIC EMPLOYEE RETIREMENT AND RESIGNATION**1. Retirement****District Office****Ignacio Carlos**

Custodial Supervisor

Facilities

Retirement effective August 1, 2021, with 26 years of District service. Eligible for District retiree benefits.

Skyline College**Imelda Hermosillo**

Counselor

Counseling

Retirement effective December 17, 2021, with 20.5 years of District service. Eligible for District retiree benefits.

2. Post-Retirement

None

3. Resignation

Cañada College

Graciano Mendoza Vice President of Administrative Services Administrative Services

Resignation effective September 12, 2021, with 1.5 years of District service.

College of San Mateo

Jose Rocha Project Director – HSI STEM Math & Science

Resignation effective August 5, 2021, with 4 years of District service.

District Office

Angelica Fregoso Bookstore Operations Assistant Auxiliary and Community Services

Resignation effective August 31, 2021, with 3.5 years of District service.

Skyline College

Michelle Batista Director of Student Support Office of Vice President of Student Services

Resignation effective August 1, 2021, with 3 years of District service.

Jesselle Hoque Program Services Coordinator Social Science and Creative Arts

Resignation effective July 23, 2021, with 1 year of District service.

Giyha Margate Storekeeper Business, Education & Professional Programs

Resignation effective August 5, 2021, with 2 years of District service.

Pamela Ortiz Victoria Program Services Coordinator Counseling

Resignation effective July 22, 2021, with 2 years of District service.

Carmen Towler Retention Specialist – Middle College Strategic Partnerships & Workforce Development

Resignation effective August 6, 2021, with 1 month of District service.

I. ESTABLISHMENT OF EQUIVALENCY TO MINIMUM QUALIFICATIONS**Skyline College****Julieth Diaz-Benitez**

Instructional Designer

Academic Support &
Learning Technologies

In accordance with Education Code 87359, the Academic Senate, Vice President of Instruction, and the President have approved the Equivalence Committee's validation of equivalent academic qualification to teach in the Instructional Designer discipline.

J. PROFESSIONAL EXPERT/CONTRACT POSITIONS

None

K. SHORT-TERM, NON-CONTINUING POSITIONS

<i>Location</i>	<i>Division / Department</i>	<i>No. of Pos.</i>	<i>Start and End Date</i>		<i>Services to be performed</i>
Cañada College	Enrollment Services	1	08/26/2021	10/31/2021	Program Services Coordinator – Degree Audit: Admissions and Records is working on scribing project in conjunction with the District and CRM implementation. Programs in SOACURR are needed and cleaned up to begin the next steps of being able to audit degrees with the CSU-GE pattern on local degrees in an automated fashion. The estimate on this project will be 40 hours in total. Requesting Administrator/Manager: Manuel Perez
Cañada College	Business, Design and Workforce / Medical Assisting	1	08/26/2021	12/18/2021	Instructional Aide II: This position will assist the Professional teaching clinical classes: watching and showing students the correct and safe methods when conducting invasive medical procedures, contact externship members in order to place students, sets up the medical simulation lab, and clerical duties to keep the medical assisting program organized and efficient. This temporary position is necessary because, due to COVID, we have compressed the clinical laboratory portion of this class, which means it

					is even more important to have assistance in the class. The previous student assistants are unavailable because of graduation and no longer being students. As we will be returning to regular scheduling in the Spring 2022 semester, this position is temporary, only through the end of this semester and will not be renewed. Requesting Administrator/Manager: Hyla Lacefield
College of San Mateo	Office of the VPI	1	08/26/2021	12/31/2021	Program Services Coordinator: This position will support with preparing marketing materials related to dual enrollment pathways, onboard CCAP bound, high school specific students through registration to our college. The Cabinet approved Short-term to support the Dual Enrollment program while planning to request a permanent position through the Fall resource request timeline. Requesting Administrator/Manager: Tiffany Zammit
District Office	International Education	1	08/26/2021	12/31/2021	Staff Assistant: This position will assist in processing GOL cohort and SVIEP applications, manual data entry of student data in both Salesforce and Banner; assist in compiling the information used for marketing flyers, course information packets, and answer student inquiries; issue and send admission documents to admitted students; and assist in the completion of forms and performs office duties for the GOL cohort program and SVIEP. Requesting Administrator/Manager: Jing Luan
Skyline College	Business, Education and Professional Programs	6	08/26/2021	12/31/2021	Child Development Center Aide I: Regulating agencies mandate that Skyline College Child Development Laboratory Center maintain required adult/child ratios when serving children birth to 5 years old. In order to operate in accordance with regulating agencies and grant terms, these positions are requested if qualified student assistants are not available for employment. CDC Aide I will assist in the supervision

					of children and in the planning and implementation of the curriculum. Requesting Administrator/Manager: Michael Kane
Skyline College	Student Equity & Support Programs / EOPS	1	08/26/2021	12/31/2021	Instructional Aide II: This position is needed for tutoring of Math, Business, Chemistry, Accounting, Economics up to 20 hours per week for EOPS. Requesting Administrator/Manager: Cheryl Johnson

BOARD REPORT NO. 21-08-02A

TO: Members of the Board of Trustees
FROM: Michael Claire, Chancellor
PREPARED BY: David Feune, Human Resources Director

CONSIDERATION AND APPROVAL OF EXECUTIVE VICE CHANCELLOR FOR ADMINISTRATIVE SERVICES EMPLOYMENT AGREEMENT

The search for a new executive vice chancellor for administrative services has been concluded and Dr. Richard Storti has been selected for this role.

The attached Employment Agreement to employ Dr. Richard Storti as Executive Vice Chancellor for Administrative Services at the District Office provides for a three (3) year term of agreement, through June 30, 2024. Effective August 13, 2021, his annual compensation will be that outlined in Executive Salary Schedule (10), Grade EC, Step 1 (currently \$249,912). Dr. Storti will receive 225 hours of vacation annually, and can cash out up to 10 days of vacation annually. He will receive one (1) day per month of sick leave, and the same health and welfare benefits, including post-retirement medical benefits, as are generally provided to management personnel of the District. He will be eligible for an annuity vesting after five years of service as Executive Vice Chancellor for Administrative Services.

RECOMMENDATION

It is recommended that the Board of Trustees approve the attached executive vice chancellor for administrative services employment agreement for Dr. Richard Storti.



EMPLOYMENT AGREEMENT FOR EXECUTIVE VICE CHANCELLOR FOR ADMINISTRATIVE SERVICES

This Employment Agreement (the "Agreement") is made and entered into on August 25, 2021 by and between the Board of Trustees of the San Mateo County Community College District (referred to as either the "District" or the "Board", as appropriate) and Dr. Richard Storti (the "Employee"). The Parties mutually agree to the following:

1. **EMPLOYMENT.** The Board employs the Employee as **Executive Vice Chancellor for Administrative Services** (the "Position"). Employee is an administrator as defined by Education Code section 87002(b), and a management employee as defined by Government Code section 3540.1(g). This Agreement is entered into pursuant to and subject to Education Code section 72411(a). Employee shall be required to render twelve (12) months of full and regular service to the District during each year of this Agreement.
2. **TERM.** Employee's term of employment as Executive Vice Chancellor for Administrative Services shall commence September 13, 2021 and conclude June 30, 2024, unless extended or terminated as herein provided.
3. **DUTIES.** Employee shall perform duties as required by law; as described in the job announcement on file for the Position or in any subsequent description prepared by the Office of Human Resources; and/or as assigned by the District. In addition to the duties and responsibilities enumerated in the job description, Employee is expected to represent the District by attending and participating in a variety of community and civic programs and events, public service occasions, social events, job-related meetings at the local and state level, and other activities as directed by the Chancellor. Employee shall devote his/her time, skills, labor and attention to performing in the Position.
4. **REPORTING RELATIONSHIP.** Employee shall report directly and solely to the Chancellor.
5. **OUTSIDE EMPLOYMENT.** Employee shall not perform outside work for compensation without the prior written approval of the Chancellor.
6. **SALARY.**
 - A. Employee's annual salary, effective September 13, 2021 and thereafter, shall be in accordance with the Executive Salary Schedule (10) established and approved by the Board. Initial salary schedule placement shall be at Grade EC, Step 1. For reference purposes, the initial annual salary, effective September 13, 2021, shall be \$249,912.



- B. Employee's annual salary shall be payable in twelve (12) equal monthly installments, each of which shall be equal to one-twelfth (1/12) of the per annum salary, with proration for a period of less than a full year or month of service.
- C. The Board retains the right to increase Employee's annual salary during the term of this Agreement. Any such increase in salary shall be in the form of either an amendment to the Executive Salary Schedule (which may be approved unilaterally by the Board), or an amendment to this Agreement (which must be authorized by the Board and Employee). A change in salary shall not constitute the creation of a new Agreement nor extend the termination date of this Agreement.
- D. A step increase will occur on the anniversary date, if applicable. Any general salary increase granted by the Board to management employees shall be applied to the monthly salary then in place. Although the Board reserves the right to increase the salary of this position from time to time, such increases shall not be interpreted as a new agreement or operate as an extension or renewal of this Agreement.
- E. In the event furlough days or other economic concessions are implemented by the Board, Employee shall be subject to the same general or across-the-board concessions as apply to management employees of the District, with a corresponding proportionate reduction in pay.
- F. The District shall report Employee's compensation to PERS or STRS, as applicable, and as required by law. The District assumes no responsibility, and makes no representations, with respect to PERS/STRS treatment of Employee's compensation, including, without limitation, determinations relating to final compensation and creditable compensation.

7. **PROFESSIONAL SCHEDULE AND VACATION.**

- A. Employee shall be required to render twelve (12) months of full and regular service to the District during each annual period covered by this Agreement, exclusive of holidays provided in the California Education Code and any additional local holidays granted by the Board to 12-month administrative employees.
- B. Employee shall earn and accrue 18.75 hours of vacation for each full month of service rendered (equating to 225 hours per year). Upon accruing 450 hours of vacation, the Employee shall cease to accrue vacation until such time as his/her accrued vacation total is reduced below 450 hours. During each fiscal year, Employee may elect in writing to cash out up to ten (10) days (75 hours) of vacation from his earned and accumulated vacation leave. Vacation cash out may occur at various times during the year, provided the total amount cashed out does not exceed ten (10) days in any fiscal year. Upon termination or expiration of this Agreement, the Employee shall be entitled to compensation for unused and accrued vacation



days at his/her then current per-diem rate (i.e. salary divided by 260) for no more than that amount of unused vacation that may be accrued under this Agreement. The Employee shall obtain approval of the Chancellor prior to utilizing vacation.

8. FRINGE BENEFITS.

- A. **Sick Leave.** Employee shall be provided with one (1) day per month sick leave. Earned sick leave may be accrued and accumulated as provided by the Education Code and Board policies and procedures, but has no cash value and shall not be cashed out.
- B. **Health and Welfare.**
- (1) **During Employment.** Employee shall be provided fringe benefits, including group health, medical, dental, vision and life insurance, subject to applicable eligibility requirements, and shall have the premiums for such plans paid by the District up to the employer contribution limit set for all other unrepresented managers of the District. It is agreed and understood that these fringe benefits may be amended and modified or deleted in their entirety from time to time as determined by the Board.
- (2) **Post-Retirement Medical.** At the conclusion of employment with the District, Employee shall receive the same retiree health benefits as the District provides for managers, if eligible, and subject to satisfaction of certain age and service requirements as set forth in Exhibit A (which is attached and by reference incorporated, as a part of this Agreement).
- C. **Annuity.** The District shall establish a deferred compensation vehicle for the Employee through an annuity to be determined by the District and in accordance with State statutes and State and District regulations. The District shall contribute \$10,000 each year into such annuity on a tax deferred basis. Vesting of the annuity shall be 100% after the completion of five years of service with the District. Vesting credit shall begin with the Employee's original hire date as Executive Vice Chancellor for Administrative Services. If Employee terminates employment prior to full vesting, all money in the annuity shall revert back to the District.
- D. **Professional/Educational Growth.**
- (1) The Board encourages Employee to participate in professional and educational growth opportunities and training, and to promote the interests of the District before various governmental and constituency groups, consistent with the established budget of the District.



- (2) The Board shall pay, on behalf of the Executive Vice Chancellor for Administrative Services the membership expense of relevant local, state and national organizations, as authorized by the Chancellor.
- E. **Expense Reimbursement.** The District shall reimburse Employee for actual and necessary expenses incurred by Employee in the performance of Employees' duties, in accordance with District policy and procedure (including, without limitation, Board Policy 8.55 and Administrative Procedure 8.55.1), subject to Chancellor approval for out of state travel. There will be no reimbursement for travel incurred within District boundaries.
9. **PERFORMANCE EVALUATIONS.** Employee will be evaluated in accordance with the District's Policy and Procedures for the evaluation of the Position. Compliance with this Section by the District shall not be a condition precedent to the right of the District to reassign Employee, terminate and/or renew this Agreement and the failure to timely evaluate Employee shall not constitute a basis to challenge any reassignment, termination or decision not to renew this Agreement. The District reserves the right to conduct additional evaluations if recommended by the Chancellor.
10. **PROFESSIONAL/EDUCATIONAL GROWTH.** The District encourages Employee to participate in professional and educational growth opportunities and training. To that end, the Chancellor and Employee shall mutually agree on professional and/or educational growth activities for the employee that the District shall fund during the term of this contract.
11. **TERMINATION OF CONTRACT.**
- A. **Mutual Consent.** This Agreement may be terminated by mutual agreement of the parties at any time.
- B. **Termination by Employee.** Employee may terminate this Agreement at any time upon sixty (60) calendar days prior written notice to the Chancellor.
- C. **Non-renewal of the Agreement by District.** The Board may elect not to renew this Agreement for any reason by providing written notice to Employee six (6) months in advance of the expiration of this Agreement, in accordance with Education Code section 72411 and other applicable law. Failure by the Board to issue a notice of non-renewal shall serve to extend this Agreement for one additional year under the same terms and conditions as are set forth herein. Employee shall provide the Board with written notice of the provisions of this Paragraph at least nine (9) months in advance of the expiration of this Agreement. The Employee's failure to do so shall constitute a material breach of this Agreement. In the event this Agreement is automatically extended for one additional year as provided by this paragraph, any salary increase provided for that



year shall not exceed the limit established by Government Code sections 3511.1 and 3511.2.

- D. Termination Without Cause.** Notwithstanding any other provision of law or of this Agreement, the Board may, unilaterally and without cause or a hearing, terminate this Agreement upon giving thirty (30) days prior written notice. In consideration for the exercise of this right, the District shall pay Employee, for the remainder of the unexpired term of this Agreement, or for 6 months plus one month for every year of District service, not to exceed twelve (12) months, whichever is less, a monthly sum equal to Employee's gross monthly salary at the salary rate in effect during his last month of service. In addition, Employee shall be entitled to receive health and welfare benefits at the District's expense for an amount of time commensurate with the amount of time to which Employee is entitled to the above described payment; provided that, if during this period, Employee finds other employment which provides health and welfare benefits, the District's obligation to provide health benefits shall cease. The parties agree that this paragraph is to be construed consistent with the requirements of Government Code section 53260 et seq. The sum owed to Employee pursuant to this Paragraph shall be offset by any amounts actually earned by Employee as a faculty member following the termination of this Agreement. The parties further agree that this sum constitutes liquidated damages in recognition of the extreme difficulty of determining actual damages to Employee resulting from the contract's termination without cause. These liquidated damages represent the Employee's sole and exclusive remedy for any and all damages, known or unknown, tort, contract or otherwise, flowing from the termination of Employee's employment with the District. The parties recognize that upon payment of the liquidated damages sum, the Employee will be foreclosed from bringing any action or proceeding of any nature against the District.
- E. Termination for Cause.** This Agreement and the services of Employee may be terminated by the Board at any time for cause if Employee has materially breached the terms of this Agreement, engages in abuse of office (as defined in Government Code section 53243 et seq.), has neglected to perform the duties under it, has engaged in insubordination, or has committed an act specified in Education Code section 87732. The Board shall not terminate this Agreement under this Section until a written statement of the grounds for termination has first been served upon Employee. In lieu of any other hearing, Employee shall then be entitled to a conference with the Board within ten (10) work days at which time Employee shall be given a reasonable opportunity to address the Board's concerns. Employee shall have the right, at his/her own expense, to have a representative of his/her choice at the conference with the Board. The Board's determination following any such conference shall be final.
- F. Abuse of Office.** Notwithstanding any other provision of this Agreement, and as mandated by Government Code section 53243 et seq., in the event Employee is



convicted of a crime constituting “abuse of office,” Employee shall reimburse the District to the fullest extent mandated by Government Code section 53243 et seq. (i.e. for paid leave time, criminal defense expenditures, or any cash settlement). In the event of such conviction, the District shall make no payments barred by Government Code section 53243 et seq. By way of example, in the event Employee is placed on paid administrative leave pending an investigation, Employee shall reimburse the pay received during that leave in the event he/she is convicted of a crime constituting “abuse of office.”

- G. Retreat Rights.** Upon termination of this Agreement other than for cause, and following completion of at least two years of satisfactory service, Employee shall be entitled to retreat to a first-year probationary faculty position for which he/she meets minimum qualifications, subject to and in accordance with all applicable requirements of Education Code sections 87458 and 87458.1.
- 12. APPLICABLE LAW AND VENUE.** This Agreement and the rights and obligations of the parties shall be construed and enforced in accordance with the laws of the State of California, as amended from time to time. The parties agree that, in the event of litigation, venue shall be the appropriate court located in San Mateo County, California.
- 13. AGREEMENT TO MEDIATION.** The parties agree that prior to initiation of any litigation over any dispute about matters covered by this Agreement, they will submit to voluntary mediation in accordance with procedures to be mutually agreed upon by them. Nothing herein shall be construed to relieve either party or be deemed to constitute a waiver by either party of their respective rights and obligations under Government Code section 810 et seq.
- 14. SEVERABILITY.** If any term or provision of this Agreement is, to any extent, held by a court of competent jurisdiction to be invalid, or unenforceable, the remaining terms and provisions of this Agreement shall continue in full force and effect.
- 15. CONSTRUCTION.** This Agreement shall not be construed more strongly against either party regardless of who is responsible for its preparation.
- 16. ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement and understanding between the parties. There are no oral understandings, terms or conditions, and neither party has relied upon any representation, expressed or implied, not contained in this Agreement.
- 17. NO ASSIGNMENT.** This is an agreement for personal services. Employee may not assign or transfer any rights granted or obligations assumed under this Agreement.
- 18. MODIFICATION.** This Agreement cannot be changed or supplemented orally. It may be modified or superseded only by written instrument executed by both parties.



- 19. **BOARD APPROVAL.** The parties recognize that this Agreement is subject to Board approval, which must occur in open session during a regular public meeting.
- 20. **EXECUTION OF OTHER DOCUMENTS.** The parties to this Agreement shall cooperate fully in the execution of any other documents and in contemplation of any additional action that may be necessary or appropriate to give full force and effect to the terms of this Agreement.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

Michael E. Claire
Chancellor

Date

ACCEPTANCE OF EMPLOYMENT AGREEMENT

I have reviewed this Employment Agreement and I accept this Employment Agreement and the terms and conditions of that employment. I have not agreed to employment and/or contracted for employment with the governing board of any other school district or community college district which will, in any way, conflict with my duties in this position.

Richard Storti

Date



EXHIBIT A

MANAGEMENT RETIREE HEALTH AND WELFARE BENEFITS

1. **RETIREE MEDICAL AND DENTAL BENEFITS:** The District will provide medical and dental benefits, as described in the benefits handbook available in the Office of Human Resources, to managers who were employed as regular faculty, classified or management employees by the District prior to January 1, 1987. The eligible retired manager, and that manager's spouse at the time of the manager's retirement, shall be eligible for continuation of benefits during the life of the retired manager, and, following the death of the retired manager, during the life of the un-remarried surviving spouse.
- 1.1 **Employed On or After 1/1/1987 and Prior to 9/8/1993:** For those employed as regular faculty, classified or management employees by the District on or after January 1, 1987, the maximum amount paid by the District for retiree medical benefits will be the amount the District would have been required to pay had the retiree selected the appropriate Kaiser Health Plan.
- 1.2 **Employed On or After 9/8/1993:** For managers whose first day of paid service as a regular faculty employee, classified employee or manager commences on or after September 8, 1993, the maximum amount paid by the District for retiree health benefits (medical and dental) shall be \$450/month until the manager becomes eligible for Medicare Part B. At that time, the District will then pay, for the manager only, the lowest cost medical plan available within the agreement between the parties.
- 1.3 **10 Years of Service Required – Employed Prior to 9/8/1993:** For those managers hired as a regular faculty employee, classified employee or manager prior to September 8, 1993, to be eligible for District-paid retiree medical and dental benefits, the retiree must have ten (10) full years of service with the District and be at least 55 years of age. For a year of service to be counted, the assignment must have been such that the manager was eligible for medical insurance benefits if such benefits were available to employees.
- 1.4 **20 Years of Service Required – Employed On or After 9/8/1993:** For those managers hired as a regular faculty employee, classified employee or manager whose first day of paid service commences on or after September 8, 1993, to be eligible for District-paid retiree medical and dental benefits, the retiree must have twenty (20) full years of service within the District, must be at least 55 years of age, must be currently employed by the District at the time of retirement, and the age at the time of retirement of the retiree (in full years), when added to the full years of service, must total 75 or more. For a year of service to be counted, the assignment must have been such that the manager was eligible for medical insurance benefits if such benefits were available to employees.

BOARD REPORT NO. 21-08-03A

TO: Members of the Board of Trustees
FROM: Michael Claire, Chancellor
PREPARED BY: David Feune, Director, Human Resources

APPROVAL OF 21-22 INSTRUCTIONAL FACULTY SALARY SCHEDULE (HI)

The 2019-2022 San Mateo Community College Federation of Teachers, AFT Local 1493 collective bargaining agreement was approved by the Board of Trustees on May 9, 2021. The agreement provides language on part-time parity (Article 8.15), which includes a provision whereby the District is to apply an additional \$1.5 million to the Instructional Adjunct Faculty Salary Schedule (HI), separate and apart from whatever salary increases are negotiated for all faculty for FY21-22. The additional \$1.5 million results in a 7.22% salary increase for instructional adjunct faculty.

RECOMMENDATION

It is recommended that the Board of Trustees approve and adopt the attached updated Instructional Adjunct Faculty Salary Schedule (HI).

**San Mateo County Community College District
Adjunct Faculty Salary Schedule Inst. (HI)
Effective: 16-AUG-2021**

Step	Lecture	Laboratory	Special
1	87.43	75.09	54.23
2	92.55	79.99	57.58
3	97.71	84.82	61.03
4	102.92	89.19	64.46
5	107.84	93.47	67.88
6	113.30	97.87	70.84
7	118.24	102.50	73.89
8	123.26	107.19	76.82
9	128.32	111.57	79.98
10	132.19	114.96	82.38
11	136.17	118.41	84.83

*Note: Compensation for the summer session is based on the
Salary Schedule in effect during the previous semester.*

BOARD REPORT NO. 21-08-01CA

TO: Members of the Board of Trustees
FROM: Michael Claire, Chancellor
PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff

RATIFICATION OF AGREEMENT WITH THE REGISTRY FOR COLLEGE AND UNIVERSITY PRESIDENTS FOR INTERIM CHIEF HUMAN RESOURCES OFFICER SERVICES

Due to the recent resignation of the District's Chief Human Resources Officer (CHRO), over the next few months, the District will be undertaking a recruitment and hiring process for a permanent replacement for this position. In the intervening period, however, it is necessary that the District have a CHRO in place to lead myriad of critical matters that impact such things as policies and processes relating to return to on-site work and assisting the District with the transition to a new CHRO.

Because of timing, administration determined that contracting with a third-party entity for this service was prudent and necessary and initiated such services with the Registry for College and University Presidents for an interim Chief Human Resources Officer. The general terms of the arrangement include providing a salary at the District rate for the CHRO position (Salary: District rate of salary for the position (Salary Schedule 20, Grade AA, Step 1 - \$18,160 per month), but the interim CHRO is not eligible for and the District does not provide healthcare benefits, pension contributions, vacation accruals or sick leave accruals. The District does pay a 33% fee (based on the salary) to the Registry for the service, and also provides housing for the interim candidate. As part of the agreement with the Registry, the interim candidate is not eligible to be a candidate for the permanent position. The agreement can be cancelled with 30-days notice.

The administration interviewed two candidates from five pre-screened candidates from the Registry and selected Marie Billie for the position. Ms. Billie has a broad knowledge and in-depth experience in all facets of human resources and served as Assistant Vice President for Human Resources at the University of Maryland Eastern Shore before retiring. She has since served in a number of interim placements as CHRO through the Registry.

As the District anticipates beginning the recruitment and hiring process for the CHRO position in the coming weeks, it is expected that the contract with the Registry will last no more than six months.

RECOMMENDATION

It is recommended that the Board ratify the agreement with the Registry for College and University Presidents for interim Chief Human Resources Officer services.

BOARD REPORT NO. 21-08-02CA

TO: Members of the Board of Trustees
FROM: Michael Claire, Chancellor
PREPARED BY: Bernata Slater, Chief Financial Officer

RATIFICATION OF MAY AND JUNE 2021 DISTRICT WARRANTS

Attached as Exhibits A and B are the warrants in excess of \$10,000 that were issued in the months of May and June 2021 respectively. The schedules include total warrants issued for the subject period in addition to the warrant sequences. The District now seeks Board approval of the warrants listed in the attached Exhibits.

RECOMMENDATION

It is recommended that the Board of Trustees approve the warrants issued during the period May 1, 2021 through June 30, 2021 and ratify the contracts entered into leading to such payments.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
May 1 - 31, 2021
WARRANTS SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Num	Check Date	Vendor Name	Check Amount	Description
<u>District Accounts Payable</u>				
0087428	05/04/21	U.S. Bank National Association ND, .	151,789.22	Districtwide Procurement Card Payment
0087431	05/04/21	American Federation of Teachers	58,958.29	Monthly Union Dues
0087433	05/04/21	B & H Foto & Electronics Corp.	14,221.17	Skyline and CSM AV Equipment Purchases
0087434	05/04/21	BankMobile Technologies, Inc.	251,975.00	Financial Aid Disbursement
0087435	05/04/21	Build Group Inc.	107,584.75	CSM Theater Upgrade Project
0087436	05/04/21	CalPERS	1,796,983.53	Monthly Health Insurance Premium
0087456	05/04/21	San Francisco State University	35,533.02	Cañada Grant Related Expenses Reimbursement
0087462	05/04/21	SMCCCD Bookstore	10,498.59	Skyline Department Supplies and Special Programs Textbooks Purchases
0087463	05/04/21	SMCCCD Bookstore	137,482.45	Districtwide Loan to Own Program and Monthly Student Fees Reimbursement
0087465	05/04/21	Strawn Construction Inc.	98,876.00	Skyline Construction Project
0087470	05/04/21	VALIC Retirement Services Company	354,657.66	Monthly Tax Sheltered Annuities Employee Contribution
0087472	05/04/21	W W Grainger Inc	17,460.05	Skyline Department Equipment Purchase
0087488	05/11/21	Santamaria, Carlos J.	11,802.08	CSM Grant Related Consulting Services
0087496	05/11/21	BankMobile Technologies, Inc.	102,282.82	Financial Aid Disbursement
0087498	05/11/21	Build Group Inc.	313,610.85	Cañada Construction Project
0087499	05/11/21	C2G Civil Consultants Group Inc.	13,600.00	CSM Water Supply Tank and Fire Pump Replacement and Repair Projects
0087500	05/11/21	Carolina Biological Supply Company	35,516.74	Skyline Instructional Material Purchases
0087502	05/11/21	CDW LLC	26,152.64	Skyline and Cañada IT Equipment Purchases
0087503	05/11/21	CIS, Inc	20,380.00	Districtwide Construction Projects Inspection Services
0087506	05/11/21	Enterprise FM Trust	10,980.05	Districtwide Monthly Car Lease Payment
0087509	05/11/21	Harry L. Murphy, Inc	10,950.00	CSM Flooring Project
0087511	05/11/21	Linguabee LLC	11,835.60	Skyline and CSM Student Sign Language Interpreting Services
0087513	05/11/21	Noll & Tam Architects	14,637.53	Cañada & CSM Construction Projects Administration Services
0087515	05/11/21	School Project for Utility Rate Reduction (SPURR)	74,335.54	Utilities
0087517	05/11/21	Sedgwick Claims Management Services. Inc.	47,134.13	Replenish Workers' Compensation Insurance Fund
0087521	05/11/21	SMCCCD Bookstore	13,125.00	CSM Meals Plan Program Gift Cards
0087522	05/11/21	Strawn Construction Inc.	32,268.00	Skyline Construction Projects
0087523	05/11/21	Swinerton Builders	191,400.00	Construction Program Management Services
0087524	05/11/21	Tango Card Nebraska, Inc.	41,950.00	CSM and Cañada Food Insecurity And Promise Grant Gift Cards Purchase
0087539	05/18/21	BankMobile Technologies, Inc.	298,936.16	Financial Aid Disbursement
0087540	05/18/21	BLVD Residential	144,000.00	Cañada and College Vista Operational Expenses Advancement
0087541	05/18/21	BOV Embroidery, Inc.	10,395.84	Districtwide Facilities Uniforms Purchase
0087546	05/18/21	Chen, Gang	22,140.00	International Students Recruitment Services Fees
0087556	05/18/21	School Project for Utility Rate Reduction (SPURR)	27,837.57	Utilities
0087559	05/18/21	SMCCCD Bookstore	12,359.50	Cañada EOPS Textbooks and Supplies Purchases
0087560	05/18/21	SMCCCD Bookstore	14,924.97	Cañada Special Programs Supplies and Books Purchases
0087561	05/18/21	Tango Card Nebraska, Inc.	33,055.00	Skyline Food Insecurity And Promise Grant Gift Cards Purchase
0087562	05/18/21	Tango Card Nebraska, Inc.	39,125.00	CSM and Cañada Food Insecurity And Promise Grant Gift Cards Purchase
0087582	05/25/21	BankMobile Technologies, Inc.	197,772.00	Financial Aid Disbursement
0087583	05/25/21	CCT Technologies, Inc.	62,742.20	Districtwide ITS Software License and IT Equipment Purchases
0087592	05/25/21	Gordon Kenny Realty, Inc.	118,479.93	Cañada and College Vista Operational Expenses Reimbursement
0087593	05/25/21	GRD Energy Inc.	15,280.00	Cañada Construction Project Commissioning Services
0087599	05/25/21	Netronix Integration, Inc.	93,653.68	Districtwide External Cameras Replacement Project
0087601	05/25/21	Oracle America, Inc.	40,000.00	Districtwide ITS Cloud Infrastructure

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Check Num	Check Date	Vendor Name	Check Amount	Description
0087603	05/25/21	San Mateo County Schools Insurance Group	178,071.80	Monthly Dental and Vision Insurance Premiums
0087604	05/25/21	Schneider Electric Buildings Americas, Inc.	26,364.00	Districtwide Building Management Alarm Strategy Evaluation
0087606	05/25/21	SM County Community College District	37,921.45	Replenish Flex Spending Account
0087609	05/25/21	SMCCCD Bookstore	10,792.13	Skyline Department Supplies Purchases
0087611	05/25/21	Strawn Construction Inc.	700,026.50	Skyline Construction Projects
0087612	05/25/21	Tango Card Nebraska, Inc.	10,750.00	Cañada Promise Grant Gift Cards Purchase
525517	05/04/21	City of Redwood City	12,295.20	Utilities
525518	05/04/21	City of Redwood City	18,461.85	Utilities
525520	05/04/21	Comm College League/Calif	62,600.00	Districtwide Student Software Annual Subscription Fees
525531	05/04/21	Floyd, Kay A.	10,000.00	CSM Grant Related Consulting Services
525548	05/04/21	One Diversified, LLC	17,333.45	Districtwide ITS Equipment Purchases
525550	05/04/21	Pacific Fitness Products LLC	57,293.75	Cañada PE Equipment Purchases
525557	05/04/21	Salesforce.org	369,509.50	Districtwide Software License Subscription
525567	05/04/21	Verbit Software Ltd	15,000.00	Districtwide Captioning and Transcription Software Annual Fee
525572	05/04/21	C S E A	19,001.50	Monthly Union Dues
525632	05/11/21	Deere & Company	13,079.75	Skyline Facilities Tractor Purchase
525634	05/11/21	Division of the State Architect	71,330.00	Skyline Construction Project Plan Review Fee
525643	05/11/21	Iron Mountain Inc.	27,748.52	Skyline Scanning Project and ITS Data Tapes Storage Fees
525649	05/11/21	KYA Services LLC	20,290.37	Cañada PE Furniture Purchase
525681	05/11/21	Strata Information Group	321,750.00	Monthly Districtwide Professional & Management Services
525682	05/11/21	Strategic Energy Innovations	16,760.00	Districtwide Sustainability Fellowship Program Services
525699	05/11/21	Build Group Inc.	16,505.83	Cañada Construction Project
525701	05/18/21	4imprint, Inc.	57,958.74	Skyline Marketing Materials Purchases
525723	05/18/21	City of San Bruno	18,302.45	Utilities
525726	05/18/21	Constellation NewEnergy, Inc.	45,906.06	Utilities
525747	05/18/21	KTGY Group, Inc.	20,597.50	Skyline Housing Architecture and Planning Services
525765	05/18/21	Pacific Gas & Electric Co	18,875.32	Utilities
525766	05/18/21	Pacific Gas & Electric Co	29,991.72	Utilities
525780	05/18/21	Resilite Sport Products	10,948.66	SKY PE Equipment Purchase
525788	05/18/21	Sol Ecology, Inc.	10,390.00	Half Moon Bay Oil Well Demolition Project Consulting Services
525791	05/18/21	The ADT Security Corporation	28,840.13	Districtwide Security Equipment Purchase
525796	05/18/21	Via Heart Project	11,184.25	Cañada Defibrillators Purchase
525806	05/18/21	The Guardian Life Insurance Company	58,745.87	Monthly Life Insurance Premium
525808	05/25/21	22 Miles Inc.	13,146.90	Cañada Digital Signage and Mapping Equipment and Software Purchase

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525809	05/25/21	ACCO Engineered Systems, Inc.	16,503.00	CSM Chiller Plant Maintenance Services
525816	05/25/21	AT&T/MCI	13,048.29	Districtwide Telephone Services
525838	05/25/21	Guzman Construction Group, Inc.	786,125.00	Skyline College Ridge Housing Construction Project
525840	05/25/21	HMC Group	112,131.72	CSM Construction Project Constructional Documents Services
525864	05/25/21	Pacific Gas & Electric Co	13,774.58	Utilities
525881	05/25/21	Steinberg Hart	32,722.50	Districtwide Facilities Master Plan Consulting Services
525882	05/25/21	The ADT Security Corporation	23,848.57	Districtwide Access Control System Support Fees
525885	05/25/21	Turnitin, LLC	11,500.00	CSM Grading System Software License Fee
525899	05/25/21	Guzman Construction Group, Inc.	41,375.00	Skyline College Ridge Housing Construction Project
525902	05/25/21	Strawn Construction Inc.	33,757.25	Skyline Swing Space Construction Project

District Payroll Disbursement (excluding Salary Warrants)

J2104159	05/03/21	US Treasury - Federal Payroll Tax	3,291,151.51	Federal Payroll Tax
J2104159	05/03/21	EDD - State Payroll Tax	726,207.05	State Payroll Tax
J2104159	05/03/21	EDD - State Payroll Tax	19,633.85	State Tax-Disability Insurance
J2104197	05/03/21	State Teacher Retirement - Defined Benefit	1,255,142.85	STRS Retirement-Defined Benefit 95%
J2104198	05/10/21	PERS Retirement	2,140,332.07	PERS Retirement Advance
J2104220	05/05/21	Empower 457	69,827.95	Tax Annuity
J2104223	05/05/21	VALIC 457	33,498.33	Tax Annuity
J2104398	05/11/21	State Teacher Retirement - Cash Balance	59,038.60	STRS Retirement-Cash Balance
J2104399	05/17/21	US Treasury - Federal Payroll Tax	121,417.96	Federal Payroll Tax
J2104399	05/17/21	EDD - State Payroll Tax	11,148.91	State Payroll Tax
J2104402	05/12/21	State Teacher Retirement - Defined Benefit	62,083.61	STRS Retirement-Defined Benefit Bal

SMCCCD Bookstores

Subtotal	16,370,724.36	96%
Warrants Issued ≤ \$10,000	761,041.33	4%
Total Non-Salary Warrants Issued	17,131,765.69	100%

District Accounts Payal Ck#525509-525903, DD87422-87624	9,399,727.13
District Payroll Ck#157186-157729, DD50220328-50222133	16,192,256.28
SMCCCD Bookstores CK#120635-120636, EFT 73699	5,845.89
Total Warrants Including Salaries May 2021	25,597,829.30

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
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Check Number	Check Date	Vendor Name	Check Amount	Description
		<u>District Accounts Payable</u>		
0087630	06/01/21	U.S. Bank National Association ND, .	215,000.33	Districtwide Procurement Card Payment
0087634	06/01/21	American Federation of Teachers	61,214.12	Monthly Union Dues
0087636	06/01/21	BankMobile Technologies, Inc.	255,142.92	Financial Aid Disbursement
0087637	06/01/21	Blach Construction Company	2,962,507.17	Cañada Construction Project
0087639	06/01/21	Build Group Inc.	309,254.73	Cañada Construction Project
0087644	06/01/21	Dell Marketing LP	83,122.92	Cañada and CSM Computers Purchases
0087648	06/01/21	LPA Inc.	81,945.00	Skyline Construction Project DSA Back Check and Approval Services
0087656	06/01/21	Statewide Educational Wrap-Up Program	20,996.17	Skyline Construction Project Insurance Premium
0087657	06/01/21	Swinerton Builders	180,032.00	Construction Program Management Services
0087658	06/01/21	Tango Card Nebraska, Inc.	57,575.00	Skyline Food Insecurity Grant Gift Cards Purchase
0087661	06/01/21	VALIC Retirement Services Company	350,362.66	Monthly Tax Sheltered Annuities Employee Contribution
0088071	06/08/21	BankMobile Technologies, Inc.	333,294.50	Financial Aid Disbursement
0088072	06/08/21	CalPERS	1,788,646.57	Monthly Health Insurance Premium
0088073	06/08/21	CIS, Inc	35,754.00	Skyline and Cañada Construction Projects Inspection Services
0088075	06/08/21	CWDL CPAs	30,960.00	Districtwide Audit Services
0088077	06/08/21	Enterprise FM Trust	11,603.59	Districtwide Monthly Car Lease Payment
0088084	06/08/21	Kumar, Karan	11,550.00	International Students Recruitment Services Fees
0088090	06/08/21	Noll & Tam Architects	16,145.97	Cañada Construction Project Administration Services
0088096	06/08/21	Schneider Electric Buildings Americas, Inc.	17,551.92	Districtwide Facilities Management Systems Maintenance Service
0088097	06/08/21	School Project for Utility Rate Reduction (SPURR)	61,889.15	Utilities
0088098	06/08/21	SCP Distributors, LLC	11,188.54	Cañada & CSM Pool Supplies and Equipment Purchases
0088099	06/08/21	Sedgwick Claims Management Services. Inc.	26,641.78	Replenish Workers' Compensation Insurance Fund
0088102	06/08/21	SMCCCD Bookstore	14,775.00	Cañada Food Insecurity Grant Gift Cards Purchase
0088103	06/08/21	SMCCCD Bookstore	1,975,512.64	Monthly Fee Reimbursement and HEERF II Loss Revenue Funds Transfer
0088118	06/15/21	Santamaria, Carlos J.	11,802.08	CSM Grant Related Consulting Services
0088123	06/15/21	AECOM Technical Services, Inc.	63,600.00	Cañada Construction Projects Project Management Services
0088127	06/15/21	BankMobile Technologies, Inc.	912,914.92	Financial Aid Disbursement
0088130	06/15/21	CDW LLC	10,474.21	Districtwide ITS Equipment Purchases
0088132	06/15/21	Corovan Moving & Storage Co.	18,024.49	Cañada Construction Project Moving Services
0088133	06/15/21	Coulter Construction Inc.	22,615.10	Skyline and CSM CoGen Systems Removal Projects
0088139	06/15/21	Home Depot USA Inc.	34,451.54	Districtwide Custodian Supplies Purchase
0088140	06/15/21	Jaime L Arce	25,683.28	Skyline College Signage Project
0088142	06/15/21	KTGY Group, Inc.	18,032.50	Skyline Housing Construction Architectural Services
0088145	06/15/21	Netronix Integration, Inc.	20,401.36	Districtwide Security Cameras Software Update Fees
0088149	06/15/21	Sedgwick Claims Management Services. Inc.	69,462.47	Replenish Workers' Compensation Insurance Fund
0088153	06/15/21	Strawn Construction Inc.	599,404.40	Skyline College Construction Project
0088154	06/15/21	Tango Card Nebraska, Inc.	11,850.00	CSM Promise Scholars Program Grant Gift Cards Purchase
0088168	06/22/21	Advance Soil Technology Inc.	13,362.00	Skyline Construction Geotechnical Testing and Consulting Services
0088169	06/22/21	Arborwell Inc.	14,768.00	Cañada Trees Removal and Trimming Services
0088171	06/22/21	BankMobile Technologies, Inc.	118,656.00	Financial Aid Disbursement
0088172	06/22/21	Build Group Inc.	440,630.12	Cañada Construction Project
0088177	06/22/21	Ellucian Company L.P.	20,113.00	Districtwide Banner Annual Maintenance Services
0088183	06/22/21	Jaime L Arce	26,104.76	Skyline College Signage Project
0088185	06/22/21	LPA Inc.	40,972.50	Skyline Construction Project DSA Back Check and Approval Services
0088189	06/22/21	Noll & Tam Architects	13,088.10	Cañada and CSM Construction Projects Administration Services
0088193	06/22/21	School Project for Utility Rate Reduction (SPURR)	20,992.43	Utilities
0088196	06/22/21	SMCCCD Bookstore	16,329.75	Cañada EOPS Textbooks Expenses and Graduation Supplies

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Check Number	Check Date	Vendor Name	Check Amount	Description
0088197	06/22/21	Strawn Construction Inc.	190,656.45	Skyline Construction Project
0088198	06/22/21	Tango Card Nebraska, Inc.	32,225.00	CSM Food Insecurity Program Grant Gift Cards Purchase
0088199	06/22/21	W W Grainger Inc	67,147.07	Districtwide Facilities Equipment Purchases
0088258	06/24/21	One Workplace L. Ferrari, LLC	17,282.08	CSM Classroom Furniture Purchase
0088261	06/24/21	Schneider Electric Buildings Americas, Inc.	17,551.88	Districtwide Facilities Management Systems Maintenance Service
0088263	06/24/21	Sedgwick Claims Management Services. Inc.	21,405.33	Replenish Workers' Compensation Insurance Fund
0088265	06/24/21	Swinerton Builders	158,368.00	Construction Program Management Services
0088266	06/24/21	Tango Card Nebraska, Inc.	10,550.00	Cañada Promise Scholars Program Grant Gift Cards Purchase
0088267	06/24/21	Tango Card Nebraska, Inc.	53,580.00	Skyline Food Insecurity Grant Gift Cards Purchase
0088277	06/28/21	American Federation of Teachers	88,558.08	Monthly Union Dues
0088280	06/28/21	BankMobile Technologies, Inc.	479,342.09	Financial Aid Disbursement
0088289	06/28/21	Home Depot USA Inc.	11,170.26	Skyline and Cañada Facilities Supplies Purchases
0088293	06/28/21	Patterson Dental Supply, Inc.	73,549.98	CSM Dental Assistance Program Equipment Purchase
0088294	06/28/21	San Mateo County Schools Insurance Group	177,364.05	Monthly Dental and Vision Insurance Premiums
0088295	06/28/21	SCP Distributors, LLC	16,657.36	Cañada & CSM Pool Supplies Purchases
0088296	06/28/21	Sedgwick Claims Management Services. Inc.	24,795.00	Replenish Workers' Compensation Insurance Fund
0088298	06/28/21	SMCCCD Bookstore	21,838.40	Skyline Departmental Supplies Purchases
0088299	06/28/21	SMCCCD Bookstore	23,488.52	Skyline Departmental Supplies Purchases
0088300	06/28/21	SMCCCD Bookstore	63,655.68	Skyline Promise Program
0088302	06/28/21	Strawn Construction Inc.	16,964.15	Skyline Construction Project
0088303	06/28/21	Tango Card Nebraska, Inc.	12,050.00	Skyline Promise Scholars Program Grant Gift Cards Purchase
0088304	06/28/21	Tango Card Nebraska, Inc.	12,175.00	Cañada Food Insecurity Grant Gift Cards Purchase
0088307	06/28/21	VALIC Retirement Services Company	199,913.99	Monthly Tax Sheltered Annuities Employee Contribution
0088314	06/28/21	Young Electric Company, Co.	13,180.00	Skyline and CSM Security Cameras Replacement Projects
525910	06/01/21	Atlas/Pellizzari Electric, Inc.	112,800.00	CSM and Skyline Scoreboards Replacement Installation Services
525914	06/01/21	California Community Colleges Board of Governors	17,700.00	Districtwide Student Right To Know Reporting Subscription
525918	06/01/21	Comm College League/Calif	31,995.00	Districtwide Library Services Platform Program Subscription Fees
525924	06/01/21	Denali, Inc.	14,690.00	Cañada Pre-construction Inspection, Testing and Reporting Services
525925	06/01/21	Dexon Computer, Inc.	27,165.00	Skyline IT Equipment Purchase
525929	06/01/21	Enviroplex, Inc	17,944.34	Cañada Construction Project
525930	06/01/21	Galeb Paving, Inc.	743,280.00	CSM Parking Lot Construction Project
525942	06/01/21	NGI Capital, Inc.	55,090.00	Districtwide CRM System Development and Implementation Services
525944	06/01/21	One Diversified, LLC	29,764.11	Cañada and Skyline IT Equipment Purchases
525950	06/01/21	Relation Insurance Services - Education, Inc.	93,730.00	Skyline International Students Health Insurance Premium
525951	06/01/21	Relation Insurance Services - Education, Inc.	187,460.00	CSM International Students Health Insurance Premium
525960	06/01/21	The ADT Security Corporation	23,985.79	District Office and Skyline Security Equipment Purchases
525961	06/01/21	The Guardian Life Insurance Company	73,604.75	Monthly Life Insurance Replacement Check
525971	06/01/21	C S E A	19,032.71	Monthly Union Dues
525972	06/01/21	Calif State Teachers Retirement System	13,000.00	Monthly Tax Sheltered Annuities Employee Contribution
525995	06/01/21	Build Group Inc.	16,276.56	Cañada Construction Project
525996	06/01/21	Blach Construction Company	41,629.55	Cañada Construction Project
525997	06/01/21	Galeb Paving, Inc.	39,120.00	CSM Parking Lot Construction Project
526001	06/01/21	The Guardian Life Insurance Company	13,065.88	Monthly Life Insurance Premium
526401	06/08/21	25th Hour Communications, Inc.	17,500.00	Skyline Digital Marketing Services
526407	06/08/21	Atlas/Pellizzari Electric, Inc.	39,299.00	Skyline Electrical Services
526422	06/08/21	City of Redwood City	21,504.75	Utilities
526432	06/08/21	Eastbay Inc	31,847.92	CSM PE Supplies and Uniforms Purchases
526435	06/08/21	Floyd, Kay A.	10,000.00	CSM Grant Related Consulting Services
526440	06/08/21	Graduate Communications	10,665.00	District Website Content Update Service

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Check Number	Check Date	Vendor Name	Check Amount	Description
526441	06/08/21	Helix Electric, Inc.	15,298.00	Cañada College Electrical Services
526454	06/08/21	LPAS, Inc.	136,465.38	Skyline Construction Project Design Development and Construction Administration Services
526504	06/08/21	U.S. Postal Services	10,000.00	Skyline Postage Purchase
526522	06/15/21	Calif Water Service Co	29,435.30	Utilities
526523	06/15/21	Calif Water Service Co	36,031.94	Utilities
526535	06/15/21	DHE Computer Systems, LLC	14,484.04	CSM Dual Enrollment Program Computers Purchase
526538	06/15/21	ENGEO Incorporated	11,120.75	Skyline Housing Project Environmental Consulting Services
526546	06/15/21	HMC Group	46,721.55	CSM Construction Project DSA Documents Approval Services
526569	06/15/21	Pacific Gas & Electric Co	32,701.53	Utilities
526583	06/15/21	Speedy Industries	10,871.36	Skyline Facilities Equipment Repair Services
526586	06/15/21	Steinberg Hart	27,467.50	CSM Library Modernization Project Consulting Services
526587	06/15/21	Studio W Associates, Inc.	85,742.83	Cañada Construction Project Bidding/Negotiation Services
526603	06/15/21	Strawn Construction Inc.	31,547.60	Skyline Construction Project
526606	06/15/21	The Guardian Life Insurance Company	59,227.20	Monthly Life Insurance Premium
526615	06/22/21	AT&T/MCI	13,513.37	Districtwide Telephone Services
526617	06/22/21	Atlas/Pellizzari Electric, Inc.	12,500.00	Skyline College Electrical Services
526619	06/22/21	Bay Area Bioscience Education Community	15,331.67	Skyline BioSCOPE Project Management Services
526621	06/22/21	C.C. IMEX	16,547.58	Skyline Instructional Supplies Purchases
526622	06/22/21	California Community Colleges Board of Governors	58,000.00	Cañada Construction Project Capital Outlay Plan Check Fee
526630	06/22/21	City of San Bruno	24,018.76	Utilities
526634	06/22/21	County of San Mateo	514,330.68	Election Office Services
526642	06/22/21	Dexon Computer, Inc.	23,020.00	CSM IT Equipment Purchase
526645	06/22/21	EEC Acquisition LLC	15,381.75	CSM Café Equipment Repair Services
526682	06/22/21	One Diversified, LLC	49,300.06	Districtwide AV Equipment Purchases
526693	06/22/21	Rahi Systems, Inc	73,703.44	Board Room AV Equipment Purchase
526710	06/22/21	Sundaes Novelty, Inc.	28,480.95	CSM Instructional Equipment Purchase
526718	06/22/21	VAE Industries Corporation	26,827.50	Districtwide Desk Shields Purchases
526722	06/22/21	WestEd	50,508.40	Districtwide Promise Scholars Program External Evaluation
526731	06/22/21	Strawn Construction Inc.	10,034.55	Skyline Construction Project
526732	06/22/21	Build Group Inc.	22,241.43	Cañada Construction Project
526745	06/24/21	Constellation NewEnergy, Inc.	20,660.86	Utilities
526779	06/24/21	LPAS, Inc.	300,024.93	Skyline Construction Projects Professional Services
526784	06/24/21	Marc Daniel Enterprises, Inc.	15,736.60	CSM Instructional Equipment Purchase
526799	06/24/21	Pacific Gas & Electric Co	39,119.68	Utilities
526847	06/28/21	Central County Fire Department	25,674.71	CSM Fire Control Training and Annual Inspection Services
526848	06/28/21	Class Leasing, LLC	11,962.50	Skyline Portables Replacement Project
526850	06/28/21	Construction Testing Services, Inc.	23,890.65	Skyline Construction Testing Services
526853	06/28/21	DHE Computer Systems, LLC	78,038.77	CSM Computers Purchase
526865	06/28/21	Lansweeper NV	15,200.00	Districtwide ITS License Subscription Renewal
526867	06/28/21	Marianna Industries, Inc.	12,903.04	CSM Instructional Supplies Purchase
526873	06/28/21	Oceanside Photo & Telescope LLC	18,547.24	CSM Instructional Equipment Purchase
526875	06/28/21	One Diversified, LLC	21,576.03	Skyline AV Equipment Purchase
526877	06/28/21	Proctor.io Incorporated	32,705.00	Districtwide Automated Remote Proctoring Annual Subscription
526880	06/28/21	Reliable Concepts Corporation	38,040.00	Cañada Construction Reconfiguration Project
526887	06/28/21	Sowiski, Mona C.	14,000.00	Cañada Executive Leadership Consulting Services
526888	06/28/21	Spitz, Inc.	16,715.23	CSM Planetarium Repair Services
526899	06/28/21	C S E A	18,508.38	Monthly Union Dues
526931	06/28/21	T-Mobile	59,397.95	Cell Tower Annual Rental Fee Overpayment Refund

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WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

Check Number	Check Date	Vendor Name	Check Amount	Description
<u>District Payroll Disbursement (excluding Salary Warrants)</u>				
J2104666	06/01/21	EDD - State Payroll Tax	21,499.23	State Tax-Disability Insurance
J2104666	06/01/21	EDD - State Payroll Tax	502,741.65	State Payroll Tax
J2104666	06/01/21	US Treasury - Federal Payroll Tax	2,389,589.89	Federal Payroll Tax
J2104673	06/02/21	State Teacher Retirement - Defined Benefit	1,256,605.82	STRS Retirement-Defined Benefit 95%
J2104674	06/10/21	PERS Retirement	1,485,800.31	PERS Retirement Advance
J2104809	06/01/21	VALIC 457	33,608.33	Tax Annuity
J2104810	06/03/21	Empower 457	56,882.95	Tax Annuity
J2104930	06/09/21	State Teacher Retirement - Cash Balance	66,989.02	STRS Retirement-Cash Balance
J2104981	06/10/21	State Teacher Retirement - Defined Benefit	60,488.98	STRS Retirement-Defined Benefit Bal
J2105017	06/16/21	EDD - State Payroll Tax	11,182.56	State Payroll Tax
J2105017	06/16/21	US Treasury - Federal Payroll Tax	118,838.25	Federal Payroll Tax
J2105395	06/25/21	Empower 457	29,979.20	Tax Annuity
J2105398	06/25/21	VALIC 457	41,708.33	Tax Annuity
J2105463	06/30/21	US Treasury - Federal Payroll Tax	3,227,503.44	Federal Payroll Tax
<u>SMCCCD Bookstores</u>				
120638	06/22/21	SM CC College District	832,362.55	Salary and Benefit March & April 2021, Promise Program
120640	06/24/21	SM CC College District	190,431.43	Purchase of Inventory via Procard
EFT#20066	06/23/21	CDTA	13,649.64	Sales Tax Prepayment May 2021
		Subtotal	27,565,436.69	93%
		Warrants Issued ≤ \$10,000	2,023,730.77	7%
		Total Non-Salary Warrants Issued	<u>29,589,167.46</u>	100%
District Accounts Payable		Ck#525904-526931, DD87627-88314	19,971,514.80	
District Payroll		Ck#157730-158302, DD50222134-50224145	20,000,227.72	
SMCCCD Bookstores		CK#120637-120640, EFT 20066	<u>1,036,443.62</u>	
		Total Warrants Including Salaries June 2021	<u>41,008,186.14</u>	

BOARD REPORT NO. 21-08-03CA

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Dr. Melissa Moreno, President, Skyline College
Danni Redding Lapuz, Interim Vice President of Instruction, Skyline College

APPROVAL OF AN INSTRUCTIONAL SERVICES AGREEMENT WITH COMMUNITY INITIATIVES TO SUPPORT DUAL LANGUAGE LEARNING COURSES IN EARLY CHILDHOOD EDUCATION INCLUDING TUITION, FEES AND FACULTY SALARY

Skyline College is requesting authority to enter into an agreement with Community Initiatives of Oakland, California to fund the second class of a two-part course sequence in response to a growing need for teachers and early learning professionals to develop skills and knowledge for implementing optimal learning experiences in high-quality settings that ensure full access and effective participation of dual language learners (DLLs) and their families. The course content will focus on current DLL education policies and demographic trends; the process of children's bilingual language development; implicit bias; and teachers' cultural competency. Additionally, the students will learn about practical and research-based instructional and programmatic classroom strategies that support a strong language and literacy base in both English and the children's home language and make learning accessible for young dual language learners.

BANDTEC, a Project of Community Initiatives, will provide payment for course credit and student fees for 60 persons enrolled at Skyline College in a DLL Regional Project entitled "Excellence and Support for DLL Children and Families." This will consist of up to two sections of two, one-unit courses in Early Childhood Education.

RECOMMENDATION

It is recommended that the Board of Trustees authorize the approval of an instructional service agreement between Community Initiatives and the San Mateo Community College District.

BOARD REPORT NO. 21-08-04CA

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Yanelly Pulido, Director of General Services
 Bob Domenici, Purchasing Services Supervisor

DECLARATION OF SURPLUS PROPERTY

In accordance with Education Code Sections 81450 and 81452, property that becomes surplus to the needs of the District will be declared as such by the Board with the method of disposal dictated by the value of this property. Board Policy 8.02 delegates the disposal to the Chancellor, Executive Vice Chancellor, or designee, in compliance with state or local laws and regulations.

The equipment and vehicles listed below consisted mainly of:

- Outdated ITS Mitel phones
- Vehicles from Cañada and Skyline Facilities, College of San Mateo Public Safety and College of San Mateo ITS
- Outdated Cañada College Facilities and Skyline College Theater equipment

Commodity	Surplus Sales
ITS Electronic Equipment	\$4,007
Facilities Vehicles	\$11,262
Public Safety Vehicles	\$3,299
ITS Vehicles	\$19,800
Facilities Equipment	\$77
Theater Equipment	\$2,448
Total	\$40,893

RECOMMENDATION

It is recommended that the Board of Trustees declare the items listed above as surplus to the needs of the District's and the Colleges' services and programs.

BOARD REPORT NO. 21-08-101B

TO: Members of the Board of Trustees
FROM: Michael Claire, Chancellor
PREPARED BY: Dr. Aaron McVean, Vice Chancellor, Educational Services and Planning

APPROVAL TO CONTINUE ACCOMODATION FOR STUDENTS IMPACTED BY EXTRAORDINARY CONDITIONS – FEES REFUNDS

California Code of Regulations, Title 5, Section 58509 provides some relief for students attending colleges in areas impacted by extraordinary conditions. Title 5, Section 58509 states a district may provide a full refund of enrollment fees to any student who withdrew from one or more classes, where the district finds that such withdrawal was necessary for one of the following reasons:

1. The college attended by the student was closed or the college was unable to provide all or substantially all of the instruction in the course or courses in which the student was enrolled due to fire, flood or other conditions qualifying for adjustment of apportionment pursuant to Section 58146; or
2. Although the district does not qualify for an apportionment adjustment pursuant to Section 58146, one of the conditions enumerated in that section made it difficult or impossible for the student to attend one or more courses because the student was actively engaged in responding to the fire, flood or other condition or because such condition required the student to evacuate his or her home.

On March 16, 2020, the Board of Governors granted the Chancellor of the California Community College system additional authority to help colleges continue to provide educational services to students including the ability to temporarily suspend regulations adopted by the Board of Governors and local rules and regulations. For students exercising an Excused Withdraw (EW) due to extraordinary conditions (Covid-19) this allowed for refunds of fees. This provision was in effect through Fall 2020.

For Spring 2021 the State Chancellor's Office deferred responsibility to local Boards of Trustees to make continued allowances for fee refunds due to the Covid-19 pandemic.

RECOMMENDATION

It is recommended that the Board of Trustees approve the continued refund of fees to students who receive an Excused Withdraw (EW) due to extraordinary conditions (COVID-19) during the Fall 2021 semester. Refunds will be allowed through the end of Fall 2021 semester.

BOARD REPORT NO. 21-08-102B

TO: Members of the Board of Trustees
FROM: Michael Claire, Chancellor
PREPARED BY: Dr. Aaron McVean, Vice Chancellor, Educational Services and Planning

**APPROVAL OF REVISION TO BOARD POLICY 6.21 – GRADING AND ACADEMIC
RECORD SYMBOLS**

On March 16, 2020, the Board of Governors granted the Chancellor of the California Community College system additional authority to help colleges continue to provide educational services to students, including the ability to temporarily suspend regulations adopted by the Board of Governors and local rules and regulations. Based on the revised Title 5 Section 55024, students may an Excused Withdraw (EW) due to extraordinary conditions that include the COVID-19 pandemic.

Board Policy 6.21 outlines the grading symbols that are used by the District and is periodically reviewed and updated to include symbols added by the California Community Colleges Chancellor’s Office, the last of which was the addition of the “MW” for military service withdrawal. With the addition and use of the “EW” symbol, the Board Policy is being updated to reflect changed regulations.

RECOMMENDATION

It is recommended that the Board approve the revisions to the above referenced Board policy as outlined in the attached document.

**BOARD POLICY
San Mateo County Community College District**

Subject: 6.21 Grading and Academic Record Symbols
Revision Date: 4/13; 8/21
Policy References: Title 5 Sections 55023 and 55024

1. Courses shall be graded using the grading system established by Title 5.
 - a. Grades from a grading scale shall be averaged on the basis of the point equivalencies to determine a student's grade point average. The highest grade shall receive 4 points and the lowest grades shall receive 0 points using only the following evaluative symbols.
 - b. Grading Symbols
 - i. A Excellent 4.0 points
 - ii. A- Excellent 3.7 points
 - iii. B + Good 3.3 points
 - iv. B Good 3.0 points
 - v. B- Good 2.7 points
 - vi. C + Satisfactory 2.3 points
 - vii. C Satisfactory 2.0 points
 - viii. D + Passing, less than satisfactory 1.3 points
 - ix. D Passing, less than satisfactory 1.0 point
 - x. D - Passing, less than satisfactory 0.7 points
 - xi. F Failing 0 points
 - xii. P Passing (At least satisfactory – Units not counted in GPA)
 - xiii. NP No Pass (Less than Satisfactory – Units not counted in GPA)
 - c. Non-evaluative Symbols: Only the following non-evaluative symbols are authorized:
 - i. I – Incomplete - This symbol is to be used in case of incomplete academic work for unforeseeable, emergency, and justifiable reasons. Conditions for the removal of the "Incomplete" shall be set forth by the faculty member in a written record which also indicates the grade assigned in lieu of removal. The student will receive a copy of this record and a copy will be filed by the Dean of Admissions and Records or the designee of the responsible Vice President. A final grade will be assigned by the faculty member when the stipulated work has been completed and evaluated. In the event that the work is not completed within the prescribed time period, the grade previously determined by the faculty member will be entered in the permanent record. The "Incomplete" must be made up no later than one year following the end of the term in which it was assigned. Established College procedures may be utilized to request a time extension in cases involving unusual circumstances. The "I" symbol shall not be used in calculating units attempted nor for grade points.

6.21 Grading and Academic Record Symbols (continued)

ii. IP – In Progress:

The “IP” symbol shall be used only in those courses which extend beyond the normal end of an academic term. It indicates that work is “In Progress,” but that assignment of the evaluative symbol (grade) must wait its completion. The “IP” symbol shall remain on the student’s permanent record in order to satisfy enrollment documentation. The appropriate evaluative symbol (grade) and unit credit shall be assigned and appear on the student’s permanent record for the term in which the course is completed.

iii. RD – Report Delayed: The “RD” symbol may be assigned only by the Dean of Admissions and Records or the designee of the responsible Vice President, for the purpose of indicating that there has been a delay in reporting the grade due to circumstances beyond the student’s control. It is to be replaced by a permanent symbol as soon as possible. The “RD” shall not be used in the calculation of grade point average.

iv. W – Withdrawal: The “W” symbol may be used to denote withdrawal in accordance with the requirements of Title 5 Section 55024.

v. MW – Military Withdrawal: The “MW” symbol may be used to denote military withdrawal in accordance with Title 5 Section 55024.

vi. EW – Excused Withdrawal: The “EW” symbol may be used to denote excused withdrawal in accordance with Title V Section 55024.

BOARD REPORT NO. 21-08-02C

TO: Members of the Board of Trustees

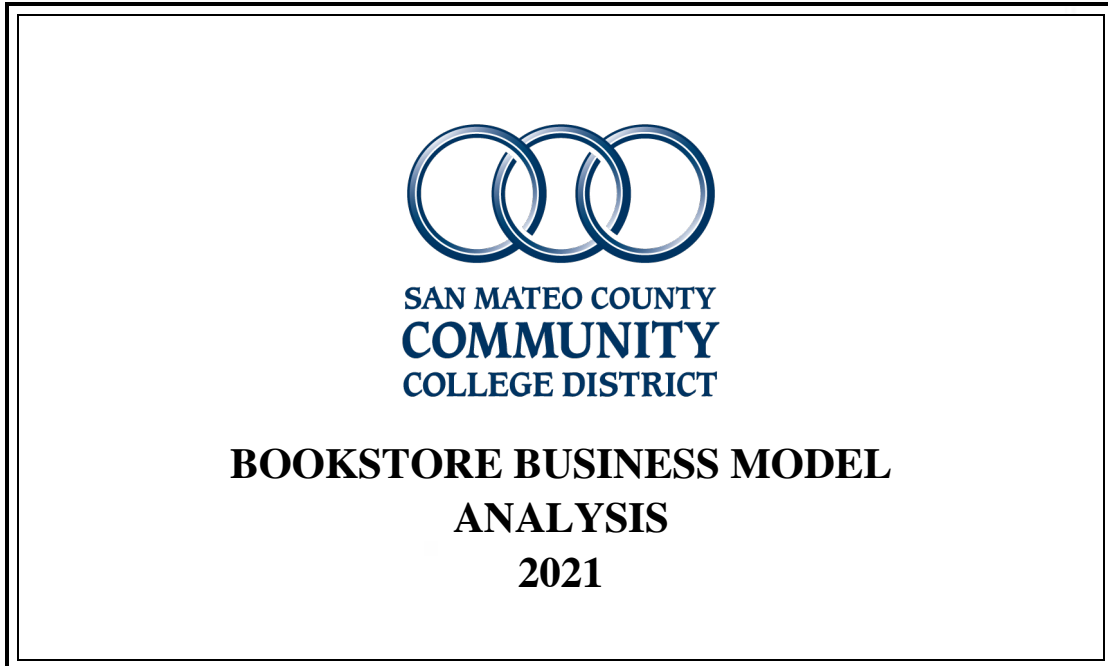
FROM: Michael Claire, Chancellor

PREPARED BY: Tom Bauer, Vice Chancellor, Auxiliary and Community Services

BOOKSTORE BUSINESS MODEL ANALYSIS

The landscape of collegiate retailing continues to change at a rapid and dramatic pace. At one time, the college bookstore was the one place students could go to purchase all of the required academic materials to achieve success. Today, that notion has changed dramatically. The reality is that the college bookstores of today have had to change their way of thinking and operating to compete in this electronic content-driven environment. This paradigm, while not new, is still maturing and growing at an incredible pace. Some colleges and universities are adopting a total electronic platform and have done away with textbooks altogether. Others have taken the more common hybrid approach and, while they still have textbooks for some classes, encourage faculty to seek less expensive electronic media for their classes including open source materials and zero textbook cost materials. This is the case with the District as a growing number of faculty are choosing to put the textbook aside and are using alternative materials exclusively. College bookstores across the country have been severely impacted by these trends as well as the impacts of COVID-19.

The District bookstores have been operated by District personnel and stand alongside of only one other community college district in the Bay 10 as being operated by the District. The District bookstores continue to face mounting, serious financial challenges with the shift to digital materials, Open Educational Resources and Zero Textbook initiatives, increasing salary and benefit costs, and continuously declining enrollments. As a result of the pandemic, it is reasonable to assume that many more sections will be offered exclusively on-line putting additional financial pressure on the bookstores with a reduction in students who visit the bookstores' coffee and convenience stores which have historically provided a source of stable revenue. In the face of these challenges and guided by the Education Code which requires enterprise operations to be self-sustaining, without any support from the general fund, the District contracted with Campus Bookstore Consulting to perform a business model analysis for the Board of Trustees. This review (included as Attachment A) includes a thorough financial review along with an overview of the college retail industry and business model options for the Board to consider.



PREPARED FOR:

San Mateo County
Community College District

PREPARED BY:

Campus Bookstore Consulting Corp.

DATE:

August 19, 2021

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This “San Mateo County Community College District Bookstore Business Model Analysis 2021,” dated August 19, 2021, has been prepared by Campus Bookstore Consulting Corporation exclusively for San Mateo County Community College District and shall not be posted on the internet, distributed to, copied, reprinted, or used by any person or entity other than San Mateo County Community College District.

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**SECTION 1:
EXECUTIVE SUMMARY**

1A. INTRODUCTION / OVERVIEW OF PROCESS

1. San Mateo County Community College District (SMCCCD) retained Campus Bookstore Consulting Corporation (CBC) to analyze the SMCCCD Bookstore. The objectives of this Analysis, as defined by the SMCCCD Administration, are as follows:
 - To assist the District with analyzing the financial performance of its Bookstore; and
 - To identify and assess viable Bookstore Business Model options (i.e., continued Self-Operation and Contract Management).
2. Under the guidance of Tom Bauer, Vice Chancellor of Auxiliary and Community Services, SMCCCD, CBC conducted an analysis of the Bookstore during the months of May 2021 through July 2021.

1B. SMCCCD BOOKSTORE EVOLUTION

1. To assist SMCCCD Students achieve academic success, the Bookstore has been focused on reducing course materials costs through various course materials programs/committees including, but not limited to, the following:
 - Textbook Rental Program. The Bookstore was one of the industry pioneers in establishing a comprehensive Textbook Rental Program.
 - Inclusive Access Program. Inclusive Access was implemented in 2016. The number of courses utilizing Inclusive Access course materials has increased significantly since 2016.
 - Participation in the Textbook Taskforce
 - Promise Scholars Program
 - Pricing Strategies to compete with online booksellers and publishers selling directly to students
 - The Bookstore discounts online access codes
 - Market-based pricing on select, competitive titles. Market-based pricing is offset by lower buyback prices paid to students on aged editions and cost savings from sourcing deeply discounted used books from non-traditional used booksellers.
 - Support of California Zero-Textbook-Costs (ZTC) Program initiative
2. Historically, the Bookstore has been highly service oriented, efficient, and profitable. Pre-pandemic industry challenges, including, but not limited to, increased online course materials competition, increased focus on course materials affordability, inclusive access, blurred distribution channels, etc., have negatively impacted the Bookstore's financial performance.

3. Recently, the impact of COVID-19, along with the Bookstore's high staffing expenses, have added to the challenges experienced by the Bookstore. As a result, SMCCCD is evaluating Bookstore Business Models in order to implement an effective long-term strategy for the Bookstore.

1C. COMMENTS / FINDINGS

1. The SMCCCD Bookstore, under the direction of SMCCCD Auxiliary Services & Enterprise Operations, is a self-supporting retail operation and is comprised of the following:

- College of San Mateo (CSM) Bookstore, located on the College of San Mateo Campus in San Mateo, CA
- Skyline College (Skyline) Bookstore, located on the Skyline College Campus in San Bruno, CA
- Cañada College (Cañada) Bookstore, located on the Cañada College Campus in Redwood City, CA
- Bookstore Websites

(Note: The Bookstore operations are referred to, collectively, throughout this Analysis as the "Bookstore" or the "Bookstores.")

2. Total Sales were \$5,948,704 in Fiscal '19. Total Sales do not include Production Services. (Note: This Analysis does not include a financial review of Production Services.)
3. COVID-19 significantly impacted Fiscal '20 Total Sales. Fiscal '20 Total Sales decreased \$811,544 (13.6%) to \$5,137,160.
4. Fiscal '19 Sales by location were as follows:
 - CSM Bookstore- \$2,382,199
 - Skyline Bookstore- \$2,325,194
 - Cañada Bookstore- \$1,578,294
5. The Bookstores offer a variety of products and services, including the following:
 - Course materials (i.e., online course materials ordering, new and used textbooks, textbook rentals, course packs, web codes, digital textbooks, inclusive access, etc.)
 - Emblematic clothing and gifts
 - General merchandise products (i.e., school supplies, general supplies, art supplies, general books, computer/technology products, convenience products, cafés, etc.)

1D. FINANCIAL REVIEW

CBC reviewed and analyzed the financial performance of the Bookstore for the past five years (Fiscal '16-Fiscal '20). Key findings regarding the Bookstore financial performance include the following:

(Note: Due to the impact of COVID-19 on Fiscal '20 Sales, Sales increase/decrease performance comparisons reflect the Fiscal '16-Fiscal '19 time period, since Fiscal '19 is the most recent non-COVID impacted year. Section 4, "Financial Review," includes Fiscal '20 figures.)

1. Sales Performance Trend:

- Total Sales were \$5,948,704 in Fiscal '19 and decreased \$169,717 (2.8%) between Fiscal '16 and Fiscal '19.

2. Financial Contribution To Reserve Trend:

- The Bookstore has not made a financial contribution to its Reserve since Fiscal '16. Therefore, the Bookstore has relied on its Reserve to continue operations.
- The Bookstore experienced an aggregate net loss of \$1,312,754 between Fiscal '17 and Fiscal '20.

3. Gross Margin Ratio Trend:

- The Gross Margin Ratio (i.e., gross margin expressed as a percentage of total sales) was 38.74% in Fiscal '19 and increased slightly between Fiscal '16 and Fiscal '19.

4. Personnel Expense Ratio Trend:

- The Personnel Expense Ratio (i.e., total personnel expense expressed as a percentage of total sales) was 37.52% in Fiscal '19 and increased slightly between Fiscal '16 and Fiscal '19. The Fiscal '20 Personnel Expense Ratio was 46.32%.
- The Bookstore's high Personnel Expense Ratio is the number one threat to the long-term viability of continued Self-Operation.

1E. COURSE MATERIALS REVIEW

The Bookstore's "Key Course Materials Financial Indicators" are as follows:

1. Course Materials Sales Trend:

- Total Course Materials Sales were \$3,359,325 in Fiscal '19 and represented 56.47% of Total Sales.
- Total Course Materials Sales decreased \$556,490 (14.2%) between Fiscal '16 and Fiscal '19. (Note: Total Course Materials Sales were \$3,915,815 in Fiscal '16.)

2. Course Materials Sales Per FTE Student Trend:

- Course Materials Sales Per FTE Student were \$198 in Fiscal '19.
- Course Materials Sales Per FTE Student decreased \$11 (5.3%) between Fiscal '16 and Fiscal '19. (Note: Course Materials Sales Per FTE Student were \$209 in Fiscal '16.)

1F. BOOKSTORE BUSINESS MODELS

The SMCCCD Administration recognizes the business model of college bookstores is changing rapidly and has begun a proactive assessment of Bookstore Business Models to determine the most effective, efficient, and affordable method of delivering quality bookstore services to the SMCCCD community. The following Business Models are examined in this Analysis:

1. **Self-Operation.** A Self-Operated bookstore is defined as a bookstore that is owned and operated by the college it serves. Under Self-Operation, employees work for the college, and the college owns the bookstore's inventory. This is SMCCCD's current form of Bookstore Management.
2. **Contract Management.** Operating under Contract Management, a college selects an outside company to manage its bookstore. The contractor purchases the bookstore's inventory and hires employees. The contractor pays a commission to the college for the privilege of operating the bookstore, usually in the form of a percentage of sales.

This Analysis examines the following Options for the Contract Management Business Model:

- Contract Management Option 1: The contractor will staff the SMCCCD Bookstore in accordance with the contractor's standard staffing profile, staffing level, and salary/benefit package in order to meet the service requirements of SMCCCD.

- Contract Management Option 2: SMCCCD Bookstore employees will remain on SMCCCD's payroll and benefit program while continuing to work in the Bookstore under the management and guidance of the bookstore contractor.
 - Contract Management Option 3: SMCCCD Bookstore Managers at each location will remain on SMCCCD's payroll and benefit program, while continuing to work in the Bookstore under the management and guidance of the bookstore contractor.
3. The following chart illustrates the Business Models for the Bay Area 10 Community Colleges:

INSTITUTION	MANAGEMENT	VENDOR
Chabot Las Positas CCD	Contracted	Chabot College-Barnes & Noble Las Positas College-Follett
City College of San Francisco	Contracted	Follett
College of Marin	Contracted	Follett
Contra Costa CCD	Self-Operated	-
Foothill De Anza CCD	Contracted	Follett
Ohlone Community College	Contracted	Follett
Peralta CCD	Contracted	Follett
San Jose Evergreen CCD	Contracted	Follett
San Mateo County CCD	Self-Operated	-
Solano Community College	Contracted	Barnes & Noble

1G. FINANCIAL COMPARISON OF BUSINESS MODELS

CBC developed financial models (see “Financial Comparison Of Business Models,” Section 10) that demonstrate the financial potential of each Bookstore Business Model examined in this Analysis.

- Based upon CBC’s assumptions and projections in this Analysis, the Financial Contribution (or loss in the cases of Self-Operation and Contract Management Option 2) the Bookstore will provide under each Business Model is as follows:

COMPARISON: SELF-OPERATION / CONTRACT MANAGEMENT

	YEAR 1 TOTAL CONT.	YEAR 2 TOTAL CONT.	YEAR 3 TOTAL CONT.	YEAR 4 TOTAL CONT.	YEAR 5 TOTAL CONT.	TOTAL 5 - YEAR CONT.
Self-Operation	(\$397,293)	(\$399,118)	(\$400,600)	(\$402,194)	(\$403,897)	(\$2,003,102)
Cont. Mgmt. Option 1A at 9.5% Comm.	\$381,534	\$429,648	\$426,374	\$423,531	\$421,103	\$2,082,190
Cont. Mgmt. Option 1B at 10.5% Comm.	\$414,652	\$462,389	\$458,600	\$455,285	\$452,427	\$2,243,353
Cont. Mgmt. Option 2 at 0.0% Comm.	(\$128,080)	(\$77,893)	(\$77,775)	(\$77,636)	(\$77,476)	(\$438,859)
Cont. Mgmt. Option 3 at 2.0% Comm.	\$118,155	\$168,590	\$168,677	\$168,873	\$169,172	\$793,467

- Based upon the assumptions and projections made in this Analysis, Self-Operation will have a Financial Loss of \$2,003,102 compared to a Total Contribution of \$2,082,190 under Contract Management Option 1A at a Commission level of 9.5% (of sales) over the 5-year period.
- Based upon the assumptions and projections made in this Analysis, Self-Operation will have a Financial Loss of \$2,003,102 compared to a Total Contribution of \$2,243,353 under Contract Management Option 1B at a Commission level of 10.5% (of sales) over the 5-year period.
- Based upon the assumptions and projections made in this Analysis, Self-Operation will have a Financial Loss of \$2,003,102 compared to a Financial Loss of \$438,859 under Contract Management Option 2 at a Commission level of 0.0% (of sales) over the 5-year period.
- Based upon the assumptions and projections made in this Analysis, Self-Operation will have a Financial Loss of \$2,003,102 compared to a Total Contribution of \$793,467 under Contract Management Option 3 at a Commission level of 2.0% (of sales) over the 5-year period.

2. To make a valid comparison between Self-Operation and Contract Management, CBC assumed the SMCCCD Administration will incorporate the following requirements into a Request For Proposals (RFP) in the event SMCCCD pursues Contract Management:
 - The contractor will provide full-service bookstore operations at all locations (i.e., College of San Mateo, Skyline College, and Cañada College), including cafés.
 - The contractor will adhere to SMCCCD's Human Resource requirements, which will be defined by the SMCCCD Administration in the RFP.
 - The contractor will provide a comprehensive selection of emblematic merchandise to meet the needs of SMCCCD Students, Faculty/Staff, alumni, fans, visitors, etc.
 - The contractor will maintain a dynamic, exciting retail environment that promotes and enhances the SMCCCD Brand.
 - The Bookstore's course materials pricing policies/guidelines will be defined by SMCCCD. The contractor will be required to offer pricing policies that support course materials affordability for SMCCCD Students. This includes complying with not-to-exceed gross margins. In addition, there will be no freight add-ons or surcharges allowed to be passed along to SMCCCD Students.
 - The contractor will provide alternate course materials services to reduce the cost of course materials to SMCCCD Students (e.g., aggressive textbook rental program, aggressive used textbook program, comprehensive digital textbook program, creative pricing strategies, piloting of emerging technologies, OER, inclusive access program, etc.).
 - The contract term will be for five years.
 - The capital investment to renovate the Bookstore facilities will be depreciated on a straight-line basis over a 5-year period.
 - Design fees, the contractor's technology investment, and the contractor's equipment will not be included as part of the capital investment for the facility. (i.e., The contractor will treat these items as their direct operating expenses.)

**SECTION 2:
INTRODUCTION**

2A. OVERVIEW OF ANALYSIS

San Mateo County Community College District (SMCCCD) retained Campus Bookstore Consulting Corporation (CBC) to analyze the SMCCCD Bookstore. The objectives of this Analysis, as defined by the SMCCCD Administration, are as follows:

- To assist the District with analyzing the financial performance of its Bookstore; and
- To identify and assess viable Bookstore Business Model options (i.e., continued Self-Operation and Contract Management).

Under the guidance of Tom Bauer, Vice Chancellor of Auxiliary and Community Services, SMCCCD, CBC conducted an analysis of the Bookstore during the months of May 2021 through July 2021.

2B. METHODOLOGY

CBC used the following methodology to analyze the Bookstore:

1. Analysis and benchmarking of the historical financial performance of the Bookstore. The SMCCCD Administration provided CBC with the following data and reports:
 - “San Mateo College District Detailed Income Statement Report” for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20
 - “San Mateo Community College District Sales Audit Report” for the fiscal years ended 6/30/15, 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20
 - “San Mateo Community College District Physical Inventory-Over/Short Report At Retail” dated 4/27/15, 4/19/16, 4/18/17, 4/25/18, 4/24/19, and 10/30/20
 - Enrollment figures were obtained from the “Productivity & Efficiency Report” for 2016-2017 through 2019-2020
 - Bookstore Square Footage information was provided to CBC by Tom Bauer

(Note: All financial reports were provided to CBC by Tom Bauer.)
2. Video Conferences/Meetings
 - Thomas Byrne, CBC Principal, met via video conferences with Tom Bauer during the course of this Analysis.
3. Examination and detailed review of the advantages and disadvantages and financial potential of the following Bookstore Business Models:

- **Self-Operation.** This included assessing the financial, service, and operational aspects of the Bookstore, identifying the Pros and Cons of continued Self-Operation, and projecting the financial potential under continued Self-Operation.
- **Contract Management.** This included identifying the Pros and Cons of Contract Management and projecting the financial potential under multiple Contract Management options.

**SECTION 3:
BOOKSTORE INDUSTRY ISSUES / CHALLENGES**

3A. INDUSTRY ISSUES / CHALLENGES

There has been more change in the campus bookstore industry in the past few years than there was in the ten to twenty years prior. The primary driver to these changes is the rapid evolution of the course materials business. This evolution is being driven by many factors, including the following:

- Significant Course Materials Price Resistance Among Students
- Increased Student Expectations (e.g., digital course materials, internet access, device ubiquity, mobility, online access to course materials and online access to learning, etc.)
- Intense Online Course Materials Competition
- Increased Awareness and Concern Regarding the Cost of Course Materials Among Faculty and Senior Administration
- Impact of Emerging Technology Integration with Learning Management Systems
- Demand for Digital Solutions that Meet Faculty and Students Needs
- Higher Education's Increased Emphasis on Student Learning Outcomes
- Increased Focus on Inclusive Access
- Blurred Distribution Channels (i.e., publishers, distributors, and wholesalers competing with bookstores through direct sales programs, textbook rental programs, etc.)

These factors have impacted campus bookstores in the following ways:

- Erosion of Course Materials Market Share
- Sales Decreases
- Downward Gross Margin Pressure
- Reduced Financial Contributions (from bookstores to universities)

Additional challenges impacting the campus bookstore industry include the following:

- Impact of COVID-19
- Cost of Higher Education
- Changing Profile of the Student (i.e., non-traditional students outnumber traditional students at many institutions today)
- Changing Student-Learning Styles
- Blended Learning (i.e., institutions offering a combination of face-to-face instruction, blended courses, flipped classrooms, and distance learning)
- Changing Buying Patterns of Students
- Alternate Course Materials Formats

These challenges have dramatically impacted the core course materials business of campus bookstores. Students who were traditionally reliant on their campus bookstore to provide course materials now have access to a variety of alternate sources and have become extremely proactive and knowledgeable with determining how to minimize the cost of their course materials. In addition, the ease of order placement, speed of delivery and free shipping programs make the process of ordering from a variety of companies (i.e., not just single sourcing) in order to save costs, extremely compelling.

SMCCCD Bookstore

To assist SMCCCD Students achieve academic success, the Bookstore has been focused on reducing course materials costs through various course materials programs/committees including, but not limited to the following:

- Textbook Rental Program. The Bookstore was one of the industry pioneers in establishing a comprehensive Textbook Rental Program.
- Inclusive Access Program. Inclusive Access was implemented in 2016. The number of courses utilizing Inclusive Access course materials has increased significantly since 2016.
- Participation in the Textbook Taskforce
- Promise Scholars Program
- Pricing Strategies to compete with online booksellers and publishers selling directly to students
- The Bookstore discounts online access codes
- Market-based pricing on select, competitive titles. Market-based pricing is offset by lower buyback prices paid to students on aged editions and cost savings from sourcing deeply discounted used books from non-traditional used booksellers.
- Support of California Zero-Textbook-Costs (ZTC) Program initiative

COVID-19 Challenges

COVID-19 has significantly impacted the retail industry, including the campus bookstore industry. The impact of COVID-19 is apparent in a number of areas including, but not limited to, the following:

- Impact to Sales Due to Bookstore Closures
- Impact to Financial Performance/Contribution
- E-Commerce Acceleration/Consumer Shopping Behavior Changes
- Accelerating Shift to Digital Course Materials
- Supply Chain Challenges (e.g., inventory management, lead-times, supply disruptions, etc.)
- Planning Required to Provide Customers and Employees with a Safe Environment (e.g., required social distancing, store layout/modifications, masks, cleaning schedules, PPE, etc.)
- Accommodating High Risk Employees

- Screening/Testing Employees
- Limiting the Number of Customers Allowed in Bookstore
- Difficulty Engaging Customers

3B. EVOLVING BUSINESS MODELS

CBC anticipates new business models to evolve, along with significant changes to traditional campus retail. Examples of current evolving business models include the following:

- **Course Materials Subscription Models.** Cengage now offers “Cengage Unlimited.” This subscription service gives students unlimited access to all of Cengage’s digital products for \$119.99 per term.
- **Inclusive Access Programs.** The implementation of Inclusive Access Programs is becoming increasingly prevalent.
- **Textbook Publishing.** In July 2019, Pearson announced it will shift its U.S. textbook publishing program to a digital first model.
- **LMS Distribution Of Course Materials.** Learning Management Systems are increasingly utilized for the distribution of, and access to, course materials content.
- **Virtual Course Materials Stores.** The operation of Virtual Course Materials Stores (i.e., an outside company provides course materials via a customized website) has become a viable option for some colleges and universities. The growth of Virtual Course Materials Stores has accelerated as a result of COVID-19.

3C. CONTRACTORS / PROVIDERS

Bookstore Contract Management Firms

The college and university bookstore contract management industry is dominated by the following two national firms (listed alphabetically):

Barnes & Noble College

(a subsidiary of Barnes & Noble Education, Inc.)

Headquarters: Basking Ridge, NJ

Approximate Number of Stores: 777

Barnes & Noble, Inc. completed the separation of its retail and college businesses on August 2, 2015, announcing Barnes & Noble Education, Inc. as an independent public company and the parent of Barnes & Noble College. Barnes & Noble Education, Inc. trades on the NYSE under the symbol BNED.

Follett Higher Education Group

Headquarters: Westchester, IL

Approximate Number of Stores: 1,200

Follett's other divisions/affiliates include a book distributor of elementary and high school textbooks, a library software division, and e-Follett.com. Follett is a privately held company.

These firms have grown through the acquisition of smaller regional Contract Management firms as well as through the aggressive pursuit of Self-Operated college and university bookstores. Barnes & Noble and Follett aggressively compete for market share.

The major bookstore contractors (Barnes & Noble and Follett) have experienced top line sales declines at most of their college and university bookstores in recent years, primarily due to significant declines in course materials sales. The short-term strategy of contractors appears to be to rely on their textbook rental programs, while attempting to transition clients to inclusive access programs. These companies also appear to be attempting to position themselves as student services organizations (e.g., Barnes & Noble Education's acquisition of LoudCloud Systems, a digital education services provider) and technology companies (i.e., Follett's formation of The Follett Knowledge Fund, an investment vehicle designed to fund new and innovative technology companies).

There are several smaller Bookstore Contract Management firms serving colleges and universities, including the following (listed alphabetically):

BBA Corp.

Headquarters: Little Rock, AR

Approximate Number of Stores: 65 (includes off-campus stores that operate under the brand of Textbook Brokers)

Matthews Medical Bookstores

Headquarters: St. Louis, MO

Approximate Number of Stores: 18

Slingshot (formerly known as Tree Of Life Bookstores)

Headquarters: Marion, IN

Approximate Number of Stores: 30

Texas Book Company

Headquarters: Greenville, TX

Approximate Number of Stores: 33

Virtual Course Materials Store Providers

Virtual Course Materials Store Providers include the following companies (listed alphabetically):

Akademos

Headquarters: Norwalk, CT

Approximate Number of Accounts: Does not disclose its complete client list

Services: Customized online virtual bookstore and marketplace services for educational institutions

Ambassador Education Solutions

Headquarters: Melville, NY

Approximate Number of Accounts: Does not disclose its complete client list

Services: Customized online virtual bookstore and marketplace services for educational institutions

eCampus.com

Headquarters: Lexington, KY

Approximate Number of Accounts: Approximately 160 college, university, and high school

Services: Virtual bookstore and marketplace services for educational institutions

Follett Higher Education Group / Follett Virtual Stores

Headquarters: Westchester, IL

Approximate Number of Virtual Store Accounts: *41

(*Note: Some accounts may also have traditional campus stores.)

Services: Customized virtual campus stores

MBS Direct Virtual Bookstores (owned by Barnes & Noble Education)

Headquarters: Columbia, MO

Approximate Number of Accounts: 220

Services: Customized online bookstores

It should also be noted that some food service companies serving higher education now provide retail stores that include convenience store products, school supplies, emblematic merchandise, etc.

SECTION 4: FINANCIAL REVIEW
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CBC reviewed and analyzed the financial performance of the SMCCCD Bookstore for the past five years. Financial data for Fiscal '16-Fiscal '20 was analyzed, and the Bookstore's financial performance was benchmarked against Industry Averages.

Industry data was obtained from the National Association of College Bookstores (NACS) "Independent College Bookstores Financial Survey Report" for Fiscal '16-Fiscal '19. Industry Average numbers were obtained from the following reported categories:

<u>Industry Financial Report</u>	<u>Sales Volume</u>	<u>Total Respondents</u>
2017 Report- Fiscal '16	Up to \$1.5 Million Sales	27
2017 Report- Fiscal '16	\$1.5-\$3 Million Sales	31
2017 Report- Fiscal '16	\$5-\$8 Million Sales	22
2017 Report- Fiscal '16	2-3 Year Institutions	34
2018 Report- Fiscal '17	Up to \$1.5 Million Sales	39
2018 Report- Fiscal '17	\$1.5-\$3 Million Sales	31
2018 Report- Fiscal '17	\$5-\$10 Million Sales	25
2018 Report- Fiscal '17	2-3 Year Institutions	42
2019 Report- Fiscal '18	\$1-\$3 Million Sales	36
2019 Report- Fiscal '18	\$3-\$7 Million Sales	29
2019 Report- Fiscal '18	2-3 Year Institutions	33
2020 Report- Fiscal '19	All Sales Volumes	113

(Note: Industry data, where available, has been included for 2-3 Year Institutions and by sales volume. Fiscal '19 data is not available by sales volume, making Fiscal '19 industry data not as valid as prior years. Industry data is not yet available for Fiscal '20.)

Industry data, for comparison purposes to each Bookstore, was pulled by sales volume category, with the exception of FY '19. For example, industry data for Fiscal '18 was obtained from the following sales volume categories:

- Consolidated Operation- \$3-\$7 Million Sales
- College of San Mateo Bookstore- \$1-\$3 Million Sales
- Skyline Bookstore- \$1-\$3 Million Sales
- Cañada Bookstore- \$1-\$3 Million Sales

(Notes: The Financial Review does not include Production Services (i.e., Copy Centers). Due to the impact of COVID-19 on Fiscal '20 Sales, Sales increase/decrease performance comparisons reflect the Fiscal '16-Fiscal '19 time period.)

4A. SALES TREND-CONSOLIDATED

YEAR	TOTAL SALES	\$INC./DEC. vs. PRIOR YR.	%INC./DEC. vs. PRIOR YR.	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOL.
Fiscal '16	6,118,421	-	-	-	(4.30%)
Fiscal '17	5,916,877	(201,544)	(3.29%)	(8.10%)	(1.00%)
Fiscal '18	6,152,985	236,108	3.99%	(4.20%)	(3.30%)
Fiscal '19	5,948,704	(204,281)	(3.32%)	N/A	(26.30%)
Fiscal '20	5,137,160	(811,544)	(13.64%)	N/A	N/A

COMMENTS:

- Total Sales were \$5,948,704 in Fiscal '19 and decreased \$169,717 (2.8%) between Fiscal '16 and Fiscal '19. FTE Enrollment decreased 9.3% during this same time.
- COVID-19 negatively impacted Fiscal '20 Total Sales. Fiscal '20 Total Sales decreased \$811,544 (13.64%).
- Sales changes were favorable in comparison with the Industry Average for college bookstores serving 2-3 Year Institutions for Fiscal '17 and Fiscal '18, and favorable in comparison with the Industry Average for college bookstores with a similar sales volume for Fiscal '18 and Fiscal '19.
- Sales increases were experienced in the following departments between Fiscal '16 - Fiscal '19:

<u>Department</u>	<u>(\$)</u> Increase	<u>(%)</u> Increase
Sundries	\$168,847	1216.30%
Supplies	\$35,980	5.83%
Gifts	\$27,170	12.45%

- Sales decreases were experienced in the following departments between Fiscal '16 - Fiscal '19:

<u>Department</u>	<u>(\$)</u> Decrease	<u>(%)</u> Decrease
Food & Beverages	\$363,905	21.68%
Books	\$302,339	9.00%
Textbook Rental Fee	\$201,623	40.10%
First Five Rental Fee	\$52,931	80.07%
Electronics	\$48,854	21.24%

- Sales decreases, primarily due to COVID-19, were experienced in the following departments in Fiscal '20:

<u>Department</u>	<u>(\$)</u> Decrease	<u>(%)</u> Decrease
Book Sales	\$460,509	15.06%
Food & Beverages	\$376,754	28.67%
Gifts	\$114,550	46.68%
Textbook Rental Fee	\$104,009	34.53%
Supplies	\$99,736	15.26%
Electronics	\$60,465	33.37%
First Five Rental Fee	\$5,937	45.07%

- Total Sales do not include Production Services Income.

8. Total Sales include College of San Mateo, Skyline, and Cañada Bookstore Sales.
9. See “SMCCCD Bookstore-Consolidated Department Sales Trends Worksheet,” Attachment A.

SALES TREND-CSM BOOKSTORE

YEAR	SALES	\$INC./DEC. vs. PRIOR YR.	%INC./DEC. vs. PRIOR YR.	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOL.
Fiscal '16	2,491,984	(36,404)	(1.44%)	(7.00%)	(3.80%)
Fiscal '17	2,266,214	(225,770)	(9.06%)	(8.10%)	(5.50%)
Fiscal '18	2,345,776	(79,562)	(3.51%)	(4.20%)	(2.20%)
Fiscal '19	2,382,199	(36,423)	(1.55%)	N/A	(26.30%)
Fiscal '20	1,872,991	(509,208)	(21.38%)	N/A	N/A

COMMENTS:

1. Sales were \$2,382,199 in Fiscal '19 and decreased \$109,785 (4.4%) between Fiscal '16 and Fiscal '19.
2. COVID-19 negatively impacted Fiscal '20 Sales. Fiscal '20 Sales decreased \$509,208 (21.38%).
3. Sales changes were favorable in comparison with the Industry Average for college bookstores serving 2-3 Year Institutions in Fiscal '16 and Fiscal '18, and unfavorable in comparison with the Industry Average for college bookstores with a similar sales volume in Fiscal '17 and Fiscal '18.

SALES TREND-SKYLINE BOOKSTORE

YEAR	SALES	\$INC./DEC. vs. PRIOR YR.	%INC./DEC. vs. PRIOR YR.	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOL.
Fiscal '16	2,606,579	(87,650)	(3.25%)	(7.00%)	(3.80%)
Fiscal '17	2,713,934	(107,355)	(4.12%)	(8.10%)	(5.50%)
Fiscal '18	2,570,567	(143,367)	(5.28%)	(4.20%)	(2.20%)
Fiscal '19	2,325,194	(245,373)	(9.55%)	N/A	(26.30%)
Fiscal '20	2,140,542	(184,652)	(7.94%)	N/A	N/A

COMMENTS:

1. Sales were \$2,325,194 in Fiscal '19 and decreased \$281,385 (10.8%) between Fiscal '16 and Fiscal '19.
2. COVID-19 negatively impacted Fiscal '20 Sales. Fiscal '20 Sales decreased \$184,652 (7.94%).
3. Sales changes were favorable in comparison with the Industry Average for college bookstores serving 2-3 Year Institutions in Fiscal '16 and Fiscal '17, and favorable in comparison with the Industry Average for college bookstores with a similar sales volume in Fiscal '16, Fiscal '17, and Fiscal '19.

SALES TREND-CAÑADA BOOKSTORE

YEAR	SALES	\$INC./DEC. vs. PRIOR YR.	%INC./DEC. vs. PRIOR YR.	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOL.
Fiscal '16	1,463,897	16,471	1.14%	(7.00%)	(7.00%)
Fiscal '17	1,378,913	(84,984)	(5.81%)	(8.10%)	(4.90%)
Fiscal '18	1,620,658	241,745	17.53%	(4.20%)	(2.20%)
Fiscal '19	1,578,294	(42,364)	(2.61%)	N/A	(26.30%)
Fiscal '20	1,379,917	(198,377)	(12.57%)	N/A	N/A

COMMENTS:

1. Sales were \$1,578,294 in Fiscal '19 and decreased \$114,397 (7.8%) between Fiscal '16 and Fiscal '19.
2. COVID-19 negatively impacted Fiscal '20 Sales. Fiscal '20 Sales decreased \$198,377 (12.57%).
3. Sales changes were favorable in comparison with the Industry Average for college bookstores serving 2-3 Year Institutions in Fiscal '16, Fiscal '17, and Fiscal '18, and favorable in comparison with the Industry Average for college bookstores with a similar sales volume in Fiscal '16, Fiscal '18, and Fiscal '19.

4B. CONTRIBUTION TO BOOKSTORE RESERVE TREND-CONSOLIDATED

YEAR	TOTAL SALES	CONT. TO BOOKSTORE RESERVE	CONT. % OF TOTAL SALES	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOLUME
Fiscal '16	6,118,421	179,506	2.93%	8.50%	6.10%
Fiscal '17	5,916,877	(73,254)	(1.24%)	3.05%	3.50%
Fiscal '18	6,152,985	(130,347)	(2.12%)	6.00%	8.50%
Fiscal '19	5,948,704	(276,208)	(4.64%)	N/A	7.40%
Fiscal '20	5,137,160	(832,945)	(16.21%)	N/A	N/A

COMMENTS:

1. The Bookstore has not made a Financial Contribution to its Reserve since Fiscal '16.
2. The Bookstore's aggregate net loss was \$1,312,754 between Fiscal '17 and Fiscal '20.
3. COVID-19 negatively impacted the Fiscal '20 Financial Contribution.
4. The Contribution as a Percentage of Total Sales was below the Industry Average for college bookstores serving 2-3 Year Institutions in Fiscal '16, Fiscal '17 and Fiscal '18, and below the Industry Average for college bookstores with a similar sales volume in Fiscal '16, Fiscal '17, Fiscal '18, and Fiscal '19.
5. The Industry Average Contribution (as defined in the Independent College Bookstores Financial Survey Report) is the sum of net income plus occupancy costs (overhead and indirect costs). Industry Average occupancy costs include rent, maintenance, repairs, cleaning, real estate taxes, insurance, and utilities. The Industry Average occupancy costs (overhead and indirect costs) typically run in the range of 2.0%-3.0% of sales.
6. Contribution is defined as Total Net Income/Loss plus Total Indirect Expenses. (See "SMCCCD Bookstore-Consolidated Contribution To Bookstore Reserve Trend Worksheet," Attachment E.)

- The Bookstore also funds and supports the SMCCCD Promise Students Program. Contributions made by the Bookstore to SMCCCD Promise Students include, but are not limited to, gas cards, transportation cards, and food incentive funding.

4C. SALES MIX RATIO TREND-CONSOLIDATED

YEAR	TOTAL COURSE MATERIALS SALES	TOTAL SALES	SALES MIX RATIO	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOLUME
Fiscal '18	3,561,995	6,152,985	57.89%	77.50%	64.50%
Fiscal '19	3,359,325	5,948,704	56.47%	N/A	50.90%
Fiscal '20	2,796,996	5,137,160	54.45%	N/A	N/A

COMMENTS:

- Total Course Materials Sales represented 56.47% of Total Sales in Fiscal '19. The Sales Mix Ratio (i.e., total course materials sales expressed as a percentage of total sales) decreased between Fiscal '18 and Fiscal '19.
- The Sales Mix Ratio was below the Industry Averages in Fiscal '18, and above the Industry Average for college bookstores with a similar sales volume in Fiscal '19.
- Total Course Materials Sales decreased \$202,670 (5.7%) between Fiscal '18 and Fiscal '19.
- COVID-19 negatively impacted Fiscal '20 Total Course Materials Sales. Fiscal '20 Total Course Materials Sales decreased \$562,329 (16.7%).
- Total Course Materials Sales include new textbook sales, used textbook sales, course pack sales, digital book sales, web codes sales, textbook rental fees, and First Five rental fees.
- See "SMCCCD Bookstore-Consolidated Sales Mix Ratio Trend Worksheet," Attachment F.

4D. GROSS MARGIN RATIO TREND-CONSOLIDATED

YEAR	TOTAL SALES	GROSS MARGIN	GROSS MARGIN RATIO	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOL.
Fiscal '16	6,118,421	2,302,193	37.63%	27.30%	26.90%
Fiscal '17	5,916,877	2,168,502	36.65%	22.60%	26.10%
Fiscal '18	6,152,985	2,501,993	40.66%	27.20%	30.10%
Fiscal '19	5,948,704	2,304,565	38.74%	N/A	33.10%
Fiscal '20	5,137,160	1,728,844	33.65%	N/A	N/A

COMMENTS:

- The Gross Margin Ratio (i.e., gross margin expressed as a percentage of total sales) was 38.74% in Fiscal '19 and increased slightly between Fiscal '16 and Fiscal '19.
- The Gross Margin Ratio decreased in Fiscal '20.
- The Gross Margin Ratio was significantly above the Industry Averages in recent years.
- The Bookstore's average Gross Margin Ratio was 38.42% between Fiscal '16 and Fiscal '19.

- See “SMCCCD Bookstore-Consolidated Gross Margin Ratio Trend Worksheet,” Attachment G.

4E. PERSONNEL EXPENSE RATIO TREND-CONSOLIDATED

YEAR	TOTAL PERSONNEL EXPENSE	TOTAL SALES	PERSONNEL EXPENSE RATIO	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOL.
Fiscal '16	2,263,294	6,118,421	36.99%	13.90%	14.10%
Fiscal '17	2,388,056	5,916,877	40.36%	16.80%	16.90%
Fiscal '18	2,207,087	6,152,985	35.87%	16.70%	16.20%
Fiscal '19	2,232,025	5,948,704	37.52%	N/A	20.50%
Fiscal '20	2,379,677	5,137,160	46.32%	N/A	N/A

COMMENTS:

- The Personnel Expense Ratio (i.e., total personnel expense expressed as a percentage of total sales) was 37.52% in Fiscal '19 and increased slightly between Fiscal '16 and Fiscal '19.
- The Personnel Expense Ratio was 46.32% in Fiscal '20, a significant increase from Fiscal '19 due to the decrease in sales resulting from the impact of COVID-19.
- The Personnel Expense Ratio was significantly above the Industry Averages in recent years. The Bookstore's high Personnel Expense Ratio is a significant threat to the long-term viability of continued Self-Operation.
- Total Personnel Expense is defined as the sum of salaries and benefits. Total Personnel Expense does not include Production Services Personnel.
- See “SMCCCD Bookstore-Consolidated Personnel Expense Ratio Trend Worksheet,” Attachment H.

4F. INVENTORY TURNS TREND-CONSOLIDATED

YEAR	TOTAL SALES	AVERAGE INVENTORY VALUE (RETAIL)	INVENTORY TURNS
Fiscal '16	6,118,421	2,682,094	2.28
Fiscal '17	5,916,877	2,651,790	2.23
Fiscal '18	6,152,985	2,689,681	2.29
Fiscal '19	5,948,704	2,630,387	2.26
Fiscal '20	5,137,160	2,507,410	2.05

COMMENTS:

- Inventory Turns were 2.26 in Fiscal '19 and remained consistent between Fiscal '16 and Fiscal '19.
- Average Inventory Value At Retail decreased \$51,707 (1.9%) between Fiscal '16 and Fiscal '19. Total Sales decreased 2.8% during this same time.
- Inventory Turns decreased slightly in Fiscal '20.
- Total Sales do not include Production Services Income. However, Average Inventory Value At Retail figures include Production Services. Production Services inventory levels (i.e., ending inventory at retail) were minimal, ranging from a low of \$137 in Fiscal '19 to a high of \$10,011 in Fiscal '18.

5. Inventory Turns were computed by dividing Total Sales by the Average Inventory Value At Retail. Average Inventory Value At Retail is computed by adding the beginning inventory and ending inventory and dividing by two.
6. See “SMCCCD Bookstore-Consolidated Inventory Turns Trend Worksheet,” Attachment I.

4G. USED TEXTBOOK SALES TREND-CONSOLIDATED

YEAR	TOTAL USED TEXTBOOK SALES	\$INC./DEC. vs. PRIOR YEAR	%INC./DEC. vs. PRIOR YEAR
Fiscal '16	694,976	(93,412)	(11.85%)
Fiscal '17	618,421	(76,555)	(11.02%)
Fiscal '18	512,989	(105,432)	(17.05%)
Fiscal '19	432,694	(80,295)	(15.65%)
Fiscal '20	307,446	(125,248)	(28.95%)

COMMENTS:

1. Used Textbook Sales were \$432,694 in Fiscal '19 and decreased \$262,282 (37.7%) between Fiscal '16 and Fiscal '19.
2. Fiscal '20 Used Textbook Sales decreased \$125,248 (28.95%).
3. See “SMCCCD Bookstore-Consolidated Department Sales Trends Worksheet,” Attachment A.

4H. USED TEXTBOOK RATIO TREND-CONSOLIDATED

YEAR	TOTAL USED TEXTBOOK SALES	TOTAL TEXTBOOK SALES	USED TEXTBOOK RATIO	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOLUME
Fiscal '16	694,976	3,050,772	22.78%	19.23%	20.76%
Fiscal '17	618,421	2,594,024	23.84%	17.13%	16.33%
Fiscal '18	512,989	2,027,006	25.31%	18.17%	21.28%
Fiscal '19	432,694	1,520,289	28.46%	N/A	25.56%
Fiscal '20	307,446	1,116,895	27.53%	N/A	N/A

COMMENTS:

1. The Used Textbook Ratio (i.e., total used textbook sales expressed as a percentage of total textbook sales) was 28.46% in Fiscal '19, and increased between Fiscal '16 and Fiscal '19.
2. The Used Textbook Ratio decreased slightly in Fiscal '20.
3. The Used Textbook Ratio was above the Industry Averages in recent years.
4. Total Textbook Sales include new textbook sales and used textbook sales.
5. See “SMCCCD Bookstore-Consolidated Used Textbook Ratio Trend Worksheet,” Attachment J.

4I. TEXTBOOK RENTAL SALES TREND-CONSOLIDATED

YEAR	TEXTBOOK RENTAL SALES	\$INC./DEC. vs. PRIOR YEAR	%INC./DEC. vs. PRIOR YEAR
Fiscal '16	568,937	12,810	2.30%
Fiscal '17	546,794	(22,143)	(3.89%)
Fiscal '18	408,633	(138,161)	(25.27%)
Fiscal '19	314,383	(94,250)	(23.06%)
Fiscal '20	204,437	(109,946)	(34.97%)

COMMENTS:

1. Textbook Rental Sales were \$314,383 in Fiscal '19 and decreased \$254,554 (44.7%) between Fiscal '16 and Fiscal '19.
2. Fiscal '20 Textbook Rental Sales decreased \$109,946 (34.97%).
3. See "SMCCCD Bookstore-Consolidated Department Sales Trend Worksheet," Attachment A.

4J. TEXTBOOK RENTAL RATIO TREND-CONSOLIDATED

YEAR	TEXTBOOK RENTAL SALES	TOTAL COURSE MATERIALS SALES	TEXTBOOK RENTAL RATIO
Fiscal '16	568,937	3,915,815	14.53%
Fiscal '17	546,794	3,614,680	15.13%
Fiscal '18	408,633	3,561,995	11.47%
Fiscal '19	314,383	3,359,325	9.36%
Fiscal '20	204,437	2,796,996	7.31%

COMMENTS:

1. The Textbook Rental Ratio (i.e., total textbook rental sales expressed as a percentage of total course materials sales) was 9.36% in Fiscal '19 and decreased between Fiscal '16 and Fiscal '19.
2. The Textbook Rental Ratio decreased in Fiscal '20.
3. Total Course Materials Sales include new textbook sales, used textbook sales, course pack sales, digital book sales, web codes sales, textbook rental fees, and First Five rental fees.
4. See "SMCCCD Bookstore-Consolidated Textbook Rental Ratio Trend Worksheet," Attachment K.

4K. COURSE MAT. SALES PER FTE STUDENT TREND-CONSOLIDATED

YEAR	TOTAL COURSE MATERIALS SALES	FTE ENROLL.	COURSE MATERIALS SALES PER FTE STUDENT	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOLUME
Fiscal '16	3,915,815	18,692	209	573	458
Fiscal '17	3,614,680	18,210	198	597	397
Fiscal '18	3,561,995	17,625	202	524	466
Fiscal '19	3,359,325	16,958	198	N/A	157
Fiscal '20	2,796,996	16,155	173	N/A	N/A

COMMENTS:

1. Course Materials Sales Per FTE Student were \$198 in Fiscal '19 and decreased \$11 (5.3%) between Fiscal '16 and Fiscal '19.
2. Fiscal '20 Course Materials Sales Per FTE Student were \$173.
3. Course Materials Sales Per FTE Student were significantly below the Industry Averages in recent years.
4. Total Course Materials Sales include new textbook sales, used textbook sales, course pack sales, digital book sales, web codes sales, textbook rental fees, and First Five rental fees.
5. See "SMCCCD Bookstore-Consolidated Course Materials Sales Per FTE Student Trend Worksheet," Attachment L.

4L. SQUARE FEET SELLING SPACE PER FTE STUDENT TREND**SQUARE FEET SELLING SPACE PER FTE STUD. TREND-CSM BOOKSTORE**

YEAR	SQUARE FEET SELLING SPACE	FTE ENROLL.	SQ. FT. SELLING SPACE PER FTE STUDENT	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOLUME
Fiscal '16	6,118	6,992	0.9	1.1	1.3
Fiscal '17	6,118	6,904	0.9	1.3	1.3
Fiscal '18	6,118	6,855	0.9	1.3	1.3
Fiscal '19	6,118	6,541	0.9	N/A	1.1
Fiscal '20	6,118	6,103	1.0	N/A	N/A

COMMENTS:

1. Square Feet Selling Space Per FTE Student were 0.9 in Fiscal '19 and were consistent between Fiscal '16 and Fiscal '19.
2. Square Feet Selling Space Per FTE Student were below the Industry Averages in recent years.
3. The College of San Mateo Bookstore's square footage breakdown is as follows:

SPACE	SQUARE FOOTAGE
Selling Space	6,118
Facility Service Space	1,146
Lounge Space	300
Total Space	7,564

**SQUARE FEET SELLING SPACE PER FTE STUDENT TREND-
SKYLINE BOOKSTORE**

YEAR	SQUARE FEET SELLING SPACE	FTE ENROLL.	SQ. FT. SELLING SPACE PER FTE STUDENT	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOLUME
Fiscal '16	3,381	7,649	0.4	1.1	1.3
Fiscal '17	3,381	7,350	0.5	1.3	1.3
Fiscal '18	3,381	7,106	0.5	1.3	1.3
Fiscal '19	3,381	6,861	0.5	N/A	1.1
Fiscal '20	3,381	6,653	0.5	N/A	N/A

COMMENTS:

1. Square Feet Selling Space Per FTE Student were 0.5 in Fiscal '19 and were consistent between Fiscal '16 and Fiscal '19.
2. Square Feet Selling Space Per FTE Student were significantly below the Industry Averages in recent years.
3. The Skyline Bookstore’s square footage breakdown is as follows:

SPACE	SQUARE FOOTAGE
Selling Space	3,381
Facility Service Space	789
Total Space	4,170

**SQUARE FEET SELLING SPACE PER FTE STUDENT TREND-
CAÑADA BOOKSTORE**

YEAR	SQUARE FEET SELLING SPACE	FTE ENROLL.	SQ. FT. SELLING SPACE PER FTE STUDENT	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOLUME
Fiscal '16	2,636	4,051	0.7	1.1	2.4
Fiscal '17	2,636	3,956	0.7	1.3	1.3
Fiscal '18	2,636	3,664	0.7	1.3	1.3
Fiscal '19	2,636	3,556	0.7	N/A	1.1
Fiscal '20	2,636	3,398	0.8	N/A	N/A

COMMENTS:

1. Square Feet Selling Space Per FTE Student were 0.7 in Fiscal '19 and were consistent between Fiscal '16 and Fiscal '19.
2. Square Feet Selling Space Per FTE Student were below the Industry Averages in recent years.
3. The Cañada Bookstore's square footage is as follows:

SPACE	SQUARE FOOTAGE
Selling Space	2,636
Office/Storage/Service Space	588
Total Space	3,224

4M. SALES PER SQUARE FOOT SELLING SPACE TREND**SALES PER SQUARE FOOT SELLING SPACE TREND-CSM BOOKSTORE**

YEAR	SALES	SQUARE FEET SELLING SPACE	SALES PER SQUARE FOOT SELLING SPACE	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOLUME
Fiscal '16	2,491,984	6,118	407	751	709
Fiscal '17	2,266,214	6,118	370	664	605
Fiscal '18	2,345,776	6,118	383	663	494
Fiscal '19	2,382,199	6,118	389	N/A	546
Fiscal '20	1,872,991	6,118	306	N/A	N/A

COMMENTS:

1. Sales Per Square Foot Selling Space were \$389 in Fiscal '19 and decreased \$18 (4.4%) between Fiscal '16 and Fiscal '19.
2. Sales Per Square Foot Selling Space were significantly below the Industry Averages in recent years.

SALES PER SQ. FOOT SELLING SPACE TREND-SKYLINE BOOKSTORE

YEAR	SALES	SQUARE FEET SELLING SPACE	SALES PER SQUARE FOOT SELLING SPACE	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOLUME
Fiscal '16	2,606,579	3,381	771	751	709
Fiscal '17	2,713,934	3,381	803	664	605
Fiscal '18	2,570,567	3,381	760	663	494
Fiscal '19	2,325,194	3,381	688	N/A	546
Fiscal '20	2,140,542	3,381	633	N/A	N/A

COMMENTS:

1. Sales Per Square Foot Selling Space were \$688 in Fiscal '19 and decreased \$83 (10.8%) between Fiscal '16 and Fiscal '19.
2. Sales Per Square Foot Selling Space were above the Industry Averages in recent years.

SALES PER SQ. FOOT SELLING SPACE TREND-CAÑADA BOOKSTORE

YEAR	SALES	SQUARE FEET SELLING SPACE	SALES PER SQUARE FOOT SELLING SPACE	INDUSTRY AVERAGE 2-3 YEAR	INDUSTRY AVERAGE SALES VOLUME
Fiscal '16	1,463,897	2,636	555	751	520
Fiscal '17	1,378,913	2,636	523	664	453
Fiscal '18	1,620,658	2,636	615	663	494
Fiscal '19	1,578,294	2,636	599	N/A	546
Fiscal '20	1,379,917	2,636	523	N/A	N/A

COMMENTS:

1. Sales Per Square Foot Selling Space were \$599 in Fiscal '19 and increased \$44 (7.9%) between Fiscal '16 and Fiscal '19.
2. Sales Per Square Foot Selling Space were below the Industry Average for college bookstores serving 2-3 Year Institutions in Fiscal '16, Fiscal '17, and Fiscal '18, and above the Industry Average for college bookstores with a similar sales volume for the past four years.

**SECTION 5:
BOOKSTORE BUSINESS MODELS**

5A. BOOKSTORE BUSINESS MODELS-DEFINITIONS

The SMCCCD Administration recognizes the business model of college bookstores is changing rapidly and has begun a proactive assessment of Bookstore Business Models to determine the most effective, efficient, and affordable method of delivering quality bookstore services to the SMCCCD campus communities.

As part of this process, following Bookstore Business Models have been identified for review and/or consideration by SMCCCD:

Self-Operation

- A Self-Operated bookstore is defined as a bookstore that is owned and operated by the college it serves. Under Self-Operation, employees work for the college, and the college owns the bookstore's inventory. This is SMCCCD's current form of Bookstore Management.

Contract Management

- Operating under Contract Management, a college selects an outside company to manage its bookstore. The contractor purchases the bookstore's inventory and hires employees. The contractor pays a commission to the college for the privilege of operating the bookstore, usually in the form of a percentage of sales.

This Analysis examines the following Options for the Contract Management Business Model:

- Contract Management Option 1: The contractor will staff the SMCCCD Bookstore in accordance with the contractor's standard staffing profile, staffing level, and salary/benefit package in order to meet the service requirements of SMCCCD.
- Contract Management Option 2: SMCCCD Bookstore employees will remain on SMCCCD's payroll and benefit program, while continuing to work in the Bookstore under the management and guidance of the bookstore contractor.
- Contract Management Option 3: SMCCCD Bookstore Managers at each location will remain on SMCCCD's payroll and benefit program, while continuing to work in the Bookstore under the management and guidance of the bookstore contractor.

The Pros and Cons of each Bookstore Business Model, along with the Projected Financial Contribution of each Model, are examined in Sections 6, 7, 8, and 9 of this Analysis.

5B. BOOKSTORE PROGRAM ASSUMPTIONS

Self-Operation And Contract Management Models-Assumptions

CBC made the following assumptions regarding the Bookstore Program based upon input received from the SMCCCD Administration, along with CBC's industry experience and assessment of the SMCCCD Bookstore:

- Will support the mission of SMCCCD and its core responsibilities of providing course materials, emblematic and branded merchandise, school supplies, computer supplies, convenience products, cafés, etc.
- Will be viewed as the “one-stop shopping” retail centers on the SMCCCD campuses
- Will offer a full-service course materials department and a comprehensive selection of general merchandise products and services to the SMCCCD campus communities
- Will offer a comprehensive course materials program that will provide the following:
 - Choice
 - Options
 - Flexibility
 - Resources for faculty
 - Multi-channel course materials distribution
 - Multiple products/formats for course materials
 - Value to SMCCCD Students and Faculty
 - High level of course materials customer service
- Will compete vigorously to protect course materials market share and will continue to be the primary distribution channel for course materials in order to support the academic mission of SMCCCD
- Will market course materials aggressively to SMCCCD Students and Faculty
- Will feature a comprehensive selection of SMCCCD emblematic merchandise, which will assist the Colleges with branding SMCCCD to students, visitors, alumni, fans, faculty, and staff
- Will offer innovative programming and creative marketing, including creating synergy with other programming on the SMCCCD campuses
- Will provide innovative programming to supplement and support its products and services, including selling merchandise during campus events and programs, etc.

SECTION 6: SELF-OPERATION
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6A. PROS OF SELF-OPERATION

The Pros of continued Self-Operation include the following:

PROS OF SELF-OPERATION
<ul style="list-style-type: none"> Financial Advantage. An efficient, self-operated Bookstore should be able to capture a substantial portion of the management fee and profits (of a contractor/provider), thereby generating a financial return superior to that available from a contractor.
<ul style="list-style-type: none"> Profits. Profits remain on campus.
<ul style="list-style-type: none"> Volume Rebates. Volume rebates (for general merchandise) and used book wholesale commissions go directly to SMCCCD.
<ul style="list-style-type: none"> Course Materials Pricing. The Bookstore can develop creative pricing and affordability programs that meet the needs of the College's academic programs and students and allow the Bookstore to compete effectively with online booksellers.
<ul style="list-style-type: none"> Course Materials Services. The Bookstore provides comprehensive course materials services, such as online course materials purchasing, buyback, returns, registration integration, financial aid transaction capabilities, etc.
<ul style="list-style-type: none"> Course Materials Affordability/Formats. The Bookstore provides affordable course materials options to SMCCCD Students in multiple formats, such as new and used print textbooks, textbook rentals, digital textbooks, course packs, inclusive access program, OER, etc.
<ul style="list-style-type: none"> Used Textbooks. The Bookstore's used textbook program can put more money into the pockets of SMCCCD Students and keep more books on campus to be sold to SMCCCD Students.
<ul style="list-style-type: none"> Used Book Wholesalers. Used textbooks can be purchased from all major used book wholesalers.
<ul style="list-style-type: none"> Operational Control. The Bookstore retains complete control of pricing, hours, policies, service, etc.
<ul style="list-style-type: none"> External Support. The Bookstore can draw on external resources (e.g., NACS, ICBA, publishers, vendors, etc.) to provide customized general merchandise and course materials solutions.
<ul style="list-style-type: none"> Resources. Programs and services can be implemented/sustained utilizing all resources, distributors, suppliers, etc., available in the marketplace.
<ul style="list-style-type: none"> Technology. Technology and systems that are most beneficial to the Bookstore and the College are utilized.
<ul style="list-style-type: none"> Customer Service. The Bookstore can maintain the flexibility and autonomy to respond quickly to the needs of customers.
<ul style="list-style-type: none"> Faculty Services. The Bookstore provides on-campus faculty adoption support as well as comprehensive adoption tools.
<ul style="list-style-type: none"> Transactional Services. The Bookstore provides on-campus services that meet campus community needs such as refunds, buyback, financial aid processing, etc.
<ul style="list-style-type: none"> Bookstore Services. Bookstore Management and Staff work toward operations that are unique to the Colleges. This includes building partnerships and strong working relationships on campus in order to provide fully customized Bookstore services.

PROS OF SELF-OPERATION (Continued)
<ul style="list-style-type: none"> • General Merchandise. The Bookstore can customize general merchandise to respond quickly to campus events, athletic events, etc.
<ul style="list-style-type: none"> • Products. The Bookstore stocks products on-campus that meet the campus community's needs, such as course materials, emblematic merchandise, school supplies, art supplies, technology products, food, convenience items, etc.
<ul style="list-style-type: none"> • In-Store/Online Commerce. The Bookstore provides both in-store and online commerce capabilities.
<ul style="list-style-type: none"> • Delivery. Course materials are delivered directly to students or available for in-store pickup based upon the student's preference.
<ul style="list-style-type: none"> • Convenience. The Bookstore is open the days/hours required to meet the needs of the Colleges, with 24/7 online commerce capabilities.
<ul style="list-style-type: none"> • Personnel. Employees work solely for SMCCCD, building on the sense of community and loyalty already established.
<ul style="list-style-type: none"> • Personnel Focus. Employees work solely for SMCCCD and are not distracted with reporting to multiple leadership teams.

6B. CONS OF SELF-OPERATION

The Cons of continued Self-Operation include the following:

CONS OF SELF-OPERATION
<ul style="list-style-type: none"> Financial Risk. Greater financial potential may exist, but there is also greater risk. There is not a guaranteed financial return under Self-Operation.
<ul style="list-style-type: none"> Profits. The fact that profits remain on campus (self-operated) is an advantage only if the Bookstore profits exceed the financial return of a contractor.
<ul style="list-style-type: none"> Hidden Costs. “Hidden Costs” are incurred in order for SMCCCD to provide support functions (e.g., accounting, payroll, human resources, etc.) to the Bookstore.
<ul style="list-style-type: none"> Technology Costs. SMCCCD needs to ensure funds are available for ongoing investments in systems to ensure the Bookstore has state-of-the-art technology.
<ul style="list-style-type: none"> Technology Expertise. The Bookstore Staff need expertise to stay current with technical support, training, etc., on the systems.
<ul style="list-style-type: none"> Volume Rebates. Volume rebates may not be as significant under Self-Operation.
<ul style="list-style-type: none"> Course Materials Solutions. The Bookstore needs to continually introduce new solutions (e.g., comprehensive textbook rental programs, e-book/digital delivery formats, inclusive access, etc.) to compete effectively in the challenging course materials market.
<ul style="list-style-type: none"> Industry Challenges. The Bookstore is accountable for responding to industry challenges and is expected to continually bring cutting edge course materials solutions to the Colleges.
<ul style="list-style-type: none"> Used Textbooks. The fact that the used textbook programs can keep books on campus (self-operated) is an advantage only if the Bookstore is successful in developing used textbook programs superior to that of a contractor.
<ul style="list-style-type: none"> Used Book Wholesalers. The fact that the Bookstore purchases used textbooks from various wholesalers (self-operated) is an advantage only if the Bookstore is successful in developing used textbook programs superior to that of a contractor.
<ul style="list-style-type: none"> Textbook Rental Program. The Bookstore’s textbook rental program may not be as aggressive and comprehensive as contractor programs.
<ul style="list-style-type: none"> Digital Textbook/Course Materials Programs. The Bookstore’s digital textbook/course materials program, may not be as aggressive and comprehensive as contractor programs.
<ul style="list-style-type: none"> General Merchandise Programs. Customizing general merchandise programs is only possible if the Bookstore Staff is properly prepared and trained to respond quickly to campus events, athletic events, etc.
<ul style="list-style-type: none"> Resources/Support Services. The Bookstore does not have the dedicated resources of a contractor.
<ul style="list-style-type: none"> Customer Service. Responding quickly is possible only if the Bookstore Staff is properly trained, with a clearly defined mission in place.
<ul style="list-style-type: none"> Personnel. SMCCCD manages retail employees in a college setting.
<ul style="list-style-type: none"> Personnel Training/Support. Bookstore employees may not receive the support, training, etc., they would receive if the Bookstore was contracted.

6C. SALES PROJECTIONS: SELF-OPERATION

The Projections in Sections 6C and 6D are 5-year Projections based upon CBC's industry knowledge, the Bookstore's historical financial performance, and CBC's assessment of the financial potential of the Bookstore under continued Self-Operation. A number of variables including management, enrollment, competition, industry trends, course materials trends, impact of technology on bookselling, SMCCCD policies regarding course materials, COVID-19, and the economy will impact the Bookstore's actual performance. (Note: Sales Projections for Self-Operation and Contract Management are the same.)

COMMENTS/ASSUMPTIONS:

1. Sales Projections for Years 1-5 were estimated by CBC. Sales Projections were developed by reviewing and analyzing Fiscal '20 COVID-impacted sales figures and reviewing and analyzing Fiscal '21 YTD COVID-impacted sales. It is assumed that Year 1 is Fiscal '22.
2. Sales Projections were developed based upon the following assumptions:
 - Enrollment will remain consistent with the Fiscal '20 level.
 - The Bookstore will continue to support the campus communities by offering a comprehensive selection of course materials, general merchandise, emblematic merchandise, supplies, art supplies, computer products, electronics, graduation services, cafés, etc.
 - Bookstore Management will be diligent in implementing a plan to protect course materials market share and to be the provider of affordable course materials. This includes continuing to expand the Inclusive Access Program.
3. Sales Projections are based upon the assumption the District will return to full pre-COVID in-person operations.

SALES PROJECTIONS-CSM BOOKSTORE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
New Textbooks	218,579	205,464	193,136	181,548	170,655
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Used Textbooks	84,849	79,758	74,973	70,474	66,246
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Course Packs	17,949	16,872	15,859	14,908	14,013
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Textbook Rentals	33,270	34,268	34,953	35,653	36,366
(% Inc./Dec. vs. Prior Yr.)	3.00%	3.00%	2.00%	2.00%	2.00%
Inclusive Access / Web Codes	556,149	567,272	578,617	590,190	601,994
(% Inc./Dec. vs. Prior Yr.)	14.00%	2.00%	2.00%	2.00%	2.00%
TOTAL C. MAT. SALES	\$910,795	\$903,634	\$897,539	\$892,772	\$889,273
(\$ Inc./Dec. vs. Prior Yr.)	(\$68,465)	(\$7,161)	(\$6,095)	(\$4,767)	(\$3,499)
(% Inc./Dec. vs. Prior Yr.)	(6.99%)	(0.79%)	(0.67%)	(0.53%)	(0.39%)
General Books	500	510	520	531	541
(% Inc./Dec. vs. Prior Yr.)	-	2.00%	2.00%	2.00%	2.00%
Supplies	250,000	255,000	257,550	260,126	262,727
(% Inc./Dec. vs. Prior Yr.)	-	2.00%	1.00%	1.00%	1.00%
Food & Beverages	475,000	489,250	499,035	509,016	519,196
(% Inc./Dec. vs. Prior Yr.)	-	3.00%	2.00%	2.00%	2.00%
Electronics	50,000	50,500	51,005	51,515	52,030
(% Inc./Dec. vs. Prior Yr.)	-	1.00%	1.00%	1.00%	1.00%
Gifts	75,000	75,750	76,508	77,273	78,045
(% Inc./Dec. vs. Prior Yr.)	-	1.00%	1.00%	1.00%	1.00%
Sundries	100,000	102,000	104,040	106,121	108,243
(% Inc./Dec. vs. Prior Yr.)	-	2.00%	2.00%	2.00%	2.00%
TOTAL GM SALES	\$950,500	\$973,010	\$988,658	\$1,004,580	\$1,020,783
(\$ Inc./Dec. vs. Prior Yr.)	\$115,383	\$22,510	\$15,648	\$15,923	\$16,202
(% Inc./Dec. vs. Prior Yr.)	13.82%	2.37%	1.61%	1.61%	1.61%
TOTAL SALES	\$1,861,295	\$1,876,644	\$1,886,197	\$1,897,353	\$1,910,056
(\$ Inc./Dec. vs. Prior Yr.)	\$46,918	\$15,349	\$9,553	\$11,156	\$12,704
(% Inc./Dec. vs. Prior Yr.)	2.59%	0.82%	0.51%	0.59%	0.67%

SALES PROJECTIONS-SKYLINE BOOKSTORE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
New Textbooks	186,633	175,435	164,909	155,015	145,714
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Used Textbooks	78,705	73,982	69,543	65,371	61,448
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Course Packs	41,126	38,659	36,339	34,159	32,109
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Textbook Rentals	103,853	101,776	99,740	97,745	95,790
(% Inc./Dec. vs. Prior Yr.)	(2.00%)	(2.00%)	(2.00%)	(2.00%)	(2.00%)
Inclusive Access / Web Codes	475,642	485,155	494,858	504,755	514,850
(% Inc./Dec. vs. Prior Yr.)	14.00%	2.00%	2.00%	2.00%	2.00%
TOTAL C. MAT. SALES	\$885,959	\$875,007	\$865,390	\$857,045	\$849,912
(\$ Inc./Dec. vs. Prior Yr.)	(\$75,049)	(\$10,952)	(\$9,617)	(\$8,345)	(\$7,132)
(% Inc./Dec. vs. Prior Yr.)	(7.81%)	(1.24%)	(1.10%)	(0.96%)	(0.83%)
General Books	500	510	520	531	541
(% Inc./Dec. vs. Prior Yr.)	-	2.00%	2.00%	2.00%	2.00%
Supplies	250,000	255,000	257,550	260,126	262,727
(% Inc./Dec. vs. Prior Yr.)	-	2.00%	1.00%	1.00%	1.00%
Food & Beverages	500,000	515,000	525,300	535,806	546,522
(% Inc./Dec. vs. Prior Yr.)	-	3.00%	2.00%	2.00%	2.00%
Electronics	80,000	80,800	81,608	82,424	83,248
(% Inc./Dec. vs. Prior Yr.)	-	1.00%	1.00%	1.00%	1.00%
Gifts	120,000	121,200	122,412	123,636	124,872
(% Inc./Dec. vs. Prior Yr.)	-	1.00%	1.00%	1.00%	1.00%
Sundries	100,000	102,000	104,040	106,121	108,243
(% Inc./Dec. vs. Prior Yr.)	-	2.00%	2.00%	2.00%	2.00%
TOTAL GM SALES	\$1,050,500	\$1,074,510	\$1,091,430	\$1,108,643	\$1,126,154
(\$ Inc./Dec. vs. Prior Yr.)	\$40,110	\$24,010	\$16,920	\$17,213	\$17,511
(% Inc./Dec. vs. Prior Yr.)	3.97%	2.29%	1.57%	1.58%	1.58%
TOTAL SALES	\$1,936,459	\$1,949,517	\$1,956,820	\$1,965,688	\$1,976,066
(\$ Inc./Dec. vs. Prior Yr.)	(\$34,939)	\$13,058	\$7,303	\$8,868	\$10,379
(% Inc./Dec. vs. Prior Yr.)	(1.77%)	0.67%	0.37%	0.45%	0.53%

SALES PROJECTIONS- CAÑADA BOOKSTORE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
New Textbooks	161,404	151,720	142,616	134,059	126,016
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Used Textbooks	51,680	48,579	45,664	42,924	40,349
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Course Packs	14,486	13,617	12,800	12,032	11,310
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Textbook Rentals	66,827	67,495	68,170	68,852	69,540
(% Inc./Dec. vs. Prior Yr.)	1.00%	1.00%	1.00%	1.00%	1.00%
Inclusive Access / Web Codes	525,975	536,495	547,225	558,169	569,333
(% Inc./Dec. vs. Prior Yr.)	13.00%	2.00%	2.00%	2.00%	2.00%
TOTAL C. MAT. SALES	\$820,371	\$817,905	\$816,475	\$816,036	\$816,547
(\$ Inc./Dec. vs. Prior Yr.)	(\$36,358)	(\$2,466)	(\$1,430)	(\$439)	\$511
(% Inc./Dec. vs. Prior Yr.)	(4.24%)	(0.30%)	(0.17%)	(0.05%)	0.06%
General Books	600	612	624	637	649
(% Inc./Dec. vs. Prior Yr.)	-	2.00%	2.00%	2.00%	2.00%
Supplies	105,000	107,100	108,171	109,253	110,345
(% Inc./Dec. vs. Prior Yr.)	-	2.00%	1.00%	1.00%	1.00%
Food & Beverages	250,000	257,500	262,650	267,903	273,261
(% Inc./Dec. vs. Prior Yr.)	-	3.00%	2.00%	2.00%	2.00%
Electronics	45,000	45,450	45,905	46,364	46,827
(% Inc./Dec. vs. Prior Yr.)	-	1.00%	1.00%	1.00%	1.00%
Gifts	48,000	48,480	48,965	49,454	49,949
(% Inc./Dec. vs. Prior Yr.)	-	1.00%	1.00%	1.00%	1.00%
Sundries	45,000	45,900	46,818	47,754	48,709
(% Inc./Dec. vs. Prior Yr.)	-	2.00%	2.00%	2.00%	2.00%
TOTAL GM SALES	\$493,600	\$505,042	\$513,133	\$521,365	\$529,741
(\$ Inc./Dec. vs. Prior Yr.)	\$2,320	\$11,442	\$8,091	\$8,232	\$8,377
(% Inc./Dec. vs. Prior Yr.)	0.47%	2.32%	1.60%	1.60%	1.61%
TOTAL SALES	\$1,313,971	\$1,322,947	\$1,329,607	\$1,337,401	\$1,346,289
(\$ Inc./Dec. vs. Prior Yr.)	(\$34,038)	\$8,976	\$6,660	\$7,794	\$8,888
(% Inc./Dec. vs. Prior Yr.)	(2.53%)	0.68%	0.50%	0.59%	0.66%

SALES PROJECTIONS- SMCCCD BOOKSTORE CONSOLIDATED

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
New Textbooks	566,616	532,619	500,662	470,622	442,385
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Used Textbooks	215,233	202,319	190,180	178,769	168,043
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Course Packs	73,561	69,147	64,998	61,099	57,433
(% Inc./Dec. vs. Prior Yr.)	(30.00%)	(6.00%)	(6.00%)	(6.00%)	(6.00%)
Textbook Rentals	203,949	203,539	202,863	202,249	201,696
(% Inc./Dec. vs. Prior Yr.)	(0.24%)	(0.20%)	(0.33%)	(0.30%)	(0.27%)
Inclusive Access / Web Codes	1,557,767	1,588,922	1,620,700	1,653,114	1,686,177
(% Inc./Dec. vs. Prior Yr.)	-	2.00%	2.00%	2.00%	2.00%
TOTAL C. MAT. SALES	\$2,617,126	\$2,596,546	\$2,579,404	\$2,565,853	\$2,555,733
(\$ Inc./Dec. vs. Prior Yr.)	(\$179,871)	(\$20,580)	(\$17,142)	(\$13,550)	(\$10,120)
(% Inc./Dec. vs. Prior Yr.)	(6.43%)	(0.79%)	(0.66%)	(0.53%)	(0.39%)
General Books	1,600	1,632	1,665	1,698	1,732
(% Inc./Dec. vs. Prior Yr.)	(59.25%)	2.00%	2.00%	2.00%	2.00%
Supplies	605,000	617,100	623,271	629,504	635,799
(% Inc./Dec. vs. Prior Yr.)	9.26%	2.00%	1.00%	1.00%	1.00%
Food & Beverages	1,225,000	1,261,750	1,286,985	1,312,725	1,338,979
(% Inc./Dec. vs. Prior Yr.)	30.67%	3.00%	2.00%	2.00%	2.00%
Electronics	175,000	176,750	178,518	180,303	182,106
(% Inc./Dec. vs. Prior Yr.)	44.95%	1.00%	1.00%	1.00%	1.00%
Gifts	243,000	245,430	247,884	250,363	252,867
(% Inc./Dec. vs. Prior Yr.)	85.73%	1.00%	1.00%	1.00%	1.00%
Sundries	245,000	249,900	254,898	259,996	265,196
(% Inc./Dec. vs. Prior Yr.)	(58.48%)	2.00%	2.00%	2.00%	2.00%
TOTAL GM SALES	\$2,494,600	\$2,552,562	\$2,593,220	\$2,634,588	\$2,676,678
(\$ Inc./Dec. vs. Prior Yr.)	\$157,813	\$57,962	\$40,658	\$41,368	\$42,090
(% Inc./Dec. vs. Prior Yr.)	6.75%	2.32%	1.59%	1.60%	1.60%
TOTAL SALES	\$5,111,726	\$5,149,108	\$5,172,624	\$5,200,442	\$5,232,411
(\$ Inc./Dec. vs. Prior Yr.)	(\$22,058)	\$37,382	\$23,517	\$27,817	\$31,970
(% Inc./Dec. vs. Prior Yr.)	(0.43%)	0.73%	0.46%	0.54%	0.61%

6D. PROJECTED FINANCIAL CONTRIBUTION: SELF-OPERATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL SALES	5,111,726	5,149,108	5,172,624	5,200,442	5,232,411
% Increase/Decrease	-	0.73%	0.46%	0.54%	0.61%
Cost of Goods Sold	3,399,298	3,424,157	3,439,795	3,458,294	3,479,553
COGS Ratio	66.50%	66.50%	66.50%	66.50%	66.50%
Gross Margin	1,712,428	1,724,951	1,732,829	1,742,148	1,752,858
Gross Margin Ratio	33.50%	33.50%	33.50%	33.50%	33.50%
Less: Expenses					
Personnel Expense	1,840,221	1,853,679	1,862,145	1,872,159	1,883,668
Personnel Expense Ratio	36.00%	36.00%	36.00%	36.00%	36.00%
Other Inventory Expense	100,000	100,000	100,000	100,000	100,000
Other Service Expense	10,000	10,050	10,100	10,151	10,202
Travel & Mileage	2,000	2,010	2,020	2,030	2,040
Dues & Membership	3,000	3,015	3,030	3,045	3,060
Insurance	8,000	8,040	8,080	8,121	8,161
Utilities	42,000	42,210	42,421	42,633	42,846
Equipment & Rental	65,000	65,325	65,652	65,980	66,310
Legal, Audit & Bad Debt	(10,000)	(10,050)	(10,100)	(10,151)	(10,202)
Other Operating Expenses	100,000	100,500	101,003	101,508	102,015
Facility Depreciation	40,000	40,000	40,000	40,000	40,000
TOTAL OP. EXPENSES	2,200,221	2,214,779	2,224,350	2,235,476	2,248,101
NET INCOME /LOSS	(487,793)	(489,828)	(491,521)	(493,328)	(495,243)
Plus: Indirect Expenses					
Utilities	42,000	42,210	42,421	42,633	42,846
Armored Car Service Exp.	8,500	8,500	8,500	8,500	8,500
Facility Depreciation	40,000	40,000	40,000	40,000	40,000
Total Indirect Expenses	90,500	90,710	90,921	91,133	91,346
CONTRIBUTION	(\$397,293)	(\$399,118)	(\$400,600)	(\$402,194)	(\$403,897)
% OF TOTAL SALES	(7.77%)	(7.75%)	(7.74%)	(7.73%)	(7.72%)

COMMENTS/ASSUMPTIONS:

- Financial Contribution Projections do not include Production Services. Fiscal '20 Production Services Income for the past three fiscal years was as follows:
 - Fiscal '18- \$384,015
 - Fiscal '19- \$336,983
 - Fiscal '20- \$256,291
- The Bookstore's course materials pricing policies/guidelines will reflect a 25% gross margin on net-priced textbooks, course packs, and custom published materials. The buyback policy will remain the same. The Bookstore will continue to offer Inclusive Access Program pricing in the 10%-15% gross margin range.
- Gross Margin is the finished Gross Margin, after freight, shrinkage, discounts, markdowns, and write-offs.
- Personnel Expense includes full-time, part-time, student, and temporary employee wages, and benefits, payroll taxes, insurance, etc. CBC assumes Bookstore

Management will reduce the Personnel Expense Ratio in order to improve the Bookstore's financial performance. The Personnel Expense Ratio will be reduced to the 36.0% range.

5. Other Inventory Expense was estimated based upon historical data and will remain at \$100,000 for each of the five years.
6. The following Expenses were estimated by category based upon historical data and will increase 0.50% each year:
 - Other Service Expense
 - Travel & Mileage
 - Dues & Membership
 - Insurance
 - Utilities
 - Equipment & Rental
 - Legal, Audit & Bad Debt
 - Other Operating Expenses
7. Facility Depreciation Expense is the annual depreciation expense for a \$200,000 capital investment to provide state-of-the-art Bookstore facilities. This capital investment is depreciated on a straight-line basis over a 5-year period with an annual depreciation expense of \$40,000. The \$200,000 is an estimated capital investment figure that is being used solely to make a valid comparison to projected Contract Management offers.
8. Net Income/Loss is Gross Margin less Total Operating Expenses.
9. Contribution is Net Income/Loss plus Total Indirect Expenses. Indirect Expenses include Utilities, Armored Car Service Expense, and Facility Depreciation. The Bookstore's Armored Car Service Expense represents 50% of the total Armored Car Service Expense based upon historical data.
10. Based upon CBC's projections and the assumptions made in this Analysis, the Bookstore will generate an aggregate Financial Loss of \$2,003,102 for the projected five years of operation.

**SECTION 7:
CONTRACT MANAGEMENT- OPTION 1**

7A. PROS OF CONTRACT MANAGEMENT

The Pros of Contract Management include the following:

PROS OF CONTRACT MANAGEMENT
<ul style="list-style-type: none"> Financial Advantages. The contractor returns to SMCCCD a percentage of commissionable sales, along with the potential for a minimum annual guarantee (whichever is greater), removing some risk and uncertainty and allowing more accurate budgeting. Contractors distribute their funds in a variety of ways including scholarships, signing bonuses, rent/commission, capital investments, etc.
<ul style="list-style-type: none"> Inventory Purchase. The contractor purchases the Bookstore’s inventory at fair market value.
<ul style="list-style-type: none"> Facility Investment. The contractor usually coordinates and funds facility renovations.
<ul style="list-style-type: none"> Hidden Costs. Contracting will enable SMCCCD to recover the “Hidden Costs” associated with operating the Bookstore (i.e., support from Human Resources, Accounting, etc.).
<ul style="list-style-type: none"> Course Materials Services. The Bookstore provides comprehensive course materials services, such as online course materials purchasing, buyback, returns, registration integration, financial aid transaction capabilities, etc.
<ul style="list-style-type: none"> Course Materials Affordability/Formats. The Bookstore provides affordable course materials options to SMCCCD Students in multiple formats, such as new and used print textbooks, print and digital rentals, digital textbooks, course packs, OER course materials, inclusive access program, etc.
<ul style="list-style-type: none"> Course Materials Solutions. Contractors continually develop new solutions (e.g., comprehensive textbook rental program, e-book/digital delivery format, inclusive access, etc.) to compete effectively in the challenging course materials market.
<ul style="list-style-type: none"> Course Materials Solutions Risk. The contractor accepts all risk associated with course materials solutions that are provided.
<ul style="list-style-type: none"> Industry Challenges. The contractor is accountable for responding to industry challenges and is expected to continually bring cutting edge course materials solutions to SMCCCD.
<ul style="list-style-type: none"> Used Textbooks. Major contractors provide ready access to used textbooks.
<ul style="list-style-type: none"> Textbook Rental Program. Major contractors provide an aggressive and comprehensive textbook rental program.
<ul style="list-style-type: none"> Digital Textbook/Course Materials Programs. Major contractors provide digital textbook/course materials programs.
<ul style="list-style-type: none"> Customer Service. The contractor may improve the level of service, operating (from experience) more efficiently, consistently, and effectively.
<ul style="list-style-type: none"> Faculty Services. The Bookstore provides on-campus faculty adoption support as well as comprehensive adoption tools.
<ul style="list-style-type: none"> Bookstore Management. SMCCCD is relieved of the responsibility of daily management of the Bookstore. The contractor provides support services in all major areas of operation.
<ul style="list-style-type: none"> In-Store/Online Commerce. The contractor provides in-store and online commerce capabilities.
<ul style="list-style-type: none"> Technology. Most contractors have developed and provide technology and systems to compete effectively in the rapidly changing marketplace.

PROS OF CONTRACT MANAGEMENT (Continued)
<ul style="list-style-type: none"> • Systems Integration. The contractor's technology typically integrates with many campus systems, such as the Student Information System (SIS), Learning Management System (LMS), Student Financial Aid (SFA), Registration, etc.
<ul style="list-style-type: none"> • Transactional Services. The contractor provides on-campus services that meet campus community needs, such as refunds, buyback, financial aid processing, etc.
<ul style="list-style-type: none"> • Convenience. The Bookstore will be open the days/hours required to meet the needs of SMCCCD, with 24/7 online commerce capabilities.
<ul style="list-style-type: none"> • Products. The Bookstore stocks products on-campus that meet the campus community's needs, such as course materials, emblematic merchandise, school supplies, art supplies, technology products, convenience items, etc.
<ul style="list-style-type: none"> • Personnel. The contractor has experienced personnel to fill vacated positions if the Managers or key personnel leave.
<ul style="list-style-type: none"> • Personnel Training. Bookstore employees receive support and training from the contractor.

7B. CONS OF CONTRACT MANAGEMENT

The Cons of Contract Management include the following:

CONS OF CONTRACT MANAGEMENT
<ul style="list-style-type: none"> Financial Potential. SMCCCD gives up financial potential in exchange for minimizing risk. Annual financial guarantees are usually subject to enrollment and technology protection clauses. In addition, contractors negotiate to eliminate or reduce annual guarantees. Contractors also negotiate to expand the definition of non-commissionable sales, resulting in receiving commissions on fewer products sold at the Bookstore.
<ul style="list-style-type: none"> Transition Costs. SMCCCD will incur transition costs, including time from the Administration and Staff converting to contract management.
<ul style="list-style-type: none"> Affordability. The contractor needs to support the infrastructure of managing the physical location (e.g., payroll, systems, products, etc.) and their corporate overhead expenses, which may result in higher prices for students.
<ul style="list-style-type: none"> Hidden Costs. “Hidden Costs” will be recovered only if SMCCCD actually reduces personnel in support functions if the Bookstore is contracted.
<ul style="list-style-type: none"> Indirect Services. The Colleges provide indirect services to the contractor, such as facility, security, utilities, janitorial, etc.
<ul style="list-style-type: none"> Technology. Technology and systems are limited to those available from the contractor.
<ul style="list-style-type: none"> Technology Focus. The contractor provides technology that meets their needs, not necessarily the campus community’s needs. The contractor also provides online commerce, mobile, distribution, and digital technology services; however, these services may not be as sophisticated as those same services from companies that specialize in developing and utilizing online commerce, mobile, distribution, and digital technology.
<ul style="list-style-type: none"> Used Textbooks. Used textbook access may be limited to the contractor’s used book wholesaler.
<ul style="list-style-type: none"> Textbook Rentals. The textbook rental program may be limited to the contractor’s program.
<ul style="list-style-type: none"> Digital Textbooks/Course Materials. The digital textbooks/course materials program may be limited to the contractor’s program.
<ul style="list-style-type: none"> Operational Support. Support services are often provided from corporate headquarters; the amount of support that directly benefits SMCCCD and the Bookstore is questionable. The service level provided by the contractor depends upon the performance of the on-site Bookstore Manager.
<ul style="list-style-type: none"> Bookstore Management. Giving up day-to-day management of the Bookstore may result in a loss of control.
<ul style="list-style-type: none"> Customer Service. A contractor will not be as familiar with, or concerned with, the SMCCCD campus communities as Bookstore (self-operated) employees are.
<ul style="list-style-type: none"> Personnel. Outside personnel may not be sensitive to the culture of the Colleges.

7C. PROJECTED FINANCIAL CONTRIBUTION: CONTRACT MANAGEMENT- OPTION 1

The Projections in this Section are 5-year Projections based upon CBC's industry knowledge, the Bookstore's historical financial performance, and CBC's assessment of the financial potential of the Bookstore under Contract Management. A number of variables including the Contract Management market, management, enrollment, competition, industry trends, course materials trends, impact of technology on bookselling, College policies regarding course materials, SMCCCD Human Resource requirements, COVID-19, and the economy will impact the Bookstore's actual performance. (Note: Sales Projections for Self-Operation and Contract Management are the same.)

To determine the financial offer to a college, Contract Management firms typically build a 5-year financial model. The financial model projects sales, gross margin, and expenses based on historical bookstore financial data provided by the college, and on expected improvements and economies of scale the contractor feels can be realized through their experience and expertise. The contractor then examines various options for commissions to be paid to the college and calculates their internal Return On Investment (ROI) for these options. The amount of the inventory purchase and the capital expenditure for facility improvements directly affect the commission payment the contractor will offer to the college.

The financial model in this Section is similar to internal ROI projections a Contract Management firm might make if submitting a proposal to manage the SMCCCD Bookstore.

(Note: Contract Management Projected Financial Contribution does not include Production Services Income.)

**PROJECTED FINANCIAL CONTRIBUTION:
CONTRACT MANAGEMENT-OPTION 1**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL SALES	5,111,726	5,149,108	5,172,624	5,200,442	5,232,411
% Increase/Decrease	-	0.73%	0.46%	0.54%	0.61%
Cost of Goods Sold	3,399,298	3,424,157	3,439,795	3,458,294	3,479,553
COGS Ratio	66.50%	66.50%	66.50%	66.50%	66.50%
GROSS MARGIN	1,712,428	1,724,951	1,732,829	1,742,148	1,752,858
Gross Margin Ratio	33.50%	33.50%	33.50%	33.50%	33.50%
OPERATING EXP.					
Personnel Expense	920,111	926,839	931,072	936,080	941,834
Personnel Exp. Ratio	18.00%	18.00%	18.00%	18.00%	18.00%
Advertising	15,000	15,150	15,302	15,455	15,609
Tel./Communications	4,500	4,545	4,590	4,636	4,683
Dues/Subscriptions	4,000	4,040	4,080	4,121	4,162
Office Expense	76,676	77,237	77,589	78,007	78,486
Travel/Meetings	4,000	4,040	4,080	4,121	4,162
Dep.- Technology	20,000	20,000	20,000	20,000	20,000
Depreciation- Facility	40,000	40,000	40,000	40,000	40,000
Miscellaneous Expense	15,000	15,000	15,000	15,000	15,000
Corporate Overhead	178,910	180,219	181,042	182,015	183,134
TOTAL EXPENSES	1,278,197	1,287,070	1,292,756	1,299,435	1,307,071
Inc. Before Comm.	434,231	437,881	440,073	442,713	445,787
Comm. Calculation					
Total Sales	5,111,726	5,149,108	5,172,624	5,200,442	5,232,411
Less:					
Non-Comm. Sales	300,000	325,000	350,000	375,000	400,000
Inclusive Access Sales	1,500,000	1,550,000	1,600,000	1,650,000	1,700,000
Commissionable Sales	3,311,726	3,274,108	3,222,624	3,175,442	3,132,411
Comm. To SMCCCD					
Option 1A: 9.5%					
Comm.-IA Sales	\$45,000	\$46,500	\$48,000	\$49,500	\$51,000
Comm.-Comm. Sales	\$314,614	\$311,040	\$306,149	\$301,667	\$297,579
Total Commission	\$359,614	\$357,540	\$354,149	\$351,167	\$348,579
Option 1B: 10.5%					
Comm.-IA Sales	\$45,000	\$46,500	\$48,000	\$49,500	\$51,000
Comm.-Comm. Sales	\$347,731	\$343,781	\$338,376	\$333,421	\$328,903
Total Commission	\$392,731	\$390,281	\$386,376	\$382,921	\$379,903
Pre-Tax Income (To Contractor)					
Option 1A: 9.5% of Commissionable Sales	74,617	80,341	85,923	91,546	97,207
Option 1B: 10.5% of Commissionable Sales	41,500	47,600	53,697	59,792	65,883
Pre-Tax ROI (To Contractor)					
Option 1A: 9.5% of Commissionable Sales	18.59%	19.38%	20.15%	20.93%	21.71%
Option 1B: 10.5% of Commissionable Sales	14.02%	14.86%	15.70%	16.54%	17.38%

COMMENTS/ASSUMPTIONS:

1. The Request For Proposals (RFP) the SMCCCD Administration will develop (if it chooses to pursue Contract Management) will include numerous detailed requirements and obligations contractors will need to comply with. To make a valid comparison between Self-Operation and Contract Management, CBC assumed the SMCCCD Administration will incorporate the following requirements into a Request For Proposals (RFP) in the event SMCCCD pursues Contract Management:
 - Under Contract Management Option 1, the contractor will staff the SMCCCD Bookstore in accordance with the contractor's standard staffing profile, staffing level, and salary/benefit package in order to meet the service requirements of SMCCCD. The contractor will assume all personnel costs for the Bookstore employees, and employees will be on the contractor's payroll.
 - The contractor will provide full-service bookstore operations at all locations (i.e., College of San Mateo, Skyline College, and Cañada College), including cafés.
 - The contractor will adhere to SMCCCD's Human Resource requirements, which will be defined by the SMCCCD Administration in the RFP.
 - The contractor will provide a comprehensive selection of emblematic merchandise to meet the needs of SMCCCD Students, Faculty/Staff, alumni, fans, visitors, etc.
 - The contractor will maintain a dynamic, exciting retail environment that promotes and enhances the SMCCCD Brand.
 - The Bookstore's course materials pricing policies/guidelines will be defined by SMCCCD. The contractor will be required to offer pricing policies that support course materials affordability for SMCCCD Students. This includes complying with not-to-exceed gross margins. In addition, there will be no freight add-ons or surcharges allowed to be passed along to SMCCCD Students.
 - The contractor will provide alternate course materials services to reduce the cost of course materials to SMCCCD Students (e.g., aggressive textbook rental program, aggressive used textbook program, comprehensive digital textbook program, creative pricing strategies, piloting of emerging technologies, OER, inclusive access program, etc.).
 - The contract term will be for five years.
 - The capital investment to renovate the Bookstore facilities will be depreciated on a straight-line basis over a 5-year period.
 - Design fees, the contractor's technology investment, and the contractor's equipment will not be included as part of the capital investment for the facility. (i.e., The contractor will treat these items as their direct operating expenses.)
2. Sales Projections are the same as the Self-Operation model. (See Section 6C for details.)
3. Gross Margin is the finished gross margin, after freight, shrinkage, discounts, markdowns, and writeoffs. The Gross Margin does not include used textbook

commissions for wholesale books because contractors typically do not credit individual stores for this revenue.

4. Personnel Expense includes full-time, part-time, temporary, and student wages, plus benefits, payroll taxes, insurance, etc. Contractors typically have Personnel Expense Ratios in the 10%-12% range. However, CBC projected the Personnel Expense Ratio to be in the 18% range due to the expectation of SMCCCD Human Resource requirements.
5. Advertising, Telephone/Communication, Dues/Subscriptions, and Travel/Meetings Expenses for Year 1 are estimated and will increase 1% per year.
6. Office Expense includes credit card fees, supplies, freight out, etc., and is estimated at 1.5% of Total Sales.
7. CBC estimates contractors will invest approximately \$100,000 in technology. This will be depreciated on a straight-line basis over a 5-year period, with \$20,000 per year charged to the Bookstore's financial statement. This investment will cover the Bookstore's computer system, POS system, course materials management system, website, etc.
8. CBC estimates contractors will include a capital investment of approximately \$200,000 toward renovating the Bookstore facilities. This will be depreciated on a straight-line basis over a 5-year period, with \$40,000 per year charged to the Bookstore's financial statement. (Note: In the event the contract is terminated prior to the capital investment in the facility being fully depreciated, SMCCCD may be obligated to buy out the undepreciated portion of the capital investment.)
9. Miscellaneous Expense is estimated at \$15,000 each year.
10. Corporate Overhead (i.e., estimated at 3.50% of total sales) is the corporate overhead expense allocated by the contractor to the Bookstore. Corporate Overhead covers interest expense for the inventory purchase and capital investment, regional supervision, support from the corporate office, training, accounting, human resources, computer hardware and software expenses, technology investments, marketing and advertising support, corporate marketing programs, etc.
11. Non-Commissionable Sales include discounted sales to SMCCCD Departments, sales of computer hardware, sales of low margin items, sales of no margin items, etc.
12. Inclusive Access Sales projections are based upon historical data. For the purpose of this Analysis, CBC estimated the commission percentage that will be paid to SMCCCD at 3% of Inclusive Access Sales (i.e., Inclusive Access, Publisher Consignment Rentals, etc.).

13. Pre-Tax Return On Investment (ROI) is the contractor's projected internal ROI. The contractor's estimated internal ROI is shown in this financial model to provide the SMCCCD Administration with an example of a method that contractors may use to determine rent/commission levels.
14. On a Return On Investment basis (i.e., the contractor's internal ROI), it is CBC's opinion that a contractor will pay a commission to SMCCCD in the range of 9.5%-10.5% of Commissionable Sales (given the Requirements listed in Section 7C, #1). (Note: SMCCCD's Human Resource requirements along with actual market conditions at the time of issuing an RFP, if SMCCCD chooses to issue an RFP, may result in commissions outside of this range.)

Contract Management firms typically offer a percentage of Commissionable Sales and a fixed annual guarantee. The college receives the greater of either the guarantee or the percentage of sales. The guarantee is typically calculated based upon a percentage of the prior year's actual commission. In addition, contractors typically try to negotiate the inclusion of "Enrollment Clauses" and "Technology Clauses" in contracts that contain fixed guarantees. These Clauses are included to protect contractors financially if there are large enrollment declines or if technology (e.g., online bookselling, digital delivery of textbooks, etc.) negatively affects their sales volume or pricing.

15. For the purpose of making a financial comparison of the Contract Management option to the Bookstore's projected financial performance under continued Self-Operation, CBC examined the following two financial options:
 - Option 1A. Contractors will offer a Commission of 9.5% of Commissionable Sales to SMCCCD.
 - Option 1B. Contractors will offer a Commission of 10.5% of Commissionable Sales to SMCCCD.

(Note: The commission percentage formula is often placed on a sliding scale.)
16. **The Commission that a contractor will pay represents the total payments SMCCCD will receive each year from a contractor.** This is in addition to the inventory purchase and the facility/capital investment. All facility expenses (e.g., utilities, repairs, maintenance, etc.), overhead (e.g., SMCCCD administrative charges, facility use charges, etc.), and debt service will be the responsibility of SMCCCD.

(Note: Commissionable Sales must be clearly defined when establishing a contract. As previously stated, contractors often negotiate to reduce sales by the amount of department charges, sales of computer hardware, reduced commissionable sales, discounted sales, sales of low or no margin items, etc., prior to computing the commission. A recent strategy CBC has observed is contractors increase the commission percentage to a college/university, but significantly reduce Commissionable Sales. There are issues similar to this that must be addressed and

clearly understood prior to developing a Request For Proposals (RFP), if the SMCCCD Administration chooses to pursue Contract Management.)

SECTION 8: CONTRACT MANAGEMENT- OPTION 2

**8A. PROJECTED FINANCIAL CONTRIBUTION:
CONTRACT MANAGEMENT-OPTION 2**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL SALES	5,111,726	5,149,108	5,172,624	5,200,442	5,232,411
% Increase/Decrease	-	0.73%	0.46%	0.54%	0.61%
Cost of Goods Sold	3,399,298	3,424,157	3,439,795	3,458,294	3,479,553
COGS Ratio	66.50%	66.50%	66.50%	66.50%	66.50%
GROSS MARGIN	1,712,428	1,724,951	1,732,829	1,742,148	1,752,858
Gross Margin Ratio	33.50%	33.50%	33.50%	33.50%	33.50%
OPERATING EXP.					
Personnel Expense	1,737,987	1,724,951	1,706,966	1,690,144	1,674,372
Personnel Exp. Ratio	34.00%	33.50%	33.00%	32.50%	32.00%
Advertising	15,000	15,150	15,302	15,455	15,609
Tel./Communications	4,500	4,545	4,590	4,636	4,683
Dues/Subscriptions	4,000	4,040	4,080	4,121	4,162
Office Expense	76,676	77,237	77,589	78,007	78,486
Travel/Meetings	4,000	4,040	4,080	4,121	4,162
Dep.- Technology	20,000	20,000	20,000	20,000	20,000
Depreciation- Facility	40,000	40,000	40,000	40,000	40,000
Miscellaneous Expense	15,000	15,000	15,000	15,000	15,000
Corporate Overhead	178,910	180,219	181,042	182,015	183,134
TOTAL EXPENSES	2,096,073	2,085,182	2,068,650	2,053,499	2,039,609
Inc. Before Comm.	(\$383,645)	(\$360,230)	(\$335,821)	(\$311,351)	(\$286,751)

COMMENTS/ASSUMPTIONS:

1. Under Contract Management Option 2, SMCCCD Bookstore employees will remain on SMCCCD's payroll and benefit program while continuing to work in the Bookstore (under the management and guidance of the bookstore contractor).
2. Under Contract Management Option 2, CBC assumed the contractor will not pay a commission to SMCCCD, rather the contractor will require SMCCCD to pay an annual management fee to the contractor of approximately \$150,000.
3. CBC assumed the SMCCCD Administration will incorporate the Requirements listed in Section 7C #1 into an RFP in the event SMCCCD pursues Contract Management-Option 2.
4. Sales Projections are the same as the Self-Operation model. (See Section 6C for details.)
5. Gross Margin is the finished gross margin, after freight, shrinkage, discounts, markdowns, and writeoffs. The Gross Margin does not include used textbook commissions for wholesale books because contractors typically do not credit individual stores for this revenue.

6. Personnel Expense includes full-time, part-time, temporary, and student wages, plus benefits, payroll taxes, insurance, etc. Contractors typically have Personnel Expense Ratios in the 10%-12% range. However, CBC projected the Personnel Expense Ratio to be in the 34% range in Year 1 due to the Option 2 Human Resource requirements. (i.e., The employees will remain on the SMCCCD payroll and the contractor will reimburse SMCCCD for personnel costs associated with Bookstore employees.) The Personnel Expense Ratio will be reduced to the 32.0% range, or lower by Year 5.
7. Advertising, Telephone/Communication, Dues/Subscriptions, and Travel/Meetings Expenses for Year 1 are estimated and will increase 1% per year.
8. Office Expense includes credit card fees, supplies, freight out, etc., and is estimated at 1.5% of Total Sales.
9. CBC estimates contractors will invest approximately \$100,000 in technology. This will be depreciated on a straight-line basis over a 5-year period, with \$20,000 per year charged to the Bookstore's financial statement. This investment will cover the Bookstore's computer system, POS system, course materials management system, website, etc.
10. CBC estimates contractors will include a capital investment of approximately \$200,000 toward renovating the Bookstore facilities. This will be depreciated on a straight-line basis over a 5-year period, with \$40,000 per year charged to the Bookstore's financial statement. (Note: In the event the contract is terminated prior to the capital investment in the facility being fully depreciated, SMCCCD may be obligated to buy out the undepreciated portion of the capital investment.)
11. Miscellaneous Expense is estimated at \$15,000 each year.
12. Corporate Overhead (i.e., estimated at 3.50% of total sales) is the corporate overhead expense allocated by the contractor to the Bookstore. Corporate Overhead covers interest expense for the inventory purchase and capital investment, regional supervision, support from the corporate office, training, accounting, human resources, computer hardware and software expenses, technology investments, marketing and advertising support, corporate marketing programs, etc.

**SECTION 9:
CONTRACT MANAGEMENT- OPTION 3**

**9A. PROJECTED FINANCIAL CONTRIBUTION:
CONTRACT MANAGEMENT-OPTION 3**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL SALES	5,111,726	5,149,108	5,172,624	5,200,442	5,232,411
% Increase/Decrease	-	0.73%	0.46%	0.54%	0.61%
Cost of Goods Sold	3,399,298	3,424,157	3,439,795	3,458,294	3,479,553
COGS Ratio	66.50%	66.50%	66.50%	66.50%	66.50%
GROSS MARGIN	1,712,428	1,724,951	1,732,829	1,742,148	1,752,858
Gross Margin Ratio	33.50%	33.50%	33.50%	33.50%	33.50%
OPERATING EXP.					
Personnel Expense	1,226,814	1,235,786	1,241,430	1,248,106	1,255,779
Personnel Exp. Ratio	24.00%	24.00%	24.00%	24.00%	24.00%
Advertising	15,000	15,150	15,302	15,455	15,609
Tel./Communications	4,500	4,545	4,590	4,636	4,683
Dues/Subscriptions	4,000	4,040	4,080	4,121	4,162
Office Expense	76,676	77,237	77,589	78,007	78,486
Travel/Meetings	4,000	4,040	4,080	4,121	4,162
Dep.- Technology	20,000	20,000	20,000	20,000	20,000
Depreciation- Facility	40,000	40,000	40,000	40,000	40,000
Miscellaneous Expense	15,000	15,000	15,000	15,000	15,000
Corporate Overhead	178,910	180,219	181,042	182,015	183,134
TOTAL EXPENSES	1,584,901	1,596,016	1,603,114	1,611,461	1,621,016
Inc. Before Comm.	\$127,528	\$128,935	\$129,715	\$130,687	\$131,842
Comm. Calculation					
Total Sales	5,111,726	5,149,108	5,172,624	5,200,442	5,232,411
Less:					
Non-Comm. Sales	300,000	325,000	350,000	375,000	400,000
Inclusive Access Sales	1,500,000	1,550,000	1,600,000	1,650,000	1,700,000
Commissionable Sales	3,311,726	3,274,108	3,222,624	3,175,442	3,132,411
Comm. To SMCCCD					
Option 3: 2.0%					
Comm.-IA Sales	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000
Comm.-Comm. Sales	\$66,235	\$65,482	\$64,452	\$63,509	\$62,648
Total Commission	\$96,235	\$96,482	\$96,452	\$96,509	\$96,648

COMMENTS/ASSUMPTIONS:

- Under Contract Management Option 3, SMCCCD Bookstore Managers at each location will remain on SMCCCD's payroll and benefit program while continuing to work in the Bookstore (under the management and guidance of the bookstore contractor).
- Under Contract Management Option 3, CBC assumed the contractor will offer a Commission of 2.0% of Commissionable Sales to SMCCCD (including Inclusive Access Sales).

3. CBC assumed the SMCCCD Administration will incorporate the Requirements listed in Section 7C #1 into an RFP in the event SMCCCD pursues Contract Management-Option 3.
4. Sales Projections are the same as the Self-Operation model. (See Section 6C for details.)
5. Gross Margin is the finished gross margin, after freight, shrinkage, discounts, markdowns, and writeoffs. The Gross Margin does not include used textbook commissions for wholesale books because contractors typically do not credit individual stores for this revenue.
6. Personnel Expense includes full-time, part-time, temporary, and student wages, plus benefits, payroll taxes, insurance, etc. Contractors typically have Personnel Expense Ratios in the 10%-12% range. However, CBC projected the Personnel Expense Ratio to be in the 24% range due to the Option 3 Human Resource requirements. (i.e., The Bookstore Managers at each location will remain on the SMCCCD payroll and the contractor will reimburse SMCCCD for personnel costs associated with the Bookstore Managers.)
7. Advertising, Telephone/Communication, Dues/Subscriptions, and Travel/Meetings Expenses for Year 1 are estimated and will increase 1% per year.
8. Office Expense includes credit card fees, supplies, freight out, etc., and is estimated at 1.5% of Total Sales.
9. CBC estimates contractors will invest approximately \$100,000 in technology. This will be depreciated on a straight-line basis over a 5-year period, with \$20,000 per year charged to the Bookstore's financial statement. This investment will cover the Bookstore's computer system, POS system, course materials management system, website, etc.
10. CBC estimates contractors will include a capital investment of approximately \$200,000 toward renovating the Bookstore facilities. This will be depreciated on a straight-line basis over a 5-year period, with \$40,000 per year charged to the Bookstore's financial statement. (Note: In the event the contract is terminated prior to the capital investment in the facility being fully depreciated, SMCCCD may be obligated to buy out the undepreciated portion of the capital investment.)
11. Miscellaneous Expense is estimated at \$15,000 each year.
12. Corporate Overhead (i.e., estimated at 3.50% of total sales) is the corporate overhead expense allocated by the contractor to the Bookstore. Corporate Overhead covers interest expense for the inventory purchase and capital investment, regional supervision, support from the corporate office, training, accounting, human

resources, computer hardware and software expenses, technology investments, marketing and advertising support, corporate marketing programs, etc.

SECTION 10: FINANCIAL COMPARISON OF BUSINESS MODELS
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The total projected Financial Contribution to SMCCCD under each of the Business Models is as follows:

SELF-OPERATION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Net Income/Loss	(\$487,793)	(\$489,828)	(\$491,521)	(\$493,328)	(\$495,243)
Indirect Expenses	\$90,500	\$90,710	\$90,921	\$91,133	\$91,346
Total Financial Loss	(\$397,293)	(\$399,118)	(\$400,600)	(\$402,194)	(\$403,897)

CONTRACT MANAGEMENT OPTION 1A: 9.5% Commission

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Commission: Option 1A 9.5% of Commissionable Sales	\$359,614	\$357,540	\$354,149	\$351,167	\$348,579
PLUS: Facility Depreciation	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
PLUS: Income Earned From Investment Of Funds Received From Inventory Purchase	\$6,362	\$6,362	\$6,362	\$6,362	\$6,362
PLUS: Estimated Recovery Of Indirect Costs	\$25,559	\$25,746	\$25,863	26,002	\$26,162
LESS: Year 1 Transition Expense	\$50,000	-	-	-	-
Total Financial Cont.	\$381,534	\$429,648	\$426,374	\$423,531	\$421,103

CONTRACT MANAGEMENT OPTION 1B: 10.5% Commission

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Commission: Option 1B 10.5% of Commissionable Sales	\$392,731	\$390,281	\$386,376	\$382,921	\$379,903
PLUS: Facility Depreciation	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
PLUS: Income Earned From Investment Of Funds Received From Inventory Purchase	\$6,362	\$6,362	\$6,362	\$6,362	\$6,362
PLUS: Estimated Recovery Of Indirect Costs	\$25,559	\$25,746	\$25,863	26,002	\$26,162
LESS: Year 1 Transition Expense	\$50,000	-	-	-	-
Total Financial Cont.	\$414,652	\$462,389	\$458,600	\$455,285	\$452,427

CONTRACT MANAGEMENT OPTION 2: 0.0% Commission

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Commission: Option 2	\$0	\$0	\$0	\$0	\$0
PLUS: Facility Depreciation	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
PLUS: Income Earned From Investment Of Funds Received From Inventory Purchase	\$6,362	\$6,362	\$6,362	\$6,362	\$6,362
PLUS: Estimated Recovery Of Indirect Costs	\$25,559	\$25,746	\$25,863	26,002	\$26,162
LESS: Year 1 Transition Expense	\$50,000	-	-	-	-
LESS: Management Fee Paid by SMCCCD to Contractor	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Total Financial Loss	(\$128,080)	(\$77,893)	(\$77,775)	(\$77,636)	(\$77,476)

CONTRACT MANAGEMENT OPTION 3: 2.0% Commission

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Commission: Option 3	\$96,235	\$96,482	\$96,452	\$96,509	\$96,648
PLUS: Facility Depreciation	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
PLUS: Income Earned From Investment Of Funds Received From Inventory Purchase	\$6,362	\$6,362	\$6,362	\$6,362	\$6,362
PLUS: Estimated Recovery Of Indirect Costs	\$25,559	\$25,746	\$25,863	26,002	\$26,162
LESS: Year 1 Transition Expense	\$50,000	-	-	-	-
Total Financial Cont.	\$118,155	\$168,590	\$168,677	\$168,873	\$169,172

COMMENTS/ASSUMPTIONS:

- "Income Earned From Investment Of Funds Received From Inventory Purchase" is computed assuming an estimated inventory purchase figure of \$424,121 and an investment yield of 1.5%. For the purpose of this Analysis, the inventory purchase figure was developed as follows:
 - The Fiscal '20 ending inventory value at cost (\$1,631,868) was reduced by the estimated cost of course materials to be returned to publishers, wholesalers, and distributors (\$750,000), along with the estimated amount of inventory that will be reduced through clearance sales (\$175,000).
 - It was assumed the contractor will purchase 60% of the balance of the inventory. The actual amount of the inventory purchase figure will vary, depending upon a number of factors.
- "Estimated Recovery of Indirect Costs" is estimated at 0.50% of Total Sales.
- Transition Expense to be incurred by SMCCCD in Year 1 is estimated at \$50,000. Transition Expenses include Administration oversight, HR time devoted to the transition, employee transition expenses, IT integration expenses, etc.

COMPARISON: SELF-OPERATION / CONTRACT MANAGEMENT

	YEAR 1 TOTAL CONT.	YEAR 2 TOTAL CONT.	YEAR 3 TOTAL CONT.	YEAR 4 TOTAL CONT.	YEAR 5 TOTAL CONT.	TOTAL 5 - YEAR CONT.
Self-Operation	(\$397,293)	(\$399,118)	(\$400,600)	(\$402,194)	(\$403,897)	(\$2,003,102)
Cont. Mgmt. Option 1A at 9.5% Comm.	\$381,534	\$429,648	\$426,374	\$423,531	\$421,103	\$2,082,190
Cont. Mgmt. Option 1B at 10.5% Comm.	\$414,652	\$462,389	\$458,600	\$455,285	\$452,427	\$2,243,353
Cont. Mgmt. Option 2 at 0.0% Comm.	(\$128,080)	(\$77,893)	(\$77,775)	(\$77,636)	(\$77,476)	(\$438,859)
Cont. Mgmt. Option 3 at 2.0% Comm.	\$118,155	\$168,590	\$168,677	\$168,873	\$169,172	\$793,467

COMMENTS/ASSUMPTIONS:

1. Based upon the assumptions and projections made in this Analysis, Self-Operation will have a Financial Loss of \$2,003,102 compared to a Total Contribution of \$2,082,190 under Contract Management Option 1A at a Commission level of 9.5% (of sales) over the 5-year period.
2. Based upon the assumptions and projections made in this Analysis, Self-Operation will have a Financial Loss of \$2,003,102 compared to a Total Contribution of \$2,243,353 under Contract Management Option 1B at a Commission level of 10.5% (of sales) over the 5-year period.
3. Based upon the assumptions and projections made in this Analysis, Self-Operation will have a Financial Loss of \$2,003,102 compared to a Financial Loss of \$438,859 under Contract Management Option 2 at a Commission level of 0.0% (of sales) over the 5-year period.
4. Based upon the assumptions and projections made in this Analysis, Self-Operation will have a Financial Loss of \$2,003,102 compared to a Total Contribution of \$793,467 under Contract Management Option 3 at a Commission level of 2.0% (of sales) over the 5-year period.

SECTION 11: SUMMARY

With regard to the Business Model issue, there are two key questions that need to be answered when evaluating continued Self-Operation and Contract Management:

- Which Business Model- Continued Self-Operation or Contract Management- will be the most effective in accomplishing the mission of the Bookstore?
- What are the financial goals of the Bookstore? Contracting the Bookstore will eliminate financial losses and provide a steady revenue stream to SMCCCD.

In the event the SMCCCD Administration proceeds with Contract Management, the affordability and service goals of the contractor must be aligned with SMCCCD in order to ensure a successful business relationship. ✍

ATTACHMENTS

Attachment A- Department Sales Trends Worksheet-Consolidated
Attachment B- Department Sales Trends Worksheet-College of San Mateo
Attachment C- Department Sales Trends Worksheet-Skyline
Attachment D- Department Sales Trends Worksheet-Cañada
Attachment E- Contribution To Bookstore Reserve Trend Worksheet
Attachment F- Sales Mix Ratio Trend Worksheet
Attachment G- Gross Margin Ratio Trend Worksheet
Attachment H- Personnel Expense Ratio Trend Worksheet
Attachment I- Inventory Turns Trend Worksheet
Attachment J- Used Textbook Ratio Trend Worksheet
Attachment K- Textbook Rental Ratio Trend Worksheet
Attachment L- Course Materials Sales Per FTE Student Trend Worksheet
Attachment M- CBC Client List California and Other Community Colleges
Attachment N- Bay 10 Colleges Bookstore Information

Books	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	3,360,265	-	-
FY '17	3,088,682	-271,583	-8.08%
FY '18	3,170,744	82,062	2.66%
FY '19	3,057,926	-112,818	-3.56%
FY '20	2,597,417	-460,509	-15.06%
Supplies	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	617,485	-	-
FY '17	776,656	159,171	25.78%
FY '18	693,641	-83,015	-10.69%
FY '19	653,465	-40,176	-5.79%
FY '20	553,729	-99,736	-15.26%
Food & Beverages	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	1,678,146	-	-
FY '17	1,562,497	-115,649	-6.89%
FY '18	1,418,790	-143,707	-9.20%
FY '19	1,314,241	-104,549	-7.37%
FY '20	937,487	-376,754	-28.67%
Electronics	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	230,050	-	-
FY '17	245,547	15,497	6.74%
FY '18	193,020	-52,527	-21.39%
FY '19	181,196	-11,824	-6.13%
FY '20	120,731	-60,465	-33.37%
Gifts	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	218,218	-	-
FY '17	231,161	12,943	5.93%
FY '18	249,317	18,156	7.85%
FY '19	245,388	-3,929	-1.58%
FY '20	130,838	-114,550	-46.68%
Sundries	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	13,882	-	-
FY '17	13,649	-233	-1.68%
FY '18	17,563	3,914	28.68%
FY '19	182,729	165,166	940.42%
FY '20	590,074	407,345	222.92%
Textbook Rental Fee	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	502,834	-	-
FY '17	460,532	-42,302	-8.41%
FY '18	323,683	-136,849	-29.72%
FY '19	301,211	-22,472	-6.94%
FY '20	197,202	-104,009	-34.53%
First Five Rental Fee	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	66,103	-	-
FY '17	86,262	20,159	30.50%
FY '18	84,950	-1,312	-1.52%
FY '19	13,172	-71,778	-84.49%
FY '20	7,235	-5,937	-45.07%

COMMENTS:			
1. Textbook Rental Fee and First Five Rental Fee figures were included in Other Income for FY '16-FY '17.			
2. Department Sales figures were obtained from the "San Mateo College District Detailed Income Statement Report-All Stores" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.			

Books	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	1,228,072	-	-
FY '17	1,100,535	-127,537	-10.39%
FY '18	1,178,956	78,421	7.13%
FY '19	1,203,447	24,491	2.08%
FY '20	948,063	-255,384	-21.22%
Supplies	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	304,283	-	-
FY '17	304,850	567	0.19%
FY '18	289,791	-15,059	-4.94%
FY '19	287,526	-2,265	-0.78%
FY '20	224,071	-63,455	-22.07%
Food & Beverages	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	711,520	-	-
FY '17	644,313	-67,207	-9.45%
FY '18	568,186	-76,127	-11.82%
FY '19	528,888	-39,298	-6.92%
FY '20	337,544	-191,344	-36.18%
Electronics	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	47,482	-	-
FY '17	40,855	-6,627	-13.96%
FY '18	50,787	9,932	24.31%
FY '19	52,837	2,050	4.04%
FY '20	30,551	-22,286	-42.18%
Gifts	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	61,753	-	-
FY '17	57,528	-4,225	-6.84%
FY '18	67,405	9,877	17.17%
FY '19	76,883	9,478	14.06%
FY '20	42,021	-34,862	-45.34%
Sundries	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	7,795	-	-
FY '17	7,558	-237	-3.04%
FY '18	5,264	-2,294	-30.35%
FY '19	88,411	83,147	1579.54%
FY '20	199,826	111,415	126.02%
Textbook Rental Fee	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	104,629	-	-
FY '17	107,253	2,624	2.51%
FY '18	81,696	-25,557	-23.83%
FY '19	51,630	-30,066	-36.80%
FY '20	32,143	-19,487	-37.74%
First Five Rental Fee	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	2,728	-	-
FY '17	18	-2,710	-99.34%
FY '18	73	55	305.56%
FY '19	293	220	301.37%
FY '20	158	-135	-46.08%

**SMCCCD BOOKSTORE-COLLEGE OF SAN MATEO
DEPARTMENT SALES TRENDS WORKSHEET**

COMMENTS:			
1. Textbook Rental Fee and First Five Rental Fee figures were included in Other Income for FY '16-FY '17.			
2. Department Sales figures were obtained from the "San Mateo College District Detailed Income Statement Report-CSM Bookstore" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.			

**SMCCCD BOOKSTORE-SKYLINE
DEPARTMENT SALES TRENDS WORKSHEET**

Books	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	1,292,975	-	-
FY '17	1,211,998	-80,977	-6.26%
FY '18	1,113,660	-98,338	-8.11%
FY '19	934,142	-179,518	-16.12%
FY '20	857,098	-77,044	-8.25%
Supplies	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	172,519	-	-
FY '17	321,941	149,422	86.61%
FY '18	273,312	-48,629	-15.10%
FY '19	256,937	-16,375	-5.99%
FY '20	232,720	-24,217	-9.43%
Food & Beverages	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	662,057	-	-
FY '17	629,369	-32,688	-4.94%
FY '18	573,212	-56,157	-8.92%
FY '19	513,409	-59,803	-10.43%
FY '20	390,585	-122,824	-23.92%
Electronics	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	158,735	-	-
FY '17	176,081	17,346	10.93%
FY '18	84,613	-91,468	-51.95%
FY '19	82,454	-2,159	-2.55%
FY '20	51,091	-31,363	-38.04%
Gifts	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	102,923	-	-
FY '17	128,447	25,524	24.80%
FY '18	125,691	-2,756	-2.15%
FY '19	119,831	-5,860	-4.66%
FY '20	64,745	-55,086	-45.97%
Sundries	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	4,378	-	-
FY '17	3,631	-747	-17.06%
FY '18	9,533	5,902	162.54%
FY '19	51,522	41,989	440.46%
FY '20	270,118	218,596	424.28%
Textbook Rental Fee	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	226,039	-	-
FY '17	187,876	-38,163	-16.88%
FY '18	152,540	-35,336	-18.81%
FY '19	157,179	4,639	3.04%
FY '20	101,846	-55,333	-35.20%
First Five Rental Fee	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	35,661	-	-
FY '17	25,925	-9,736	-27.30%
FY '18	18,532	-7,393	-28.52%
FY '19	8,970	-9,562	-51.60%
FY '20	4,126	-4,844	-54.00%

**SMCCCD BOOKSTORE-SKYLINE
DEPARTMENT SALES TRENDS WORKSHEET**

COMMENTS:			
1. Textbook Rental Fee and First Five Rental Fee figures were included in Other Income for FY '16-FY '17.			
2. Department Sales figures were obtained from the "San Mateo College District Detailed Income Statement Report-Skyline Bookstore" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.			

SMCCCD BOOKSTORE-CAÑADA
DEPARTMENT SALES TRENDS WORKSHEET

Books	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	839,219	-	-
FY '17	776,148	-63,071	-7.52%
FY '18	878,129	101,981	13.14%
FY '19	920,337	42,208	4.81%
FY '20	792,255	-128,082	-13.92%
Supplies	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	140,682	-	-
FY '17	149,865	9,183	6.53%
FY '18	130,537	-19,328	-12.90%
FY '19	109,002	-21,535	-16.50%
FY '20	96,938	-12,064	-11.07%
Food & Beverages	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	304,569	-	-
FY '17	288,815	-15,754	-5.17%
FY '18	277,392	-11,423	-3.96%
FY '19	271,944	-5,448	-1.96%
FY '20	209,359	-62,585	-23.01%
Electronics	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	23,834	-	-
FY '17	28,612	4,778	20.05%
FY '18	57,620	29,008	101.38%
FY '19	45,905	-11,715	-20.33%
FY '20	39,090	-6,815	-14.85%
Gifts	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	53,542	-	-
FY '17	45,187	-8,355	-15.60%
FY '18	56,221	11,034	24.42%
FY '19	48,674	-7,547	-13.42%
FY '20	24,072	-24,602	-50.54%
Sundries	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	1,709	-	-
FY '17	2,459	750	43.89%
FY '18	2,767	308	12.53%
FY '19	42,796	40,029	1446.66%
FY '20	120,131	77,335	180.71%
Textbook Rental Fee	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	172,167	-	-
FY '17	165,403	-6,764	-3.93%
FY '18	89,447	-75,956	-45.92%
FY '19	92,402	2,955	3.30%
FY '20	63,213	-29,189	-31.59%
First Five Rental Fee	SALES	\$Inc./Dec.	% Inc./Dec.
FY '16	27,714	-	-
FY '17	60,319	32,605	117.65%
FY '18	66,345	6,026	9.99%
FY '19	3,909	-62,436	-94.11%
FY '20	2,952	-957	-24.48%

COMMENTS:			
1. Textbook Rental Fee and First Five Rental Fee figures were included in Other Income for FY '16-FY '17.			
2. Department Sales figures were obtained from the "San Mateo College District Detailed Income Statement Report-Cañada Bookstore" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.			

CONTRIBUTION TO BOOKSTORE RESERVE TREND WORKSHEET

	FY '16	FY '17	FY '18	FY '19	FY '20
TOTAL BOOKSTORE SALES	6,562,460	6,359,061	6,537,000	6,285,687	5,393,451
Less: Production Services Income	444,039	442,184	384,015	336,983	256,291
TOTAL SALES	6,118,421	5,916,877	6,152,985	5,948,704	5,137,160
Cost of Goods Sold	3,912,565	3,857,418	3,771,642	3,731,887	3,444,297
Less: Production Services COGS	96,337	109,043	120,650	87,748	35,981
TOTAL COGS	3,816,228	3,748,375	3,650,992	3,644,139	3,408,316
TOTAL SALES	6,118,421	5,916,877	6,152,985	5,948,704	5,137,160
Cost of Goods Sold	3,816,228	3,748,375	3,650,992	3,644,139	3,408,316
GROSS MARGIN	2,302,193	2,168,502	2,501,993	2,304,565	1,728,844
Gross Margin Ratio (% of Total Sales)	37.63%	36.65%	40.66%	38.74%	33.65%
Less: Expenses					
Personnel Expenses	2,435,920	2,573,940	2,412,294	2,446,439	2,500,009
Less: Production Services Personnel Expenses	172,627	185,885	205,208	214,414	120,331
Total Personnel Expense	2,263,293	2,388,055	2,207,086	2,232,025	2,379,678
Other Inventory Expenses	273,659	278,875	235,776	230,426	193,806
Less: Copy Center Expense	81,300	80,982	77,562	96,341	85,223
Total Other Inventory Expense	192,359	197,893	158,214	134,085	108,583
Other Service Expenses	63,638	50,806	54,055	49,972	20,356
Travel & Mileage Expenses	3,370	8,518	3,190	2,960	2,554
Dues & Membership	5,882	6,569	5,104	3,173	8,429
Insurance Expense	6,683	7,200	13,287	7,659	16,800
Utilities	40,310	42,928	43,249	42,806	42,939
Equipment, Maintenance & Rental	86,525	76,095	75,467	68,495	83,488
Legal, Audit & Bad Debt Expense	20,182	18,469	47,634	-23,512	-107,616
Other Operating Expenses	178,892	158,592	160,368	165,016	110,717
TOTAL OPERATING EXPENSES	2,861,134	2,955,125	2,767,654	2,682,679	2,665,928
NET INCOME / LOSS	-558,941	-786,623	-265,661	-378,114	-937,084
Plus: Other Income	805,183	790,569	83,795	50,312	54,122
Less: Interest Income	117,656	127,426	0	0	0
Total Other Income	687,527	663,143	83,795	50,312	54,122
TOTAL NET INCOME / LOSS	128,586	-123,480	-181,866	-327,802	-882,962
Plus Indirect Expenses:					
Utilities	40,310	42,928	43,249	42,806	42,939
Armored Car Service Expense	10,610	7,298	8,270	8,788	7,078
Total Indirect Expenses	50,920	50,226	51,519	51,594	50,017
CONT. (Total NI/Loss Plus Ind. Expenses)	\$179,506	-\$73,254	-\$130,347	-\$276,208	-\$832,945
CONTRIBUTION % OF TOTAL SALES	2.93%	-1.24%	-2.12%	-4.64%	-16.21%
COMMENTS:					
1. Total Sales do not include Production Services Income.					
2. Total Personnel Expense does not include Production Services Personnel Expenses. Production Services Personnel Expenses figures were obtained from Tom Bauer, Vice Chancellor of Auxiliary and Community Services.					
3. Total Other Inventory Expense does not include Copy Center Expense.					
4. Total Net Income/Loss is defined as Gross Margin less Total Operating Expenses plus Total Other Income.					
5. Contribution is defined as Total Net Income/Loss plus Total Indirect Expenses. Indirect Expenses includes Utilities and Armored Car Service Expense. The Bookstore's Armored Car Service Expense represents 50% of the total Armored Car Service Expense.					
6. Figures were obtained from the "San Mateo College District Detailed Income Statement Report-All Stores" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.					

	FY '18	FY '19	FY '20
TOTAL SALES	6,152,985	5,948,704	5,137,160
Course Materials Sales:			
New Textbook Sales	1,514,017	1,087,595	809,449
Used Textbook Sales	512,989	432,694	307,477
Course Pack Sales	123,362	114,201	105,088
Digital Book Sales	40,929	7,712	2,182
Web Codes Sales	962,065	1,402,740	1,368,363
Textbook Rental Fees	323,683	301,211	197,202
First Five Rental Fees	84,950	13,172	7,235
TOTAL COURSE MAT. SALES	\$3,561,995	\$3,359,325	\$2,796,996
SALES MIX RATIO	57.89%	56.47%	54.45%
COMMENTS:			
1. Sales Mix Ratio is defined as Total Course Materials Sales expressed as a percentage of Total Sales.			
2. Total Course Materials Sales include New Textbook Sales, Used Textbook Sales, Course Pack Sales, Digital Book Sales, Web Codes Sales, Textbook Rental Fees, and First Five Rental Fees.			
3. Total Sales figures were obtained from the "San Mateo College District Detailed Income Statement Report-All Stores" for the fiscal years ended 6/30/18, 6/30/19, and 6/30/20.			
4. Total Sales figures do not include Production Services Income.			
5. Course Materials Sales figures (excluding Textbook Rental Fees and First Five Rental Fees) were obtained from the "San Mateo Community College District Sales Audit Report" for the fiscal years ended 6/30/18, 6/30/19, and 6/30/20.			
6. Textbook Rental Fees and First Five Rental Fees figures were obtained from the "San Mateo College District Detailed Income Statement Report- All Stores" for the fiscal years ended 6/30/18, 6/30/19, and 6/30/20.			

	FY '16	FY '17	FY '18	FY '19	FY '20
TOTAL SALES	6,118,421	5,916,877	6,152,985	5,948,704	5,137,160
Cost of Goods Sold	3,816,228	3,748,375	3,650,992	3,644,139	3,408,316
GROSS MARGIN	\$2,302,193	\$2,168,502	\$2,501,993	\$2,304,565	\$1,728,844
GROSS MARGIN RATIO	37.63%	36.65%	40.66%	38.74%	33.65%
COMMENTS:					
1. Gross Margin is defined as Total Sales less Cost of Goods Sold.					
2. Total Sales and Cost of Goods Sold figures do not include Production Services.					
3. Figures were obtained from the "San Mateo College District Detailed Income Statement Report- All Stores" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.					

PERSONNEL EXPENSE RATIO TREND WORKSHEET

	FY '16	FY '17	FY '18	FY '19	FY '20
TOTAL SALES	6,118,421	5,916,877	6,152,985	5,948,704	5,137,160
Personnel Expenses:					
Salaries-Administrative	77,144	81,833	-	-	-
Salaries-Supervisor	320,940	340,543	349,356	368,730	367,869
Salaries-Classified	872,791	925,457	828,065	778,133	866,044
Salaries-Students	489,631	455,262	466,876	532,182	539,407
Salaries-Short Term Hourly	133,095	196,336	171,481	106,933	50,560
Accrued Vacation Exp.-Sup.	-	-36	-	-	16,646
Accrued Vacation Exp.-Class.	-	12,939	-	-	15,279
Benefits-All Stores	542,320	561,607	596,517	660,461	644,203
Personnel Expense	2,435,921	2,573,941	2,412,295	2,446,439	2,500,008
Less: Prod. Services Pers. Exp.	172,627	185,885	205,208	214,414	120,331
Total Personnel Expense	2,263,294	2,388,056	2,207,087	2,232,025	2,379,677
TOTAL PERSONNEL EXP.	\$2,263,294	\$2,388,056	\$2,207,087	\$2,232,025	\$2,379,677
PERSONNEL EXP. RATIO	36.99%	40.36%	35.87%	37.52%	46.32%
COMMENTS:					
1. Total Personnel Expense is defined as salaries and benefits for the SMCCCD Bookstores.					
2. Total Personnel Expense does not include Production Services Personnel Expenses. Production Services Personnel Expense figures were obtained from Tom Bauer, Vice Chancellor of Auxiliary and Community Services.					
3. Total Sales and Total Personnel Expenses figures were obtained from the "San Mateo College District Detailed Income Statement Report- All Stores" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.					

	FY '16	FY '17	FY '18	FY '19	FY '20
TOTAL SALES	6,118,421	5,916,877	6,152,985	5,948,704	5,137,160
Beginning Inventory- Retail	2,721,488	2,642,700	2,660,879	2,718,482	2,542,292
Ending Inventory- Retail	2,642,700	2,660,879	2,718,482	2,542,292	2,472,528
Average Inventory (BI+EI/2)	2,682,094	2,651,790	2,689,681	2,630,387	2,507,410
INVENTORY TURNS	2.28	2.23	2.29	2.26	2.05
(Total Sales/Avg. Inv.)					
COMMENTS:					
1. Total Sales do not include Production Services Income.					
2. Total Sales figures were obtained from the "San Mateo College District Detailed Income Statement Report-All Stores" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.					
3. Beginning and Ending Inventory figures include Production Services. Production Services inventory levels were minimal, ranging from a low of \$137 in FY '19 to a high of \$10,011 in FY '18.					
4. Beginning and Ending Inventory figures were obtained from the "San Mateo Community College District Physical Inventory-Over/Short Report At Retail," dated 4/27/15, 4/19/16, 4/18/17, 4/25/18, 4/24/19, and 10/30/20. The Bookstore did not take a physical inventory in April 2020 due to COVID-19.					

	FY '16	FY '17	FY '18	FY '19	FY '20
Total Textbook Sales:					
Total New Textbook Sales	2,355,796	1,975,603	1,514,017	1,087,595	809,449
Total Used Textbook Sales	694,976	618,421	512,989	432,694	307,446
TOTAL TEXTBOOK SALES	\$3,050,772	\$2,594,024	\$2,027,006	\$1,520,289	\$1,116,895
USED TEXTBOOK RATIO	22.78%	23.84%	25.31%	28.46%	27.53%
COMMENTS:					
1. Used Textbook Ratio is defined as Total Used Textbook Sales expressed as a percentage of Total Textbook Sales.					
2. Figures were obtained from the "San Mateo Community College District Sales Audit Report" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.					

TEXTBOOK RENTAL RATIO TREND WORKSHEET

	FY '16	FY '17	FY '18	FY '19	FY '20
Total Course Materials Sales	3,915,815	3,614,680	3,561,995	3,359,325	2,796,996
Total Textbook Rental Sales	568,937	546,794	408,633	314,383	204,437
TOTAL TEXT. RENTAL SALES	\$568,937	\$546,794	\$408,633	\$314,383	\$204,437
TEXTBOOK RENTAL RATIO	14.53%	15.13%	11.47%	9.36%	7.31%
COMMENTS:					
1. Textbook Rental Ratio is defined as Total Textbook Rental Sales expressed as a percentage of Total Course Materials Sales.					
2. Total Textbook Rental Sales include textbook rental fees and First Five rental fees.					
3. Total Course Materials Sales include new textbook sales, used textbook sales, course pack sales, digital book sales, web codes sales, textbook rental fees, and First Five rental fees.					
4. Total Course Materials Sales figures (excluding Total Textbook Rental Sales) were obtained from the "San Mateo Community College District Sales Audit Report" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.					
5. Total Textbook Rental Sales figures (including textbook rental fees and First Five rental fees) were obtained from the "San Mateo College District Detailed Income Statement Report-All Stores" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.					

	FY '16	FY '17	FY '18	FY '19	FY '20
Course Materials Sales:					
New Textbook Sales	2,355,796	1,975,603	1,514,017	1,087,595	809,449
Used Textbook Sales	694,976	618,421	512,989	432,694	307,477
Course Pack Sales	164,530	157,565	123,362	114,201	105,088
Digital Book Sales	2,632	10,296	40,929	7,712	2,182
Web Codes Sales	128,944	306,001	962,065	1,402,740	1,368,363
Textbook Rental Fees	502,834	460,532	323,683	301,211	197,202
First Five Rental Fees	66,103	86,262	84,950	13,172	7,235
TOTAL COURSE MAT. SALES	3,915,815	3,614,680	3,561,995	3,359,325	2,796,996
FTE Enrollment	18,692	18,210	17,625	16,958	16,155
C. MAT. SALES PER FTE STUDENT	\$209	\$198	\$202	\$198	\$173
COMMENTS:					
1. Course Materials Sales figures (excluding Textbook Rental Fees and First Five Rental Fees) were obtained from the "San Mateo Community College District Sales Audit Report" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.					
2. Textbook Rental Fees and First Five Rental Fees figures were obtained from the "San Mateo College District Detailed Income Statement Report" for the fiscal years ended 6/30/16, 6/30/17, 6/30/18, 6/30/19, and 6/30/20.					
3. FTE Enrollment figures were obtained from the "Productivity & Efficiency Report" for 2015-2016 through 2019-2020.					

CBC CLIENT LIST
CALIFORNIA COMMUNITY COLLEGES AND OTHER COMMUNITY COLLEGES
2021

CALIFORNIA COMMUNITY COLLEGES

ALLAN HANCOCK COLLEGE
 Santa Maria, CA

CHABOT COLLEGE
 Hayward, CA

CITRUS COLLEGE
 Glendora, CA

CUESTA COLLEGE
 San Luis Obispo, CA

CYPRESS COLLEGE
 Cypress, CA

FOOTHILL-DE ANZA COMMUNITY COLLEGE
 DISTRICT
 Los Altos Hills, CA

FULLERTON COLLEGE
 Fullerton, CA

KERN COMMUNITY COLLEGE DISTRICT
 Bakersfield, CA

LOS RIOS COMMUNITY COLLEGE DISTRICT
 Sacramento, CA

SAN JOSE EVERGREEN COMMUNITY
 COLLEGE DISTRICT
 San Jose, CA

STATE CENTER COMM. COLLEGE DISTRICT
 Fresno, CA

VENTURA COUNTY COMMUNITY COLLEGE
 DISTRICT
 Ventura, CA

OTHER COMMUNITY COLLEGES

BUTLER COMMUNITY COLLEGE
 El Dorado, KS

CENTRAL MAINE COMMUNITY COLLEGE
 Auburn, ME

CINCINNATI STATE TECHNICAL AND
 COMMUNITY COLLEGE
 Cincinnati, OH

THE COMMUNITY COLLEGE OF BALTIMORE
 COUNTY
 Baltimore, MD

DELAWARE TECH COMMUNITY COLLEGE
 Georgetown, DE

FRONT RANGE COMM COLLEGE DISTRICT
 Westminster, CO

HILLSBOROUGH COMMUNITY COLLEGE
 Tampa, FL

HOLYOKE COMMUNITY COLLEGE
 Holyoke, MA

IVY TECH COMMUNITY COLLEGE
 Indianapolis, IN

JOHNSON COUNTY COMMUNITY COLLEGE
 Overland Park, KS

KENNEBEC VALLEY COMMUNITY COLLEGE
 Fairfield, ME

KIRKWOOD COMMUNITY COLLEGE
 Cedar Rapids, IA

MADISON AREA TECHNICAL COLLEGE
 Madison, WI

MAINE COMMUNITY COLLEGE SYSTEM
 Augusta, ME

MASSACHUSETTS BAY COMM COLLEGE
 Wellesley Hills, MA

METROPOLITAN COMMUNITY COLLEGE
 Omaha, NE

MONTGOMERY COLLEGE
 Rockville, MD

NORTHAMPTON COMMUNITY COLLEGE
 Bethlehem, PA

NORTHERN MAINE COMMUNITY COLLEGE
 Presque Isle, ME

PIMA COUNTY COMM. COLLEGE DISTRICT
 Tucson, AZ

SAN JACINTO COLLEGE DISTRICT
 Pasadena, TX

SINCLAIR COMMUNITY COLLEGE
 Dayton, OH

SOUTHERN MAINE COMMUNITY COLLEGE
 South Portland, ME

ATTACHMENT M

<p style="text-align: center;">CBC CLIENT LIST CALIFORNIA COMMUNITY COLLEGES AND OTHER COMMUNITY COLLEGES 2021</p>

TARRANT COUNTY COLLEGE DISTRICT
Fort Worth, TX

TENNESSEE BOARD OF REGENTS
Nashville, TN

TULSA COMMUNITY COLLEGE
Tulsa, OK

TUNXIS COMMUNITY COLLEGE
Farmington, CT

WASHINGTON COUNTY COMMUNITY
COLLEGE
Calais, ME

WESTCHESTER COMMUNITY COLLEGE
Valhalla, NY

YORK COUNTY COMMUNITY COLLEGE
Wells, ME

**SMCCCD BOOKSTORE
BAY 10 COLLEGES BOOKSTORE INFORMATION
August 13, 2021**

INSTITUTION	MANAGEMENT	VENDOR
Chabot Las Positas CCD	Contracted	Chabot College-Barnes & Noble Las Positas College-Follett
City College of San Francisco	Contracted	Follett
College of Marin	Contracted	Follett
Contra Costa CCD	Self-Operated	-
Foothill De Anza CCD	Contracted	Follett
Ohlone Community College	Contracted	Follett
Peralta CCD	Contracted	Follett
San Jose Evergreen CCD	Contracted	Follett
San Mateo County CCD	Self-Operated	-
Solano Community College	Contracted	Barnes & Noble

BOARD REPORT NO. 21-08-03C

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

**UPDATE ON CRYSTAL SPRINGS CROSS COUNTRY COURSE USE AGREEMENT
AND STAKEHOLDER ENGAGEMENT**

Background

The Crystal Springs Cross Country Course is located in an unincorporated area adjacent to Hallmark Drive in Belmont. The course is owned by the City and County of San Francisco and is under the jurisdiction of the San Francisco Public Utilities Commission (SFPUC). The District has held a revocable license for use of the parcel since the early 1970s. The license allows the District to use the parcel as a running course for cross country training and cross-country events. The District pays an annual license fee of \$2,400 to the SFPUC.

In addition, the SFPUC encourages broad public use of the land and the District is required to provide drop-in access to the general public for pedestrian recreational activities such walking, hiking, and running. Cycling, equestrian, and other forms of access are not allowed. The District has enjoyed an outstanding relationship with the SFPUC over the years and has been proactive in maintaining the course to ensure preservation of the land, safety of the cross-country athletes, and the public.

College of San Mateo (CSM) has used the Crystal Springs site for training and as its “home” course for over forty years. However, more recently, use by the college cross country program was minimal with the majority of use only by high school and middle schools. High school and middle school programs also use the course for training and cross-country meets. The District collects a small fee for each meet and the revenues are used to offset the annual maintenance and licensing costs of the site. Cross-country is a “fall” sport; the season generally runs from September to mid-November.

College Need for the Crystal Springs Cross Country Course

In Fall 2019, the College assessed its use of the course versus the staff time required to manage the course for non-college meets, including responding to neighborhood complaints. The College concluded that it would be best to terminate the license given the limited use by the College. The Athletic Director communicated the College’s intent to discontinue the license to cross-country stakeholders. Word quickly got out that the course would be closing in 2020. The College and the District heard from many runners and community members expressing concern about the imminent closing of the site after the 2019 season.

While the primary mission of the District and District’s colleges is to provide a post-secondary education to students, the District also recognizes its responsibility to support the general community. Given the widespread public concern regarding the future of the course, the District reconsidered the license termination and has successfully negotiated a license renewal with the SFPUC. In addition, CSM has contracted with a third-party entity to manage and schedule the use of the course for high school and middle school use.

Disagreement of Over Use

The District and the College are confident that course scheduling for high schools and middle schools can be managed by the third-party entity, with minimal impact on College and District staff. The District will continue to make the course available to high school and middle school cross country programs and to the general public, just as it has in past. However, there is a dispute over the level of use, and the size of cross-country meets between the Belmont Heights Civic Improvement Association (BHCIA) and cross-country stakeholders.

It is important to note that the District is the licensee and is not a party in the dispute. Regardless, the District has worked with both the BHCIA and the cross-country stakeholders to try to resolve the matter. In addition, the District engaged a professional, third-party facilitator to assist the parties (BHCIA and cross-country stakeholders) in resolving the dispute. Unfortunately, the facilitator was not able to get agreement from the parties.

Some concessions have been made by the cross-country stakeholders. For instance, the group has agreed to reduce the total number of meets and the number of large meets. A total of 33 meets were held in 2019, the last full cross-country season. The tentative schedule has been reduced to 20 meets for the 2021 season.

Most of the larger meets range between 1,000 to 2,000 athletes and spectators. The Central Coast Section Championship is the largest meet and typically draws about 3,000 athletes and spectators. In reviewing the 2019 schedule, it appears that a total of seven large championship meets were held. Four large meets are expected for the 2021 season (1,000 or more athletes and spectators).

Mitigation Efforts

The District values its relationship with the City of Belmont and with the Belmont Police Department. CSM and the Belmont Police Department have worked collaboratively over the years to mitigate the impact of cross-country meets on the neighborhood. Mitigation efforts have included messaging to the community, parking enforcement, signage, and designated parking for buses among other things. A full list of mitigation efforts (prepared by the City of Belmont) is attached to this report.

Next Steps

Though the District has no need for use of the course, it is prepared to fulfil a community convener role in maintaining the license and upkeep of the course. The District has made every reasonable attempt to bring the parties together to resolve this matter. It was the District's hope that the facilitation effort would yield an agreement between the two parties. The District is committed to helping the two parties resolve this matter, while serving youth cross-country needs and providing general public access to the site. Also, the District will continue to work with City of Belmont on reasonable solutions to mitigate the impact of cross-country events.

Given the broad and varied community interest in the site District staff felt that it was important to bring this matter to the Board so that the Board could hear directly from the public on this matter. Staff requests direction from the Board so that the 2021 course schedule can be finalized, and that a set of guidelines can be developed for future scheduling of the course.

Report from the City of Belmont Regarding College of San Mateo Crystal Springs Cross County Course – Hallmark Park

Background:

For over the past 25 years the Belmont Police Department has had a strong working relationship with the College of San Mateo (CSM). Throughout the years the traffic flow in the neighborhood and around the course has increased on race days. There are several associated factors for this increase in traffic. When the steady increase of vehicular traffic began in the 2009 to 2013-time frame, the college and the police department began contracting Belmont Police Department Community Service Officer's (CSO). The mission of the CSO's were to assist in the parking enforcement and education around the course and be a conduit of information to the college and the community. The collaborative relationship between the college and the police department is one that has been effective. Both entities saw the need for continued proactive strategies to help reduce neighbor concerns during race days.

Current Strategies

- Prior to the race season PD meets with the CSM Representative to discuss the schedule, and planning for the events.
- Once the race season is scheduled it is posted on the fence at the entrance to the course.
- Depending on the size of the event, one or two PD CSO's are assigned to specifically work the day of the race to educate and enforce parking around the course.
- The CSO's are on site to assist neighbors with any issues and are a point of contact for them if complaints arise.
- No Parking and other advisory signage (i.e. Disabled Parking, Loading Zone, etc.) are posted days before the event.
- CSO's and CSM staff meet with residents close to the course to discuss any issues or concerns. This is a continued practice through the season.
- Digital signboards are used for larger events (CCS, and WCAL) informing the neighbors of upcoming race events and traffic advisory information.
- For smaller events limited parking for buses is used in a designated area.
- For larger events limited parking for buses is used in a designated area, however, a majority of the buses are advised to park in other surrounding areas. (i.e. Crystal Springs Shopping Center, Davis Dr. etc.) Buses are not allowed to park in the residential areas.
- CSO's collaborate with coaches and bus drivers to ensure rules are followed. **It should be noted that there is almost 100% compliance with school representatives in regard to following rules and guidelines.

Potential Additional Strategies

- Additional social media outreach via Next Door and Twitter on day of the events.
- Posting Race Schedule in more than one location in and around the neighborhood.
- Use of signboards for all events. (**It should be noted that the PD only has two digital signboards and on occasion the priority for the signboards at an alternative location could be warranted.)
- Posting a link on our website to the race schedule or posting the schedule directly to the city website.

Impact on City Services

Since the contracting of services by CSM for our CSO's the budget impact for the police department has been covered by the City. Currently, in addition to the cost of services, the resources and workload by staff at these events has been manageable within existing resources. If there are additional recommendations requiring additional staffing than previously used, then this could require a contract for additional services if it impacts workload for the day of event staffing. Otherwise, based on past practices, the existing resources will be able to manage the strategies outlined.

BOARD REPORT NO. 21-08-04C

TO: Members of the Board of Trustees
FROM: Michael Claire, Chancellor
PREPARED BY: Dr. Aaron McVean, Vice Chancellor, Educational Services and Planning

**REVIEW OF PROPOSED ALLOCATION FROM FEDERAL AMERICAN RESCUE PLAN'S
HIGHER EDUCATION EMERGENCY RELIEF FUND III**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP), which in part appropriated approximately \$39.6 billion for the Higher Education Emergency Relief Fund (HEERF) and represents the third stream of funding appropriated (HEERF III) to prevent, prepare for, and respond to coronavirus.

The three Colleges of the District have been allocated a total of \$23,248,192 in HEERF III funds. As with the first two rounds of HEERF funding, a minimum of 51% of HEERF III funds must be distributed to students in the form of Direct Student Aid. The remaining 49% of funds is proposed to be allocated as District Institutional and College Institutional support funds. Per Federal guidelines, Institutional funds must, at minimum, be used for “Defraying expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll)...”

As of this report, all HEERF III funds are expected to be fully expended by May, 2022. Although an extension may be granted, the District is planning to fully expend HEERF III funds by the end of the 2021-22 academic year.

The attached report outlines the Districts proposed distribution of HEERF III funding.

HIGHER EDUCATION EMERGENCY RELIEF FUND (HEERF) III

SMCCCD ALLOCATION AND PLANNED EXPENDITURES

BACKGROUND

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP) (Pub. L. 117-2). The ARP appropriated approximately \$39.6 billion for the [Higher Education Emergency Relief Fund \(HEERF\)](#) and represents the third stream of funding appropriated (HEERF III) to prevent, prepare for, and respond to coronavirus. A document of FAQs related to the funding and allowable expenditures can be found [here](#). As of this report, all HEERF III funds are expected to be fully expended by May, 2022. Although an extension may be granted, the District is planning to fully expend HEERF III funds by the end of the 2021-22 academic year.

HEERF III ALLOCATIONS

The three Colleges of the District have been allocated a total of \$23,248,192 in HEERF III funds. As with the first two rounds of HEERF funding, a minimum of 51% of HEERF III funds must be distributed to students in the form of Direct Student Aid. The remaining 49% of funds is proposed to be allocated as District Institutional and College Institutional support funds, as described in the Tables below. Per Federal guidelines, Institutional funds must, at minimum, be used for “Defraying expenses associated with coronavirus (including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff trainings, and payroll)...”

The overall allocation, Direct Student Aid required allocation, and the distribution of Institutional funds to the District and Colleges are shown in Table 1 below. Greater details are provided in subsequent tables.

	HEERF III Total Allocation	Direct Student Aid (51% of Total)	Institutional (49% of Total)	District Institutional (19% of Total)		College Institutional (31% of Total)	
				Total	% of Total	Total	% of Total
Total		51% of Total	49% of Total				
Cañada College	\$ 5,085,835	\$ 2,595,167	\$ 2,490,668	\$ 994,819	20%	\$ 1,496,371	29%
College of San Mateo	\$ 8,156,194	\$ 4,120,320	\$ 4,026,720	\$ 1,800,501	22%	\$ 2,235,796	27%
Skyline College	\$10,006,163	\$ 5,073,728	\$ 4,932,435	\$ 1,687,806	17%	\$ 3,245,336	32%
Total	\$23,248,192	\$ 11,789,215	\$11,458,977	\$ 4,483,125	19%	\$ 6,977,503	30%

Table 1



The District is proposing to allocate 49% of the HEERF III funding to Institutional funds, divided between the District (19%) and Colleges (31%).

INSTITUTIONAL FUNDS

The District Institutional fund allocation is proposed to address the following COVID-19 impacts:

1. Defraying the lost revenue from FY 2020-21 caused by the increased use of the Excused Withdraw (EW) option;
2. Defraying projected lost revenue from FY 2021-22 caused by several factors related to the COVID-19 pandemic;
 - a. Continuing flexible use of the EW,
 - b. Projected enrollment decline resulting in reduced fees, categorical allocations, and other revenues,
 - c. Continued lost revenue from college Bookstores.
3. Eliminating student debt incurred since the beginning of the COVID-19 pandemic in March 2020;
4. Purchasing communication software to be used across the District.

Amounts are shown in Table 2 below. All amounts are projections except for the FY 2020-21 EW impact.

District Institutional (19% of Total)						
	EW Impact FY 2020-21 (12%)	Projected Revenue loss FY 2021-22 (12%)	Student Debt (6%)	Districtwide Software (1%)	Total	% of Institutional
Cañada College	\$ 321,545	\$ 495,892	\$ 158,250	\$ 21,150	\$ 994,819	40%
College of San Mateo	\$ 624,599	\$ 907,110	\$ 246,510	\$ 21,150	\$ 1,800,078	45%
Skyline College	\$ 508,128	\$ 853,398	\$ 313,710	\$ 21,150	\$ 1,687,099	34%
Total	\$ 1,454,272	\$ 2,256,400	\$ 707,353	\$ 63,450	\$ 4,481,474	39%

Table 2

The College Institutional fund allocation is proposed to address a number of COVID-19 impacts that are related to the following areas: Technology, Enrollment Recovery, Disproportionately Impacted Students, Facilities, Personnel, and Professional Development. Amounts are shown in Table 3.



College Institutional (31% of Total)								
	Technology	Enrollment Recovery	Disproportionately Impacted Students	Facilities	Personnel	Professional Development	Total	% of Institutional
Cañada College	\$ 477,664	\$ 107,664	\$ 456,789	\$ 157,664	\$ 223,924	\$ 72,664	\$ 1,496,371	60%
College of San Mateo	\$ 1,165,125	\$ 168,625	\$ 566,172	\$ 8,625	\$ 238,625	\$ 88,625	\$ 2,235,796	55%
Skyline College	\$ 471,908	\$ 381,958	\$ 683,658	\$ 1,066,228	\$ 315,658	\$ 325,928	\$ 3,315,276	66%
Total	\$ 2,114,697	\$ 685,491	\$ 1,706,619	\$ 1,232,517	\$ 778,207	\$ 487,217	\$ 6,977,503	61%

Table 3

The individual Colleges have proposed different allocations of HEERF III Institutional Funds based on specific campus needs based on the impact of the COVID-19 pandemic.

DIRECT STUDENT AID

The required 50% allocation of HEERF III for **Direct Student Aid total \$11,789,215**. Due to the increase in the allocated amount of Direct Student Aid and the deadline of May 2022 for expenditure, the District is proposing to substantially increase award amounts above the levels previously used for CARES and HEERF II funds. As with previous awards, HEERF III provides general guidance to institutions to prioritize awards to students with exceptional need, such as students who receive Pell Grants or students with extraordinary financial circumstances. The proposed amounts are shown in Table 5 below.



Cañada College • College of San Mateo • Skyline College

Students	Award Amount
Non-Pell Students	
6-11 Units	\$ 1,250
12 + Units	\$ 1,625
Pell Students	
6-11 Units	\$ 2,000
12 + Units	\$ 2,750

The proposed award amounts for AY 2021-22 are increases of \$500, \$650, \$800, and \$1,100 above previous HEERF II award amounts, respectively, moving from Non-Pell 6-11 Units through Pell 12+ Units. Awards are distributed by the Financial Aid Offices after the first census date of the Fall and Spring semesters.

Table 4

BOARD REPORT NO. 21-08-05C

TO: Members of the Board of Trustees
FROM: Michael Claire, Chancellor
PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff

REVIEW OF SUGGESTED UPDATES TO BOARD POLICY 1.60 – RULES OF ORDER FOR BOARD MEETINGS

At a recent meeting, the Board concluded that it was interested in the option to set a time for adjournment of meetings and directed staff to bring possible policy modifications that would allow for such actions. As such, staff is providing the Board with the attached suggested revision to Board Policy 1.60 which governs the rules of order for Board meetings for the Board's review and discussion. This agenda item is not being presented for Board action at this time.

CHAPTER 1: Board of Trustees
BOARD POLICY NO. 1.60 (BP 2345, 2350, and 2355)

BOARD POLICY
San Mateo County Community College District

Subject 1.60 Rules of Order for Board Meetings
Revision Date 3/12; Reviewed 4/19; ~~XX~~
Policy References: Government Code Section 54954.3; Education Code Section 72121.5

The Board recognizes both the value of free expression of views and its statutory obligation to make policy decisions essential to the management of the District. Toward these ends, the following rules of order, established under authorization of State statutes, shall govern the conduct of all Board meetings:

1. The President of the Board shall direct the orderly presentation of reports and discussion on all agenda items and on matters introduced under “Statements from the Public on Non-Agenda Items” and “Presentations to the Board by Persons or Delegations.” No action can be taken by the Board on “Statements from the Public on Non-Agenda Items” or “Presentations to the Board by Persons or Delegations.”
2. After an agenda item has been presented and staff reports made, the Board shall invite public participation in discussion relating to the item. Persons addressing the Board will be asked to preface their remarks by giving their name to the President of the Board. The President of the Board may rule out of order discussion which in his/her judgment is not relevant to the agenda item.
3. During any portion of the meeting, the Board may prescribe a time limit on individual presentations and/or a time limit on the total time to be allocated to all presentations on a given item or issue, and the Board may allow all interested participants to address the Board before allowing any participant to be heard a second time.
4. The President of the Board may rule out of order persons who use profanity, threats, physical violence, or obscenity in any form, disturb or disrupt the Board meeting, or fail to conform to a reasonable request to maintain decorum in the meeting room.
5. Persons who are ruled out of order shall be warned of their infraction, dismissed from the meeting room if the warning is not heeded, and removed from the meeting room by appropriate authorities if they do not comply with instructions or directives of the Board or Board President to leave.
6. In the event that any Board meeting is willfully interrupted by an individual or group of persons so as to render the orderly conduct of the meeting unfeasible, and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Board may order the meeting room cleared and continue in session. Representatives of the news media and staff members, except those participating in the disturbance, shall be allowed to attend the meeting.
7. Any criminal violation of any provision of law may be directed by the Board to the attention of the appropriate law enforcement agency.

1.60 Rules of Order for Board Meetings (continued)

8. Members of the public also may submit written communications to the Board on any item either on or off the agenda. Written communication regarding items on the agenda should reach the office of the Chancellor not later than one working day prior to the meeting at which the matter concerned is to be before the Board. All such written communications shall be dated and signed by the author, and shall contain the residence or business address of the author and the author's organizational affiliation, if any.
9. The Board, by a majority vote, may assign a time for adjournment of any meeting. If a time of adjournment has been assigned, such action may be modified to extend a set time of adjournment by a majority vote of the Board.

BOARD REPORT NO. 21-08-06C

TO: Members of the Board of Trustees
FROM: Michael Claire, Chancellor
PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff

DISCUSSION OF POTENTIAL BOARD AD-HOC COMMITTEE ON BOARD OPERATIONS

Based on recent conversations in meetings and at their retreat regarding the operations of the Board and its meetings, the Board will discuss the potential of appointing an ad-hoc committee to review items of interest to the Board in how it operates with itself and with the District administration.

BOARD REPORT NO. 21-08-07C

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Yanely Pulido, Director of General Services
Bob Domenici, Purchasing Supervisor

**REPORT ON THE USE OF PUBLIC AGENCY CONTRACTS FOR THE PURCHASE OF
MATERIALS, EQUIPMENT, SUPPLIES AND SERVICES**

California Public Contract Code (PCC) Section 20652 authorizes the Board of Trustees, without advertising for bids, to contract for the lease or purchase of materials, supplies, equipment, automobiles and other personal property through contracts let by other public agencies (commonly referred to as “piggybacking” contracts) when it finds it is in the best interest of the District. Additionally, PCC sections 20653 and 20653.5 authorize the Board to purchase materials, equipment, supplies, or services under the same terms and conditions as are specified in contracts lawfully awarded by the Department of General Services pursuant to Section 14814 of the Government Code and the University of California or the California State University.

In accordance with District Administrative Procedure 8.15.3 (5), the attached list reflects this activity for the fiscal year ending June 30, 2021.

PIGGYBACKABLE CONTRACTS

VENDOR	AGENCY	COMMODITY
Apple	Glendale Unified School District	Computers, Licenses
B&H Photo	National Intergovernmental Purchasing Alliance	Audio & Visual
CALCARD	California Department of General Services	Procurement Card Services
CDWG	Foundation for California Community Colleges	IT Hardware, Audio/Visual Equipment
Carolina Biological	Sourcewell	Lab Supplies and Equipment
Class Leasing	Chawanakee USD	Modular Buildings
Computerland	National Association of State Procurement Officials	IT Hardware
Dell	National Association of State Procurement Officials	Computers, Hardware
DHE Computer	National Cooperative Purchasing Alliance	Computers
Digital Sceptor	National Association of State Procurement Officials	IT Firewall Hardware & Software

PIGGYBACKABLE CONTRACTS

VENDOR	AGENCY	COMMODITY
Downtown Ford	California Multiple Award Schedule	Purchased Vehicles
Grainger	Foundation for California Community Colleges	Facilities Equipment, Tools & Parts
Grey Wall Software, LLC	University of California/ California State University	Emergency Management & Business Continuity Software
Home Depot U.S.A, Inc.	US Communities	Janitorial Supplies
KI	Foundation for California Community Colleges	Furniture
KYA Services LLC	Foundation for California Community Colleges	Athletic Equipment
Laerdal Medical Corp.	Foundation for California Community Colleges	Medical Equipment
Leslie Pool	Omnia Partners	Pool Chemicals
Linguabee	California Multiple Award Schedule	Interpreting Services
Maverick Networks	National Association of State Procurement Officials	Phone Licenses
Office Depot	Foundation for California Community Colleges	Office Supplies
One Diversified (formerly Compview)	California Multiple Award Schedule	Audio/Visual Equipment
Rave Wireless, Inc.	University of California/ California State University	Emergency Mass Notification System
Presido Network Solutions	National Association of State Procurement Officials	Server Service
Sharp Electronics	National Association of State Procurement Officials	Printer Maintenance
Sierra School Equipment	Arvin Union School District	Irwin Furniture
Steelcase/One Workplace LLC	University of California/ California State University	Furniture & Installation Services
Turf and Industrial	US Communities	Facilities Utility Vehicles
Turf Star	National Intergovernmental Purchasing Alliance	Facilities Utility Vehicle
Verizon	CALNET	Hotspot Devices, Cell Phone & Service
Xerox	University of California Office of the President	Copiers