

**AGENDA**  
**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**  
**REGULAR MEETING OF THE BOARD OF TRUSTEES**  
**January 27, 2021**

**Closed Session at 5:00 p.m.; Open Meeting at 6:00 p.m.**

This meeting will be held telephonically via Zoom.

Members of the public should **NOT** come to District Office to participate.

**Join this Zoom Meeting – <https://smccd.zoom.us/j/82480178417>**

**Dial-In: 1-669-900-9128 – Webinar ID: 824 8017 8417**

**NOTICE ABOUT PUBLIC PARTICIPATION AT BOARD MEETINGS**

**Observing the Meeting**

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

**Providing Public Comment During the Meeting on NON-AGENDA Items**

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

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

**Providing Public Comment During the Meeting on AGENDA Items**

To make a comment regarding an item on the published agenda, members of the public, once in the Zoom meeting (via above link), can utilize the “raise hand” function on the bottom right corner of the screen. This will allow for the Board President to recognize members for comment and will allow staff to activate audio access to individual participants. Members of the public who “raise their hand” will be called upon in the order they appear.

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

**Accommodations**

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

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**5:00 p.m.      Call to Order**

**CLOSED SESSION ITEMS FOR DISCUSSION**

1. Conference with Labor Negotiators  
Agency Designated Representative: Mitchell Bailey and Laura Schulkind  
Employee Organizations: AFT and CSEA
  
2. Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): Two cases

**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**

**PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS**

21-01-06C Contemporary Conversation Regarding Race, Class, Gender, Privilege and Equity: Discussion of Recent Violence at the U.S. Capitol and the of Impact of Change in Federal Administration on Higher Education and American Society  
*(Time Allotted: 20 minutes)*

**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**

**MINUTES**

21-01-06 Approval of the Minutes of the March 11, 2020 Study Session  
21-01-07 Approval of the Minutes of the March 25, 2020 Regular Meeting  
21-01-08 Approval of the Minutes of the April 7, 2020 Study Session  
21-01-09 Approval of the Minutes of the April 13, 2020 Special Closed Meeting  
21-01-10 Approval of the Minutes of the April 14, 2020 Special Closed Meeting  
21-01-11 Approval of the Minutes of the April 22, 2020 Regular Meeting  
21-01-12 Approval of the Minutes of the May 6, 2020 Special Closed Session  
21-01-13 Approval of the Minutes of the May 7, 2020 Special Closed Session  
21-01-14 Approval of the Minutes of the May 8, 2020 Special Closed Session  
21-01-15 Approval of the Minutes of the May 13, 2020 Regular Meeting  
21-01-16 Approval of the Minutes of the June 2, 2020 Special Closed Session  
21-01-17 Approval of the Minutes of the June 10, 2020 Study Session

**NEW BUSINESS**

21-01-04A Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel *(Time Allotted: 5 minutes)*  
  
21-01-05A Approval of Revisions to Student Assistant Salary Schedule  
*(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.*

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

21-01-02CA Approval of District Organizational Memberships

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

**Other Recommendations**

21-01-06B Receipt and Acceptance of the 2019-20 District Audit Report

21-01-07B Receipt and Acceptance of the 2019-20 KCSM Audit Report

21-01-08B Receipt and Acceptance of the 2019-20 General Obligation Bond Financial and Performance Audit Reports

21-01-09B Receipt and Acceptance of the 2019-20 Retirement Futuris Public Entity Investment Trust Audit Report

*(Items 21-01-06B, 21-01-07B, 21-01-08B and 21-01-09B will be presented together (Time Allotted: 30 minutes))*

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

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

21-01-12B Approval of Contract Award for College Ridge Housing Lease-Leaseback Project, Phase 2 at Skyline College *(Time Allotted: 20 minutes)*

21-01-13B Adoption of Resolution 21-01 Authorizing Use of Design-Build Project Delivery Method of College of San Mateo Building 36 Mechanical Engineering Project *(Time Allotted: 15 minutes)*

21-01-14B Approval of Extension to Contract with Swinerton Management and Consulting for Capital Improvement Program Management Services *(Time Allotted: 10 minutes)*

**INFORMATION REPORTS**

21-01-05C Update on the Accrediting Commission for Community and Junior Colleges (ACCJC) Follow-up Report for College of San Mateo *(Time Allotted: 5 minutes)*

**COMMUNICATIONS**

**STATEMENTS FROM BOARD MEMBERS**

**RECONVENE TO CLOSED SESSION (if necessary)**

**RECONVENE TO OPEN SESSION (if necessary)**

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

**ADJOURNMENT**

**BOARD REPORT NO. 21-01-06C**

TO: Members of the Board of Trustees  
FROM: Michael Claire, Chancellor  
PREPARED BY: Mitchell Bailey, Vice Chancellor/Chief of Staff – 574-6510

**CONTEMPORARY CONVERSATION REGARDING RACE, CLASS, GENDER, PRIVILEGE AND EQUITY: DISCUSSION OF RECENT VIOLENCE AT THE U.S. CAPITOL AND THE OF IMPACT OF CHANGE IN FEDERAL ADMINISTRATION ON HIGHER EDUCATION AND AMERICAN SOCIETY**

Over the course of the last several years, the Board has had focused conversations relating to race, class, gender, privilege and equity. The foundations of these conversations are manifested in the District's Strategic Plan and facilitated across the campuses in classrooms, programs, curriculum, policies, trainings and general awareness and actions.

The Board will continue this conversation with a discussion of the recent violence at the U.S. Capitol and the impact of the change in the federal administration on higher education and American society.



SAN MATEO COUNTY  
**COMMUNITY**  
COLLEGE DISTRICT

*Cañada College • College of San Mateo • Skyline College*

# Combined Report of the College Presidents

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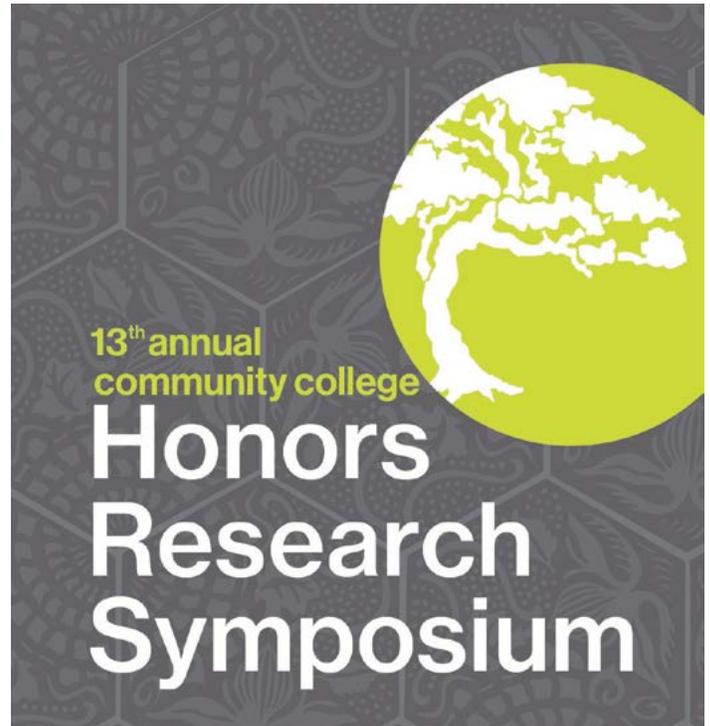
## CAÑADA COUNSELOR ACKNOWLEDGED FOR STATEWIDE WORK



Congratulations to Cañada's Learning Disability Specialist/DRC Counselor, Jenna French, who was awarded the 2020 RJ Scuderi Exemplary Award at the California Association of Post-Secondary Education and Disability (CAPED) conference. CAPED is the preeminent association advocating for and with students with disabilities in postsecondary education. For the past two years, Jenna has served as the CAPED California Co-Chair. When COVID-19 hit, there were no policies or processes for Learning Disability (LD) Specialists at the community college level during emergencies. Jenna, along with her co-chair, formed a new statewide council, "CAPED LD CIG Representative Council," made up of LD Specialists from each region.

The council created the "Guidance for Temporary Disability Services and Accommodations" as well as, the "LD Specialist Roles and Best Practices During COVID-19" handout. Working with the Chancellor's Office, these handouts and guidance were created to support Disability Support Programs and Services (DSPS) offices statewide during these challenging times. They were sent to DSPS Directors/LD specialists in Fall 2020 and presented at the CAPED conference. Jenna remarked that it was an honor to be recognized for this hard work to support LD specialists and DSPS offices statewide.

## CAÑADA STUDENTS RECOGNIZED BY BAY HONORS RESEARCH SYMPOSIUM



Think You?!, the Proceedings of the Bay Honors Research Symposium, is the collection of student work of those who present at the Bay Honors Research Symposium. The Symposium is held annually and is organized by the Bay Honors Consortium. All students who present at the Symposium are accepted via a competitive process and all work is done as part of an honors course, or an honors contract, at a California Community College. In order to have their work published on Think You?!, students must have presented their work at the Symposium and have their work fully vetted by their mentoring professors. The mentors check the work for accuracy, ethics with respect to procedure, correct citation for the discipline, and overall logic of work. Students submit a paper of their work, a video of their presentation, or both.

The Bay Honors Consortium (BHC) Proposal Committee met in early March 2020 to review the proposals that the Cañada College Honors students submitted and selected the best proposals to be presented at the Bay Honors Research Symposium. Out of 209 proposals submitted, they accepted 93, which is 45 percent of submissions. The original plan was

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to hold the 2020 Symposium at Stanford on May 2. However, due to COVID, the BHC made the difficult decision to cancel the in-person Symposium and, alternatively, honor the hard work of the stellar students by publishing Think You?! 2020. The following Cañada College Honors students, and their respective professors, were recognized and published by the BHC in Think You?! 2020.

- In Art History, mentored by Denise Erickson, Students Renalyn Ejada and Jeison Velásquez were recognized with "What Responsibility does Public Art Have to the Public?"
- In Literature, mentored by Lisa Palmer, Student Nigel Hawkins was recognized with "They'd Rather Us Dead: Racism, Drugs, and Oppression in 1950s Harlem." In Hawkins' research, he expands on the disparities in housing, education, and opportunity between White Americans and Black Americans living in Harlem. Hawkins relates his childhood to Sonny, who is a character in American Novelist James Baldwin's story, *Sonny's Blue's*. Hawkins says, "When I read Baldwin, I understood how the society I lived in pushed me away from recognizing who I truly am. Baldwin inspires me and gifts me a new perspective towards the direction I am going toward in my life."
- In Economics, mentored by Paul Roscelli, Student Elena Thai was recognized with "The Price is Not Always Right: How Offline and Online Pricing in Drugstores Impact Retailers and Consumers." In Thai's research of online pricing, she found "Online shopping has become a pertinent method of shopping over the years due to its convenience, ease, and accessibility, but within drugstores there is evidence of price discrimination which is selling identical products at different prices to maximize profits."
- Also, in Economics, mentored by Paul Roscelli and Rebekah Taveau, Student Kaisen Yao was recognized with "Conflict and Resolution: The 2007-08 Financial Crisis." Kaisen's goal was to "analyze the causes - overdependence on financial derivatives, credit-rating agencies' fraud, and the widespread economic globalization - and the socio-economic consequences in the U.S. In order to avoid a

recurrence of a recession, the U.S. government should appropriately reduce the use of expansionary policies such as tax cuts and interest rate cuts."

- In Psychology and Economics, mentored by Paul Roscelli and Patty Hall, Students Jana Gaskin and David Chabra were recognized with "Ignorance in the Age of Information: The Truth about Vaping." Gaskin's and Chabra's goal was to reveal the true effects of vaping and investigate teen misconceptions about e-cigarettes. In Gaskin's and Chabra's research, they found "Understanding what drives ignorance, especially among adolescents, is pivotal in discovering strategies to discourage the pursuit of vaping and similar behaviors. Battling misinformation with facts can potentially help curb the recent surge of vaping among young adults and teens."

Gaskin, who submitted two proposals on vaping, says, "Cañada supported David and I through informative consultations. Every professor we interacted with gave prompt, clear responses that were immensely helpful in answering questions and guiding research. Additionally, we worked closely with the Cañada Middle College program to gain access to high school students for the survey we conducted as part of our research process. We were also aided by Cañada Research Librarians, who helped direct us to the correct databases and library resources."

Chabra agreed and said, "Cañada's support was invaluable during our research project. We also got many great suggestions from other faculty members about different articles to research." Gaskin advises Cañada College students looking to write and be published in Think You?! should "Choose a topic that you're genuinely interested in and passionate about, because the process of creating an academically rigorous research project is long and difficult even when you're really excited about it, so trying to get through that process when you're bored and unmotivated would be really challenging."

Congratulations to all of the students, and their mentors, on your work and recognition.



# College of San Mateo



## CSM WELCOMES NEW DEAN OF BUSINESS & TECHNOLOGY



Francisco Gamez joins College of San Mateo as the new Dean of Business and Technology. He has over 20 years of experience in higher education working in both private and public institutions as an administrator in both student and academic affairs.

Francisco has taught at NDNU and University of San Francisco on both the undergraduate and graduate level in both business/management and education. As an administrator, he has worked at various institutions including Stanford University, University of Southern California, University of San Francisco, and Sonoma State University.

Francisco also served as Dean of Business, Science, Multimedia Arts, and Applied Technology at Berkeley City College leading CE initiatives such as Strong Workforce and Perkins, as well as college wide priorities such as Guided Pathways and Enrollment Management prior to his appointment at CSM. He holds a Doctorate in Education, Organizations and Leadership from University of San Francisco.

## CSM RANKED #16 FOR COMMUNITY COLLEGE GRADUATE EARNINGS



CSM was recently listed as one of the top 50 community colleges whose graduates earn the most money. Ranked 16th on the list, mid-career pay comes in at \$74,800 and early career pay at \$52,200. View the full list at [Newsweek.com](https://www.newsweek.com).

## THIRD BI-ANNUAL EQUITY SUMMIT BRINGS TOGETHER OVER 300 EDUCATORS, STUDENTS, AND COMMUNITY MEMBERS

**EQUITY SUMMIT**  
AT SKYLINE COLLEGE  
**2020**

FRIDAY NOV. 6, 2020  
9:00 a.m. - 1:30 p.m. PST

Hosted via Zoom,  
visit [equityinstitute.com](https://equityinstitute.com)  
to register

If you have questions, contact Katrina Pantig at [pantigk@smccd.edu](mailto:pantigk@smccd.edu)

**KEYNOTE SPEAKER**  
**BREE NEWSOME BASS**  
Community Organizer and Activist

**FEATURED SPEAKERS**

- DR. RONI ELLINGTON**  
STEM Educator, Scholar and Consultant
- OLMECCA**  
Bilingual Hip-Hop artist, producer, and scholar.
- DR. ALLYSON TINTIANGCO-CUBALES**  
Co-Founder of Community Responsive Education
- DR. CESAR CRUZ**  
Homies Empowerment School Designer

Logos for Skyline College and Equity Institute.

On Friday, November 6, 2020, the Equity Institute at Skyline College hosted the 3rd Bi-Annual Equity Summit, a virtual half-day professional learning experience that featured 10 national thought leaders, practitioners, and activists who shared their perspective, expertise, and recommendations for advancing equity, social justice and re-imagining educational spaces. This year's featured keynote speaker was activist and filmmaker, Bree Newsome Bass. The experience brought together over 300 educators, students, and community members who logged onto zoom from throughout the San Francisco Bay Area, Central Valley and Southern California, and out of state.

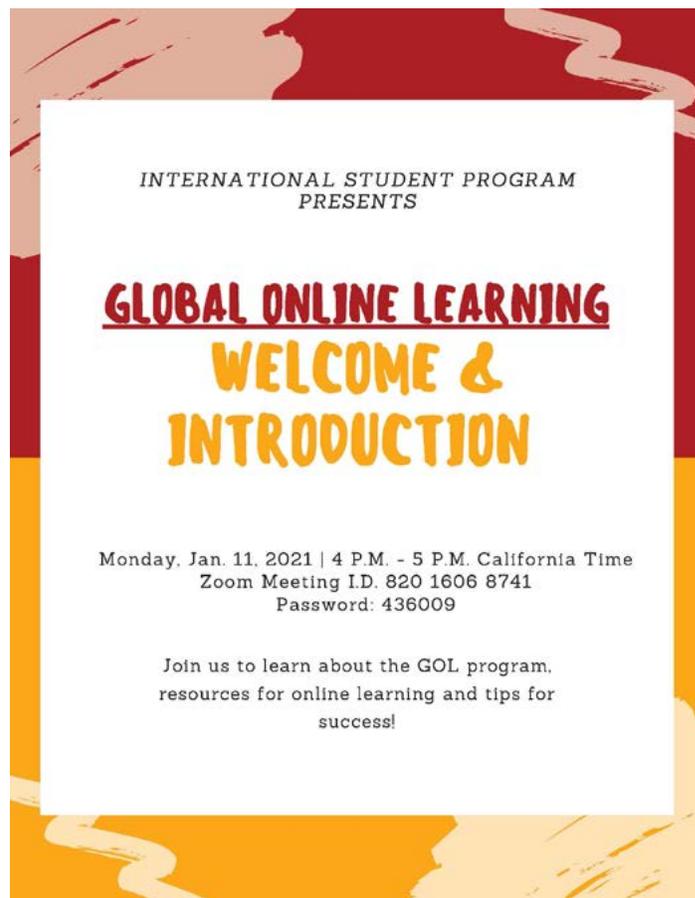
The program commenced with opening remarks from President Melissa Moreno, El Manager Katrina Pantig, and a moment of silence for the passing of Tom Mohr. The first half of the Summit experience consisted of three 15-minute “Equity Talks” on Humanizing Pedagogy (Dorinda Carter-Andrews, Ph.D.), Culturally Responsive Teaching (Cesar Cruz, Ed.D.), and Transformative STEM Teaching and Learning (Roni Ellington, Ph.D.). Following the presentations, attendees were invited to an informal community engagement session facilitated by Michelle Batista, Director of Student Support. During this session, participants had the opportunity to network and have dialogue about the topics presented. The formal program resumed with the Equity Plenary, Transformative School Leadership which featured panelists, Michael Benitez, Ph.D., Allyson Tintiangco-Cubales, Ed.D, and Darrick Smith, Ed.D, moderated by Ali Michael, Ph.D. Panelists spoke authentically and passionately drawing from their experiences as faculty and administrators and the impact they have been able to make in their respective institutions and communities.

The event culminated with a Keynote Address from Bree Newsome Bass. Her keynote addressed historical movements for racial justice and liberation, critiquing white supremacy and anti-black racism that has grown and intensified, and reflecting on her journey as an activist and organizer. Following her talk, Bree engaged in an interview style conversation facilitated by Equity Summit and Equity Institute Founder, Lasana O. Hotep, Director for Diversity, Equity, Inclusion and Belonging at UC Berkeley. Their conversation painted more details to Bree’s key milestones as a leader and what led her to the courageous and iconic act of climbing up and removing the Confederate flag from the South Carolina State House in 2015. The full experience culminated with a hip-hop performance by Bi-lingual artist, producer and activist, Olmeca.

A participant shared, “The experience taught me to align your fight for equity with your daily actions. It’s not just the march, the book you read, the forums you attend. Equity should be fought for in the normal processes of your day, not just a discussion. Think and reflect on how the actions we individual choose each day contribute to equity/inequity in our communities.”

*Article by Katrina Pantig*

## **INTERNATIONAL STUDENT PROGRAM WELCOMES NEW GLOBAL ONLINE LEARNING STUDENTS FOR SPRING 2021!**



On January 11, 2021, the International Student Program (ISP) hosted a welcome zoom session for newly admitted Global Online Learning (GOL) students. The GOL program is a district-wide program that provides international students with the opportunity to take online classes through Skyline College, College of San Mateo, or Cañada College without leaving their home countries. GOL is an excellent opportunity for international students to start their college education at home. They can come to Skyline College to continue with their academic program when it is safe to do so.

This semester, ISP welcomed new GOL students from Canada, China, Ethiopia, Indonesia, Japan, Kenya, Pakistan and Saudi Arabia. The welcome zoom session kicked off with the Vice President of Instruction, Dr. Jennifer Taylor-Mendoza, and Dean

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of Global Learning Programs and Services Division, Russell Waldon, welcoming the students to our campus community. Dr. Taylor-Mendoza spoke about how Skyline College has long been committed to inclusion and diversity in the community and how international students play a big role in the mission. The event provided GOL students with both an opportunity to introduce themselves and to learn more about the ISP staff that they will be working with for the duration of their studies.

For more information on the GOL program at Skyline College, please contact the ISP office at [skyinternational@smccd.edu](mailto:skyinternational@smccd.edu).

*Article by Chikako Walker*

**Minutes of the Study Session of the Board of Trustees  
San Mateo County Community College District  
March 11, 2020 – San Mateo, CA**

**The meeting was called to order at 4:30 p.m.**

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz said that during closed session, the Board will (1) hold a conference with legal counsel regarding two cases of anticipated litigation as listed on the printed agenda, (2) hold a conference with agency labor negotiators as listed on the printed agenda, and (3) hear a student grievance appeal.

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

No statements at this time.

**RECESS TO CLOSED SESSION**

The Board recessed to closed session at 4:32 p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to open session at 6:09 p.m.

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern, Student Trustee Kaelynn Malani

Others Present: Interim Chancellor Michael Claire, Chief Financial Officer Bernata Slater, Skyline College Acting President Eloisa Briones, College of San Mateo Acting President Kim Lopez, Cañada College President Jamillah Moore, District Academic Senate President Jeremy Wallace

**PLEDGE OF ALLEGIANCE**

**ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION**

President Schwarz stated the Board voted to approve a settlement based on certain material terms and authorized the Chancellor to negotiate and execute a final agreement consistent with those material terms.

**SWEARING IN OF THE STUDENT TRUSTEE**

President Schwarz announced that due to the resignation of the student trustee, the District Student Council has met and named a new student trustee to complete the unexpired term for 2019-2020 academic year. President Schwarz introduced new Student Trustee Kaelynn Malani and administered the oath of office. Trustee Malani is a student at Skyline College.

**DISCUSSION OF THE ORDER OF THE AGENDA**

No requests made at this time.

**STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

Bill Collins said he spoke on the previously discussed topic of televising the District Board meetings and questioned when this might actually happen. President Schwarz stated there have been presentations and discussions about televising the Board meetings and this process was in the works and would be happening very soon.

Trustee Goodman stated as a member of the housing board, he would be reading a letter on behalf of an individual who could not attend the meeting in person. The letter read as follows:

*“Dear Board Members,*

*We feel blessed for the opportunity to live at Cañada Vista, however we hoped to detail the reality of our living conditions. Despite the surrounding’s natural beauty of the land, we’ve experienced pervasive and chronic mold problems. When we reported the mold, the respond was always the same – clean it with bleach. Unfortunately, our*

*living situation deteriorated significantly with the testing and construction started in 2015. We've lacked access to our patio, windows and even bedrooms for months; we can't get fresh air. The District responded to our concerns with the following email dated April 25, 2017:*

*We have had a number of construction defects and issues throughout the complex at Cañada Vista. The District has filed a lawsuit over these construction issues and is currently trying to mediate our dispute through a state-sponsored mediator. In order to prove our allegations, we need to undertake some more constructive testing at the complex, which will begin May 1<sup>st</sup> and will include windows, sliding doors, private decks, wood, posts, secured concrete and several structural tests.*

*What did they find during the constructive testing? We never found out. We complied with all their requests and allowed contractors in our homes. In May 2019, we found mold behind our children's bed. The contractors waited two months to address the mold. The rooms looked like something out of a horror movie with plastic barriers. In Fall 2019, we came home to a horrible smell in our apartment. We immediately informed the contractor and was told to put towels at the base of all our doors, which should help with the smell. The smell was similar to paint thinner, but much stronger. We asked for the MSDS (Materials Safety Data Sheet); after many months of waiting, we were given the name of the product and told the smell was not from anything currently being used. The walkways of the second and third floors were ripped up and we were told the smell was from materials or chemicals used during original construction. We called the County, submitted an online request for the MSDS and nothing – the County did not have records for it. Our family's health has declined and we are currently experiencing some health issues that were not apparent prior to moving here. It would have been nice to know what was found wrong during the constructive testing so we would know what we were dealing with. We wondered why the windows, sliding doors, sidings, concrete, walkways needed to be replaced. Are there any other chemicals that could hurt us? Throughout the ordeal, we probably stayed because we love this community. Yet another consideration was the high cost of rent on the Peninsula.*

*We hope our concerns will cause you to look deeper and see what the living conditions are at the Vista apartments.”*

Trustee Goodman recommended that Interim Chancellor Claire look into resident concerns and the Housing Board convene at its earliest convenience to address such issues.

## **NEW BUSINESS**

### **APPROVAL OF PERSONNEL ITEMS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (20-3-1A)**

President Schwarz stated staff made a request for a change to Section E-4; it should read “Executive Vice Chancellor.”

It was moved by Trustee Nuris and seconded by Trustee Holober to approve the personnel report.

Trustee Holober stated for the record the change documented in Section E-2. The creation of a Chief Human Resources Officer and elimination of a Vice Chancellor position will be a cost savings to the District ranging from \$30,000 - \$39,000 per year.

The motion carried, all members voting Aye.

## **Other Recommendations**

### **APPROVAL OF SERVICE AWARD FOR STUDENT TRUSTEE (20-3-100B)**

It was moved by Trustee Goodman and seconded by Trustee Holober to approve the service award.

Vice Chancellor/Chief of Staff Mitchell Bailey stated at the previous Board meeting, the Board accepted the resignation of Student Trustee Jordan Chavez and directed staff to prepare an action item to present Mr. Chavez with the portion of his student trustee service award for which he is eligible. This recommendation is the presentation of that request.

The motion carried, all members voting Aye.

**APPROVAL OF REVISIONS TO BOARD POLICY 1.05: STUDENT TRUSTEE (20-3-101B)**

It was moved by Trustee Holober and seconded by Trustee Nuris to approve the revisions.

Vice Chancellor/Chief of Staff Mitchell Bailey stated after consulting with the Associated Students at each college, there is a recommendation to adjust the campus election schedule cycle back by one month. This adjustment will allow the college Associated Student organizations to conduct their campus elections and a separate election for student trustee in a more effective manner. This change would not impact the beginning and ending of the term of service currently established for the student trustee.

The motion carried, all members voting Aye.

**STUDY SESSION**

**UPDATE ON PROFESSIONAL SERVICES AGREEMENT WITH EXOS COMMUNITY SERVICES TO OPERATE THE SAN MATEO ATHLETIC CLUB IN PARTNERSHIP WITH THE DISTRICT (20-3-1C)**

Vice Chancellor of Auxiliary and Community Services Tom Bauer thanked the Board for the opportunity to present about the San Mateo Athletic Club (SMAC) and noted that he had spoken about SMAC upwards of 70 times in the past. Mr. Bauer began by noting that many in the room were not present at the time when College of San Mateo Building 5, as part of the Bond, was being developed and the fitness center in the building was to be used by the Kinesiology program at College of San Mateo. At that time, Mr. Bauer noted, the faculty and staff had worked on the programming of the building and then the 2008 financial crisis hit. Mr. Bauer was directed by then-Chancellor Galatolo to develop a program for a community-based fitness center to run along side the college programs because the District was a revenue-limit district and was going to have to reduce enrollment at the college significantly. Mr. Bauer then researched and explored operating modes and in 2010 the Board agreed to bring on Medifit (now EXOS) as a outside operator.

Mr. Bauer noted that SMAC has exceeded every goal that it has been given and he highlighted that SMAC would not be what it is today with the work of Diana Thomas who was the general manager of SMAC (but is no longer) and she was supposed to be the general manager for only a year, but stayed because she loved the community and the work. Mr. Bauer also noted that due to COVID-19, EXOS chief operating officer Bill Bourque would not be able to attend the meeting tonight to answer the Board's questions, as planned, because he is leading his company's emergency operations center. Mr. Bauer also noted that there are several community members in the audience should the Board want to hear from them as part of the conversation.

Mr. Bauer said that SMAC operates in alignment with District goals, including operating a full-service, community-based center and seamless integration with the academic program and student life. He said that at recent Board meetings, there had been discussion about SMAC with attention regarding the locker room at SMAC and signage directing students to use the locker room in Building 8. Mr. Bauer noted that that was not EXOS's decision, it was a District decision made before Medifit was brought on as a partner, and that the locker room at the time was small and would not have accommodated the number of students at the time. Additionally, he said, that there was also the issue with the code of conduct and that the code for members is stricter than that for students in locker rooms. He said that, at the time, the CSM vice presidents for instruction, student services, the dean, college president, chancellor and Mr. Bauer made the decision regarding the locker room. He noted that he will be meeting with college administration to review the issue to see if the current position is still necessary. Mr. Bauer also explained that fees, over time, have increased for community members, but fees for faculty and staff have been reduced. He said that the fees for students have remained constant at \$35 and noted that based on feedback he has received from Trustee Mandelkern and Trustee Goodman he would be working with his team to prepare a revised student fee schedule and would be bringing it back to the Board in October.

Mr. Bauer continued with a review of the goals, including creating programs that attract community members to campus and serve as a workforce development complement to the academic program. He noted that when community members are onboarded to the club, they are reminded that it is an active classroom and that there may be limited access to certain machines at certain times because students will be using them. Mr. Bauer further explained that SMAC must be financially sustainable, be service oriented, be a leading club in the community and create an open environment where every demographic feels comfortable.

An overview of the current operations was provided, including that there are currently 147 employees, 46 percent of whom are CSM graduates or currently enrolled students. Mr. Bauer noted that there are more than 25,000 member visits per month, that SMAC has exceeded annual new member goals each year of operation, and there are over 6,300 members as of February 1, 2020. He said that SMAC achieved break even status in the first quarter of fiscal year 2011/12. Mr. Bauer also explained that SMAC creates programs, events, certifications and clinics to engage the community, provides community support, has nationally recognized programs, and has collaborated with San Mateo Union High School District. He said he would explain the club's tagline, 'Where Education Meets Fitness,' later in his presentation.

Mr. Bauer then provided a breakdown of the membership, which includes 6,352 total members, of which 2,465 are community members, 1,023 are students, 1,297 are seniors, 553 are faculty and staff, and 1,014 are corporate members. He further reported that 46 percent of SMAC employees are CSM students or graduates, that the club is open 364 days per year, that 95 percent of Pilates instructors are CSM students, that more than 1,000 CSM students purchase SMAC memberships, and there is a "No Excuses" option for students who are enrolled in the spring and fall, but not the summer term. He highlighted that there 320,812 annual SMAC member visits, with an average of 26,700 visits per month, and that 48,386 annual visits from CSM students enrolled in courses, with an average of 4,000 visits per month.

As it relates to financial performance, Mr. Bauer explained that, since inception, SMAC has generated \$8,241,057 in net operational surplus, that surplus funds offset over \$2 million in District salary and benefits, that SMAC has funded all of the equipment replacement used by both the Club and academic programs, has offset \$712,000 in pool and aquatic expenses and funded over \$2.6 million in support for the colleges and district programs. He continued to note that SMAC has exceeded membership goals each year in operation adding members year over year despite attrition, that the Club has generated a reserve of over \$4 million through December 2019, and that SMAC continues to exceed revenue expectations in FY2020 and will meet net operational surplus goal.

Mr. Bauer then discussed community engagement at SMAC. He noted that SMAC cross promotes with academic and support programs at CSM, including with Nursing, Kinesiology, Yoga, Dance, Cosmetology, and Veterans Affairs. He said SMAC also supports student initiatives like the Associated Students toy drive, canned food drive, scholarships, and health fairs. He said that SMAC supports the Bay Area Pathways Academy (BAPA) by providing programming in swimming, water polo, yoga, cross-fit, and CPR courses. He noted that SMAC serves as the masters swimming swim meet host site, which was the first in the state, provides swim lessons for all ages, along with lifeguard certification CEC course work. Mr. Bauer also highlighted the partnership with San Mateo Union High School District for a group of adult-aged special needs students who visit SMAC and get practical life skills. SMAC also supports Swim Across America, and has raised \$300,000 to support cancer research at local children's hospitals. He also noted the San Mateo County Workforce Adaptability program support as well as the annual coat drive.

The SMAC aquatics activities were also highlighted by Mr. Bauer who noted that water (pools) is one of the most coveted items in the county and that the swim community is a tight-knit community. He noted that SMAC offers youth and adult swim lessons, has a lap swim, recreational swim and masters swim options, with 375 participants in those programs. He noted the significance of the youth programs as those activities bring adults to the campus and introduce them to the college. He also noted that there is a masters and youth water polo program, as well as a youth swim team with 309 participants. Mr. Bauer explained that SMAC also offers group exercise classes, serves as host site for community swim meets, offers lifeguard courses along with swim clinics and workshops.

Mr. Bauer explained that in his prior career, due to the nature of his work, there was often a them/us view of his organization (Barnes and Noble bookstores). He said he has been intentional about creating an environment at SMAC where there is not an us/them, but a we/us/our approach. With that, he said the SMAC team uses an inclusive approach and that when speaking as "we" they wear, speak, and bleed bulldog blue, that the team speaks inclusively, they educate themselves about the services on campus because Building 5 is the de-facto front door to the campus and so many students and campus visitors stop there first, and the team educates members that Building 5 is a shared academic space. Mr. Bauer further noted that every person that walks through the doors receives 100 percent of the team's best and that more than 90 percent of the membership is unaware that SMAC employees are not CSM employees.

SMAC's tagline, "Where Education Meets Fitness", was developed by the dean and vice president of instruction at CSM in collaboration with Mr. Bauer's team, by overlaying the academic program over a community program, said Mr. Bauer. He acknowledged that when the facility opened 10 years ago, there were scheduling issues as the building is a shared space.

He noted that those scheduling hurdles were resolved and that in the last four years, he has not had to be involved in any scheduling issues, as the academic and SMAC teams work seamlessly. Mr. Bauer further noted that the general manager and other managers at SMAC explain to all members that, "We are an extension of the College of San Mateo campus and an active classroom whereby classes for students are held on our fitness floor, in our pools and our group exercise studios. At times this means that some of these areas will be shared with students and at other times, areas may be reserved for students only."

As it relates to workforce development, Mr. Bauer noted that SMAC employs 140 people, 46 percent of whom are CSM graduates or current students, and that 95% of SMAC Pilates instructors are CSM graduates. He also noted that SMAC offers a variety of certifications, including lifeguard, CPR/AED, spin, Aquatic Exercise Association and Red Cross Baby Sitter training. Mr. Bauer also explained that as far as career progression, ideally, CSM students in kinesiology, Pilates and yoga get hired at SMAC as trainers, lifeguards or part of the membership staff. He noted that because EXOS is a worldwide company, employees from SMAC do have an opportunity to work at other locations around the world. Mr. Bauer also referenced a number of programs and certifications offered at SMAC.

President Schwarz called for comments from members of the public.

Bill Collins, a community member, asked about the fees for SMAC for the various categories of membership. For students, he suggested that no fees be charged. He also asked what fee, if any, administrators and members of the Board paid. Mr. Collins said that the Board had not been clear with voters about this project when asking for support of the Bond.

Trustee Mandelkern said that he is a member and pays \$79 per month. Mr. Bauer said that the Board approves the fees for every SMAC membership classification. Mr. Bauer also noted that the student fee is \$35 per month, the original rate when SMAC opened in 2010 and it has not changed. He referenced his earlier comment that he would be looking into new membership levels for students which would be brought back to the Board in October.

Juanita Celaya, a District employee, asked about the initial issue with the locker rooms and noted that if the District knew there was an issue with size, why was the issue not considered at the time as the issue is also surfacing at Cañada Building 1. Interim Chancellor Claire noted that during the Great Recession, it was the state that limited enrollment and due to the repeatability restrictions, the kinesiology program continues to experience issues. He noted, in relation to the locker rooms, that based on his experience, students do not use the locker rooms to the degree as members. Ms. Celaya also asked about the financials as presented and questioned the completeness of the information and referenced the Board's prior discussions in 2011 regarding the original goal of giving District classified staff an opportunity at SMAC.

John Pimentel, a member of the public, asked a number of questions, including: (1) was the original contract competitively bid; (2) what process was used to bid the contract; (3) why is the contract five year and not a shorter period to address service issues; (4) who bought the initial furnishings that went into the club, the contractor or the Bond; and (5) who sets the target for revenue sharing in the contract?

Mr. Bauer responded by saying that the equipment was purchased with bond funds even before the athletic club was established. He said that the contract was originally competitively bid in 2010, and there were three bidders, including Medifit. In 2015, County Counsel advised that SMAC qualified under the special services clause and if the District was satisfied with services it did not have to bid the services. Mr. Bauer said that County Counsel opinion has been reaffirmed. As it relates to the five-year duration, Mr. Bauer explained that there was language in the contract that allows the District to take action if it is not satisfied with the vendor.

Maxine Turner, a member of the public, said she felt the staff report left out many important pieces of information, including the information from the last speaker. She said she would like to know what is being paid to EXOS and why this information is not included in the report. She said she thinks that other vendors may be able to provide the service. She asked how students were being counted, if on a FTE or headcount basis, to qualify for a student membership and she also noted that she would encourage that community member rates be set similar to other area athletic clubs.

Trustee Mandelkern said he had similar questions regarding the fees and asked if his understanding was correct that the management fee and incentive payment totaled around \$500,000 and the staff bonuses totaled \$24,764. Mr. Bauer confirmed that Trustee Mandelkern's understanding was correct.

In response to Ms. Terner's comments, Mr. Bauer noted that student membership is based on the District criteria of a minimum of six units of study, which also applies to student worker requirements. As it relates to financial details being provided, Mr. Bauer noted that several years ago, staff were directed to narrow the information provided as it was voluminous. President Schwarz concurred that that was a prior request. Mr. Bauer also noted in relation to Ms. Celaya's comment regarding comparison of EXOS staff with District positions, that the information provided is not easily translatable and the study provided, as was of interest to Trustee Holoher, was prepared in 2015. He noted that he would be working with EXOS to try to create an apples-to-apples comparison next week.

Gil, a member of the community, noted that he was a member of SMAC and a former professional athlete. He complimented SMAC and said he chooses a club based on good staff, good service and good atmosphere.

Randy Brown, a member of the community, said he has been a member of SMAC since 2010 and he has been on swim teams for 62 years. He said he has never had a better head swim coaching or assistant coaching than he has now and he has never been to a club cleaner than SMAC. He complimented the SMAC staff and said it was important to commend them on a job well done.

A member of the community (name not provided), commented on her experience as a CSM graduate who received a Pilates certification at SMAC and now has an opportunity to work all over the world if she wants because of her training at SMAC.

A member of the community (name not provided), said she was impressed with the club and knowledge of the staff.

Mike Barberich, a community member, said he has been a member of numerous athletic clubs in the county and generally only stays six to eight months. He said he has been at SMAC for six years and that it has changed his life and saved his life. He complimented trainers at SMAC for helping him and his family. He said the facility is friendly, safe and clean.

Sterling, a member of the public, commented that he teaches a class at SMAC for less fit older individuals. He said this offering is not one you are likely to find at other gyms but the SMAC classes continue to grow. He said participants attend because they find it to be a welcoming environment.

Ira Birnbaum, a member of the public, said he has been a member of SMAC since the doors opened in 2010. He said the gym has been a community support organization and he is glad his tax money supports it.

Phil Ricciardi, a trainer at SMAC, said he started as a member as a student doing shoulder rehabilitation and later got his certification. He said it is an inspirational place to learn and work and last year he graduated with his doctoral degree in physical therapy. He said EXOS is the premier fitness organization.

Trustee Holoher thanked individuals for attending the meeting and for their comments. He said the reason the study session was scheduled is because it is coming around to the time to either renew or go in a different direction, as the contract with EXOS will be up for renewal in the next couple of months. He said when the Board was first looking at the contract with Medifit/EXOS, he raised questions about the management arrangement and he said he makes no bones about the fact that he supports living wages for working people and that he opposes contracting out of District jobs. He said, at the time, he asked why the District could not bring some or all of the jobs in house, having them be District employees. He said the response that was given was that doing so would make the athletic club unprofitable, but he said that for him, that was about paying living wages. He also said an important point for him was that the District, with limited exceptions for short duration specialized jobs, does not generally contract out work. Trustee Holoher noted that he believes it makes sense, at this point, to evaluate options relating to the operation of SMAC. He noted his appreciation for those who gave accolades to the current management group of the club. He further noted that it is important to get other data regarding pay and benefits of current EXOS employees to be able to provide a comparison, as he believes there are errors in trying to match the EXOS positions to District positions as provided in the report. He noted that he does not believe that any certificated employees would be involved in SMAC as there are no for credit courses being taught. Trustee Holoher said that an independent reviewer should be brought in to complete a study of what it would cost to bring the operation in house. He also added that after 10 years, if the Board is looking at its options and is considering continuing with an outside vendor, then it is important to conduct a competitive bid process and possibly consider a shorter-term contract.

Trustee Mandelkern stated that his philosophy of SMAC is that students are the first priority and helping them train for jobs, then the priority is providing the community a benefit. He said the Board encourages the community to use facilities when they are not being used by students, but that students come first. He said that the response he gets from members of the community who are not at tonight's meeting is overwhelmingly positive, but that satisfaction is not the issue being considered by the Board tonight. Trustee Mandelkern noted that he believes the Board has a responsibility as fiduciaries to ensure monies are being well spent and that we live our District values, including economic justice and social justice. He explained that he remembers when the contract was presented to the Board in 2010 for approval that the financial information was blacked out and that he voted no because of that fact. He said he then submitted questions requesting information and was told by the then-Board president that the information requested was an overwhelming amount of data being requested and getting the information would not be possible. Trustee Mandelkern explained that in 2015, when the contract was presented for renewal, more information became available regarding management fees and incentive fees. He said that he believes there is still a lack of clarity regarding the financial data and what is missing includes items referenced by Trustee Holober regarding employment relationships and compensation information of SMAC employees. He said he still has questions regarding the contribution of SMAC to the District's general fund and what is being paid as it relates to equipment and replacement of equipment that is used by SMAC. He also had questions regarding non-college support and believes that the data are complicated by factoring in information relating to the bookstores. He said he wanted to better understand where money is going and what really is the bottom line for SMAC. Trustee Mandelkern said that it is an appropriate time to assess continuing with an outside operator or performing the work in house, noting that he remembered original discussions of having some positions migrated to be District employees, and he questioned what the impact of that transition would be. He said that he also believes it is misleading that SMAC employees are perceived to be District employees when they are not and when SMAC employees do not receive the same wages and benefits as District employees. He expressed concern about the outsourcing of services by the outside operator, such as janitorial services, when the outsourced vendor does not represent District values. He said the goal is not to make a profit, it is to educate students and that District personnel have the skills to provide janitorial services. Trustee Mandelkern said the Board should do its due diligence and look at options as it relates to other vendors or bringing services in house.

Vice President Nuris thanked those who came and spoke this evening; he said it was refreshing to hear from individuals about something that is being done well and that the community likes it. He said he was confused by the discussion regarding the inference of needing to go out to look for another operator because the District is paying too much for the current operator, while on the other hand saying the District should perform those same functions with its employees and pay them more. He said this is difficult to balance in his mind. Vice President Nuris said that he believes that the District should provide something that is a service to students and the community and SMAC provides that service. He said he understands the notion of needing to explore service from other vendors to see if there is better service, but if there is not an apples-to-apples comparison, then he said he is not interested because there is a risk of a bidder coming in and operating it in a less satisfactory manner. He noted that he believes having SMAC employees being perceived as District employees is not being disingenuous or a negative, he said he believes it is a positive because the SMAC staff have integrated themselves into the college. He said he is willing to move forward in fulfilling the Board's fiduciary duty responsibly, but he is not interested in changing something that is working correctly and serving the community and doing a good job.

Trustee Goodman said, in reference to Vice President Nuris' comment, that while something may not have been identified as being broken, there are opportunities to make tweaks, such as locker rooms and parking. He said the Board has a duty to bid the operator contract and to ensure the process is fair with no confirmation bias. He said he believes going 10 years with a contract is too long to have a contract go unchecked and a bid process will keep the District and the vendors sharp. Trustee Goodman said that a lot of the questions and concerns recently have come as a result of a lack of responsiveness and clarity around Building 1 at Cañada College. He said he believes the call to action is to know what has been learned and what is being done to address those concerns as discussions occur about how Cañada Building 1 will be operated. He said that utilizing the We-Us-Our attitude then there can be a path forward, but he noted that he doubts that was what we had over the last few months, which has led to the groundswell of faculty, staff and students regarding space allocation and division of operations. Trustee Goodman also commented on the cost of membership for the most vulnerable and financially insecure students is of the utmost importance and ensuring that those students have access. He said that issue is being looking at and he has confidence that it will be addressed. He said the Board is trying to make something work and is trying not to duplicate the challenges from SMAC at the Cañada building. He said that the timing of the contract comes with leverage and that ultimately it is the Board's decision.

President Schwarz said there have been tweaks along the way with SMAC operations. She said she was originally adamant about having only District employees operating SMAC, but along the way, realized that that was almost impossible. She said that the Board will be getting more information which will provide clarity in April.

Mr. Bauer noted that he will follow-up at a future meeting with responses to the questions and concerns of Trustees. He also noted that the current contract is up on June 30, and if the District wants to do an RFP, which will take time to prepare and administer, then the current contract will need to be extended.

Trustee Holober asked about the timing of the opening of Cañada Building 1. Mr. Bauer said that the anticipated opening date was April 2021.

Trustee Mandelkern said that he believes there needs to be a discussion regarding the operation of Cañada Building 1, because believes it is not a given that the same vendor will run SMAC and CANB1.

Trustee Holober suggested that there may be value in examining the roster of EXOS employee classifications and matching those with similar District positions, which should be done by someone other than District staff to provide a fresh set of eyes. Trustee Holober volunteered to be part of a Board subcommittee to work with the Chancellor on this issue. Vice President Nuris said that he wants to make sure that issues relating to supervision, accountabilities and service to members is also part of the analysis.

#### **COMMUNICATIONS**

No communications were received at this time.

#### **STATEMENTS FROM BOARD MEMBERS**

Trustee Mandelkern congratulated the new student trustee on her position. He also thanked the staff for preparations and responses relating to COVID-19 and said the Board is appreciative of the work. He said that at a time such as this, it is important to be fact-based in our information and decisions. He also acknowledged the technology gaps that students may face as there are transitions to online learning. He also reminded everyone to follow protocols of social distancing, covering coughs and hand washing. Trustee Mandelkern also noted that as we explore the concept of student housing, this health crisis highlights the importance of carefully evaluating policies and processes, as many university partners in the region are sending students home who live in student housing. Trustee also asked if there was a way to explore financial support from the Foundation for students to assist with rental deposits, as those tend to be a significant barrier to securing housing.

President Schwarz announced that the next meeting of the Board of Trustees would be on March 25.

#### **ADJOURNMENT OF BOARD OF TRUSTEES MEETING**

The Board adjourned by consensus at 8:41 p.m.

#### **RETURN TO CLOSED SESSION**

The Board returned to closed session at 8:50 p.m. to continue consideration of the closed session items listed on the printed agenda.

#### **RECONVENE TO OPEN SESSION**

The Board reconvened to open session at 9:56 p.m.

#### **ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION**

President Schwarz said the Board took no reportable action during closed session.

Submitted by

Michael Claire, Secretary

**Minutes of the Regular Meeting of the Board of Trustees  
San Mateo County Community College District  
March 25, 2020 – 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 6:15 p.m.**

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern; Student Trustee Kaelynn Malani

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

**PLEDGE OF ALLEGIANCE**

**DISCUSSION OF THE ORDER OF THE AGENDA**

*(Time Stamp: 0:01)*

There were no adjustments to the order of the agenda.

**PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS**

**Recognition by the Board of Trustees of District and College Classified Employees of the Year and Selection of Nomination to be forwarded to the State Chancellor's Office (20-3-1B)**

*(Time Stamp: 0:08)*

**Summary of Discussion:** The Board of Trustees recognized the employees of the year for each District location: Gina Ciardella Palmer representing Skyline College, Karen Chadwick representing College of San Mateo, John Cuevas representing the District Office, and Brian Horwitz representing Cañada College.

President Schwarz announced that the Board had selected Brian Horwitz as District Classified Employee of the Year and that his nomination would be submitted to the state Chancellor's office for State Classified Employee of the Year.

**Contemporary Conversation Regarding Race, Class, Gender, Privilege and Equity (20-3-2B)**

*(Time Stamp: 29:35)*

**Summary of Discussion:** President Schwarz announced that there would not be a report on this item due to the swift transition to an online operating mode and she thanked everyone for their work and asked for their patience in this new modality. Trustee Goodman commented that the work being done is done so through an equity lens and the Board recognizes the strain and stress of those who are required to work in person throughout the community and those who are working or learning in less than ideal circumstances from home. Trustee Holober noted the financial inequities that have been magnified in our society during this crisis.

## **STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES**

*(Time Stamp: 34:54)*

Interim Chancellor Claire thanked faculty, staff and students on the District's response to the COVID crisis. He also congratulated all of the classified employees of the year nominees and winner.

Jeramy Wallace thanked all faculty for the amazing work in transitioning to online learning and he thanked the students for their resilience.

## **STATEMENTS FROM OTHER REPRESENTATIVE GROUPS**

*(Time Stamp: 39:34)*

None.

## **STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

*(Time Stamp: 40:44)*

John Pimentel, a member of the public, commended staff and the Board on the broadcasting of the meeting.

Michael Reiner, a member of the public, encouraged District administrators to contribute to an emergency fund to support students.

## **NEW BUSINESS**

### **Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel (20-3-2A)**

*(Time Stamp: 46:47)*

*Motion to Approve by:* Trustee Mandelkern

*Second by:* Vice President Nuris

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* None.

*Public Comment:* None.

## **APPROVAL OF CONSENT AGENDA**

*(Time Stamp: 47:30)*

### **20-3-1CA Approval of Curricular Additions, Deletions and Modifications – Cañada College, College of San Mateo and Skyline College**

### **20-3-3CA Acceptance of Gifts and Donations by the District**

*Motion to Approve by:* Trustee Mandelkern

*Second by:* Trustee Goodman

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* None.

*Public Comment:* None.

### **20-3-2CA Acceptance of the Institutional Effectiveness Partnership Initiative Grant**

***Motion to Approve by:*** Trustee Mandelkern

***Second by:*** Trustee Goodman

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** Trustee Holober asked if the Skyline Equity Institute was a for-profit entity. Skyline College Interim President Jackson reported that the Equity Institute is not a for-profit entity. Trustee Mandelkern asked if any financial commitments were being made beyond the length of the grant period. Dr. Jackson reported that no commitments were being made beyond the grant period. Vice President Nuris commented on receiving the email from the community member and questioned the intent and information that was shared. Trustee Goodman said he will not allow an attack the District's equity work and also questioned the intentions of the community member correspondence as well.

***Public Comment:***

Michael Reiner commented on the original development of the grant and the profit function of the Equity Institute and questioned the operations of the Institute.

### **Other Recommendations**

### **20-3-102B Approval of Contract Award for College of San Mateo Edison Lot Project**

***(Time Stamp: 1:07:25)***

***Motion to Approve by:*** Vice President Nuris

***Second by:*** Trustee Holober

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** Trustee Mandelkern asked about authorization to move forward from legal counsel and if the project was funded with Measure H funds and covered under a PLA. Vice Chancellor Jose Nunez confirmed authorization to move forward, that the project is funded by Measure H and that it is covered under a PLA.

***Public Comment:*** None.

### **INFORMATION REPORTS**

### **20-3-2C Update on COVID-19 Response**

***(Time Stamp: 1:09:29)***

***Summary of Discussion:*** Interim Chancellor Claire provided an update on COVID-19 response planning and actions. He noted the shift to online/remote operations for students and employees effective March 17 and provided an update on student support efforts including technology distribution, food insecurity assistance, and online support. He said there is ongoing online training/professional development for faculty and staff. Chief Financial Officer Bernata Slater discussed the immediate fiscal outlook for the District and the County, including an update on investments and liquidity. Interim Chancellor Claire outlined next steps for the semester and asked for Board guidance regarding: (1) suspending face-to-face instruction for the remainder of the academic year, (2) postponing graduation ceremonies and other year-end celebrations or finding alternatives, (3) working to leverage federal and state resources to assist employee as needed, and (4) decision regarding summer term (by April 8).

District Academic Senate President Wallace said the Senate voted to recommend suspension of face-to-face instruction for the remainder of the semester and asked, if possible, to allow allied health and CTE

programs to utilize needed labs, if permissible under health orders.

Trustee Goodman commented on support measures for students and employees, including housing, mental health and stress. President Wallace responded that ensuring that students have access to technology is critical and the Senate will be working with the District on that issue. Further, he noted that there are supports for faculty from the Distance Education teams at each campus in transitioning their courses.

Trustee Mandelkern asked that gaps be identified for areas where students need to complete programs and identify how many students have been lost as a result of lacking access to technology. Interim Chancellor Claire said some of those issues would be surfacing in a student survey which is going out this week. Trustee Holober asked about pass/fail for students. President Wallace said there has been some discussion of this issue but there are challenges at the policy and transfer levels.

Interim Chancellor Claire also addressed questions regarding the impact on faculty and staff and he confirmed that it is the intent to keep all employees whole and working. President Wallace provided additional information regarding on the need to review hard to convert courses and the guidance from the state chancellor's office.

Trustees supported Interim Chancellor's Claire's recommendation regarding suspending face-to-face instruction for the remainder of the academic year. Trustees also recommended postponing, not cancelling graduation ceremonies and hosting in-person ceremonies as soon as allowable.

Trustee Goodman asked about hazard pay for essential employees required to work on site. Interim Chancellor Claire reported that that issue would be address in the memoranda of understanding that are currently being negotiated with the bargaining units. Trustee Goodman asked about support for students who were part of the food insecurity program. Interim Chancellor Claire reported that students who were receiving on-campus vouchers were now receiving Safeway cards to support their food needs. Trustee Goodman also asked about employee housing available to those experiencing insecurity. Chief of Staff Mitchell Bailey reported that there were several vacant units, which have been intentionally left vacant at Cañada Vista, due to construction. Trustees encouraged President Schwarz and Trustee Goodman to share with the Housing Board at their next meeting the interest of the Board in providing flexibility to those residents whose terms were set to expire in the immediate term.

The Board thanked the faculty, staff, students and administrators for their work in responding to this unprecedented event and commended them on their tremendous efforts and impressive teamwork.

### **20-3-3C Update on SMCCCD Chancellor and Skyline President Searches**

*(Time Stamp: 2:45:31)*

***Summary of Discussion:*** Human Resources Director David Feune and Joan Smith, consultant with Community College Search Services, provided an update on the ongoing searches for the chancellor and Skyline president positions. Mr. Feune reported that the chancellor search screening committee had recommended three finalists and that an announcement was sent yesterday regarding those finalists.

Trustees agreed that chancellor candidate forums should continue as planned and conducted and hosted online and make them available for public viewing and comment. They further agreed that the chancellor candidate forums should be held prior to the Skyline presidential candidate forums.

### **COMMUNICATIONS**

None.

**STATEMENTS FROM BOARD MEMBERS**

*[\(Time Stamp: 3:00:33\)](#)*

***President Schwarz:*** She thanked the IT team for their support of the meeting and thanked everyone in the District for their great work.

***Vice President Nuris:*** He thanked everyone for their continued efforts.

***Trustee Goodman:*** He commended the chancellor, presidents and faculty and staff for their tremendous work and expertise in supporting students. He also commended students on their resilience and reminded everyone to keep focus on those students who need us.

***Trustee Holober:*** He thanked staff who supported the technical aspects of the first online board meeting and noted he would be interested in feedback. He also noted that during this challenging period, it will be remembered how everyone pulled together to get through it.

***Trustee Mandelkern:*** He thanked everyone for their work and encouraged everyone to be and stay safe.

***Student Trustee Malani:*** She thanked everyone for their support during this difficult time.

President Schwarz announced that the next meeting of the Board of Trustees would be on April 7, 2020, conducted via Zoom.

**ADJOURNMENT**

The meeting adjourned by consent at 9:22 p.m.

Submitted by

Michael Claire, Secretary

**Minutes of the Regular Meeting of the Board of Trustees  
San Mateo County Community College District  
April 7, 2020 – 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 4:45 p.m.**

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz said that during closed session, the Board will (1) Hold a Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): one case and (2) Hold a Conference with Agency Labor Negotiator for Employee Organizations: AFT and CSEA.

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

None.

**RECESS TO CLOSED SESSION**

The Board recessed to closed session at 4:46 p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to open session at 6:00 p.m.

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern; Student Trustee Kaelynn Malani

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

**PLEDGE OF ALLEGIANCE**

*(Time Stamp: 2:17)*

**ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION**

*(Time Stamp: 1:50)*

None.

**DISCUSSION OF THE ORDER OF THE AGENDA**

*(Time Stamp: 1:50)*

There were no adjustments to the order of the agenda.

**STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

[\(Time Stamp: 2:47\)](#)

None.

**NEW BUSINESS**

**Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel (20-4-1A)**

[\(Time Stamp: 3:55\)](#)

*Motion to Approve by:* Vice President Nuris

*Second by:* Trustee Holober

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* None.

*Public Comment:* None.

**Re-Employment of Contract and Regular Faculty for the 2020-21 Academic Year (20-4-2A)**

[\(Time Stamp: 5:17\)](#)

*Motion to Approve by:* Trustee Holober

*Second by:* Trustee Mandelkern

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* Trustees congratulated those faculty earning tenure.

*Public Comment:* None.

**Other Recommendations**

**Ratification of Sole Source Services Agreement Between San Mateo County Community College District and Bay Area Biotechnology Education Community (BABEC) (20-4-100B)**

[\(Time Stamp: 6:51\)](#)

*Motion to Approve by:* Trustee Goodman

*Second by:* Trustee Holober

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* None.

*Public Comment:* None.

**Adoption of Resolution of Designation of Applicant's Agent for Non-State Agencies for Governor's Office of Emergency Services (20-4-101B)**

[\(Time Stamp: 7:50\)](#)

*Motion to Approve by:* Vice President Nuris

*Second by:* Trustee Holober

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* None.

*Public Comment:* None.

**Adoption of Resolution Specifically Designating Public Works Projects as an Essential Governmental Functions (20-4-102B)**

*(Time Stamp: 8:36)*

***Motion to Approve by:*** Trustee Holober

***Second by:*** Trustee Goodman

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** Staff requested to correct a typographical error in the resolution on the third page, it should read “NOW, THEREFORE, the Governing Board of the San Mateo County Community College District...”

Trustee Holober asked about the projects included on the list and the impact of the pandemic on local contractors. Vice Chancellor Jose Nunez reported that the projects on the list are the major, essential District projects and that there were other smaller, non-essential projects that have been put on hold. He further noted that because of the halt of most non-public works projects, the District’s contractors are getting better subcontractor support. He further added that on-site contractors all have safety plans in place.

***Public Comment:*** None.

**INFORMATION REPORTS**

**A Discussion of Implementing Online and Distance Learning Modalities and Supports During COVID-19 (20-4-1C)**

*(Time Stamp: 17:21)*

***Summary of Discussion:*** Vice Chancellor Aaron McVean facilitated the discussion of implementing online and distance learning modalities and supports during COVID-19.

Vice Chancellor Tom Bauer provided an update on support for students impacted by food insecurity. He reported that bookstore staff, working with campus points of contact, were contacting and then mailing food cards to the 713 students currently included in the program. He also reported that the District has partnered with Second Harvest Foodbank and last week, at College of San Mateo, the drive through food distribution center served 400 families. This week, they plan to serve 600 families. Vice President Nuris inquired about budget available to support the food card initiative. Vice Chancellor Bauer noted that based on the Board’s allocation of \$1 million in the budget, that there is funding available to continue through the end of the academic year.

Chief Technology Officer Daman Grewal provided an update on technology support for students. He reported that over the last few weeks, the District has provided nearly 200 Chromebooks and calculators and hotspots to students through a drive through process at CSM and now at all three campuses. He also noted that more than 70 laptops have been distributed to employees and other resources such as Canvas, VPN, Dropbox and Zoom are being supported for faculty and staff.

Dr. McVean reported that the results of a recent student survey indicated that 58% of respondents at Skyline, 47% of respondents at College of San Mateo and 45% of respondents at Cañada indicated that transitioning to online instruction was very or somewhat challenging. He said that the colleges and the IT teams are working collaboratively to route and rapidly respond to student IT issues.

Three panels presented information to the board relating to student services, instruction and students.

[\(Time Stamp: 40:58\)](#)

The first panel, relating to the student services, included Melissa Matthews, a counselor and Disability Resources Center coordinator at Skyline College; Arielle Smith, a general counselor at Academic Senate president at College of San Mateo; and Loraine Barrales-Ramirez, EOPS and CARE coordinator at Cañada College. Participants explained what things were like before the District transitioned to online modality, what it looks like to provide the same or similar services remotely, and what the biggest challenges as we work to address the needs of students.

Vice President Nuris noted that based on the additional student outreach and communication that was reported in the presentation, that he hoped those activities would continue after a return to normal operations.

[\(Time Stamp: 1:14:25\)](#)

The second panel, relating to instruction, included Bianca Rowden-Quince, a faculty instructional designer at Skyline College; Nick DeMello, a chemistry professor and distance education coordinator at Cañada College; Michelle Hawkins, a professor of music at Skyline College; Cassidy Ryan, a cosmetology and faculty coordinator at Skyline College; and Jeramy Wallace, a professor of English at College of San Mateo and District Academic Senate president. The panel discussed their experiences in converting courses to online modality, the training and support developed for and needed by faculty, the challenges they face and what is needed to complete in this modality for the remainder of the semester.

Trustee Mandelkern offered thanks and congratulations to the faculty for swiftly converting almost all of the District's courses to online modality and acknowledged the effort and challenges in doing so.

[\(Time Stamp: 1:45:38\)](#)

The third panel, relating to student experiences, included Max Gaines, a political science major at College of San Mateo and Associated Students president; Candela Graciarena, an English and psychology major at College of San Mateo and Associated Students vice president; Ariana Davarpanah, a political science major at College of San Mateo and a student senator; Karolyn Paz-Rubio, a psychology and cognitive science major and Associated Students president; Chili Montain, a biology major and Associated Students member at Cañada College; Rolando Mutul, a student at Skyline College; Mark Estrada, a psychology major at Skyline College and student senator; Hadasa Serrano, a psychology major at Skyline College; and Student Trustee Kaelynn Malani. The panelists discussed their experiences in taking courses online, the impact of transitioning courses in the middle of the semester, the challenges they have faced in online modality, the support services they use and the support they need to complete their courses this semester.

Trustee Goodman thanked all of the panelists for their continued efforts and commended them on their dedication to making the transition and he asked that there be an examination of possible fees that can be refunded – even if partially – to students. President Schwarz, Vice President Nuris and Trustees Holoher commented that they appreciated the level of candor from all of the panelists regarding their difficulties, concerns and challenges.

**Discussion of Chancellor Finalist Interviews (20-4-2C)**[\(Time Stamp: 2:32:45\)](#)

**Summary of Discussion:** Trustee Goodman and Trustee Holoher asked for the Board's feedback on the potential of holding the Board interviews with the chancellor finalists in person in a safe, socially distanced manner. Trustee Mandelkern suggested that candidate level of comfortability in traveling and meeting in

person be considered. Vice President Nuris suggested that doing so is inconsistent with the message the District and public health officials are telling students and employees. President Schwarz commented that she would appreciate meeting candidates in person but does not feel safe or comfortable in holding in-person interviews at this time. Trustee Goodman suggested that, based on the discussion and recent information, that holding interviews virtually is prudent, but that the process not be delayed for concern of losing finalists to other districts and causing a delay in the Skyline president search. After discussion, the Trustees agreed to continue with the chancellor search process using video technology.

Trustee Goodman reported that there were over 180 questions submitted to be used in the forum and those questions are being narrowed to between 12 – 15 questions which will be posed to candidates. He said the forums will be recorded, as to allow a fair process for all candidates, and then made available to the public for viewing and comment on the chancellor's search webpage. Trustees determined that finalist's interviews will be held on April 14. Trustee Holober suggested that the same level of scrutiny, as conducted in the past, be applied in conducting virtual site visits of finalist candidates. He also suggested a special closed session meeting be held to prepare interview questions. Trustees agreed to meet on April 13.

The Board acknowledged a written comment received from Michael Reiner.

#### **STATEMENTS FROM BOARD MEMBERS**

*[\(Time Stamp: 3:07:51\)](#)*

None.

President Schwarz announced that the next regular meeting of the Board of Trustees would be on April 22, 2020, conducted via Zoom.

#### **ADJOURNMENT**

The meeting adjourned by consent at 9:08 p.m.

Submitted by

Michael Claire, Secretary

**Minutes of the Special Closed Session of the Board of Trustees  
San Mateo County Community College District  
April 13, 2020, San Mateo, CA**

**The meeting was called to order at 2:00 p.m.**

**Board Members Present:** President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern,

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda: Public Employee Appointment: Chancellor

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

None

**RECESS TO CLOSED SESSION**

The Board recessed to Closed Session at 2:01 p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to Open Session at 4:15 p.m.

**REPORT OF ACTION TAKEN DURING CLOSED SESSION**

President Schwarz announced that the Board took no action in closed session.

**ADJOURNMENT**

The meeting was adjourned by consensus at 4:16 p.m.

Submitted by

Michael Claire, Secretary

**Minutes of the Special Closed Session of the Board of Trustees  
San Mateo County Community College District  
April 14, 2020, San Mateo, CA**

**The meeting was called to order at 1:00 p.m.**

**Board Members Present:** President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern,

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda: Public Employee Appointment: Chancellor

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

None

**RECESS TO CLOSED SESSION**

The Board recessed to Closed Session at 1:01 p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to Open Session at 6:45 p.m.

**REPORT OF ACTION TAKEN DURING CLOSED SESSION**

President Schwarz announced that the Board took no action in closed session.

**ADJOURNMENT**

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

Submitted by

Michael Claire, Secretary

**Minutes of the Regular Meeting of the Board of Trustees  
San Mateo County Community College District  
April 22, 2020 – San Mateo, CA**

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

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

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz said that during closed session, the Board will (1) Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): one case, (2) Conference with Agency Labor Negotiator for Employee Organizations: AFT and CSEA and with Unrepresented Employee: Chancellor, (3) Consideration of Public Employee Appointment: Chancellor, and (4) Consideration of Ratification of Confidential Warrants.

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

No statements at this time.

**RECESS TO CLOSED SESSION**

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

**RECONVENE TO OPEN SESSION**

The Board reconvened to open session at 6:30 p.m.

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern; Student Trustee Kaelynn Malani

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

**PLEDGE OF ALLEGIANCE**

*(Time Stamp: 0:59)*

**ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION**

*(Time Stamp: 1:43)*

President Schwarz announced that there were no reportable actions from closed session.

**DISCUSSION OF THE ORDER OF THE AGENDA**

*(Time Stamp: 1:50)*

There were no adjustments to the order of the agenda.

**MINUTES****Approval of the Minutes of the Special Closed Session Meeting on December 18, 2019 (20-4-1)**  
*(Time Stamp: 2:01)*

*Motion to Approve by:* Trustee Holober

*Second by:* Vice President Nuris

*Action:* Approved unanimously, all members voting Aye

*Corrections/Edits:* None

**Approval of the Minutes of the Study Session on January 8, 2020 (20-4-2)**  
*(Time Stamp: 2:27)*

*Motion to Approve by:* Trustee Goodman

*Second by:* Trustee Mandelkern

*Action:* The Board agreed to table consideration of the minutes pending any necessary corrections.

*Corrections/Edits:* Trustee Holober suggested that the comments from Mr. Reiner under public comments on non-agenda items be revised per a request from Mr. Reiner. Trustee Mandelkern suggested that the audio recording of the meeting be reviewed to confirm what was said at the meeting matches what the written statement from the speaker, as the minutes are a record of what was said, not what was intended to be said. Trustee Goodman agreed that the audio recording should be reviewed to ensure proper quotation of the speaker. Vice President Nuris suggested that the minutes should be a summary of comments and actions, not a verbatim transcript. The Board asked that staff review Mr. Reiner's written statement against the audio recording and make any necessary corrections and bring the minutes back to a future meeting.

**PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS**  
*(Time Stamp: 8:24)***Contemporary Conversation Regarding Race, Class, Gender, Privilege and Equity: Adopting Statement Reinforcing Civility, Tolerance and Acceptance (20-4-1B)**

*Action:* The statement was adopted by unanimous consent.

*Summary of Discussion:* Interim Chancellor Claire noted that the statement was provided for Board consideration to reaffirm the Board and District's commitment to making sure groups are not targeted as a result of the COVID-19 crisis. President Schwarz said she placed this item on the agenda after participating in a webinar from the State Chancellor's Office and noted that other Districts are adopting similar statements. Trustee Mandelkern said he believes that at this time there have been no reported incidents on our campuses but there have been in the community and that the statement is important so that everyone knows the District's position. Trustee Goodman said he agreed with the statement and noted the sift in the discrimination of individuals of African descent in China and that we speak out against all discrimination and hate.

**STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES**  
*(Time Stamp: 14:06)*

Interim Chancellor Claire said that staff have temporarily suspended formal executive reports as their efforts are focused on responding to COVID-19. He did recognized Jonathan Bissell, executive director of Community, Continuing & Corporate Education, California Contract Education Assistance Association's Star Performer Award for Leadership. Interim Chancellor Claire also congratulated Dr. Angelica Garcia,

vice president for Student Services at Skyline College, on her appointment as president of Berkeley City College. Skyline College Interim President Jackson congratulated student body president Pearl Ibeanusi for receiving the Pitzer Award from UC Santa Cruz in the amount of \$20,000. College of San Mateo Acting Lopez said the college had over 100 participants in the first student town hall last week. District Academic Senate President Wallace thanked faculty colleagues for their great work since closing campuses due to COVID-19, and noted that Senate created a teaching taskforce and passed a resolution regarding grading options.

### **STATEMENTS FROM OTHER REPRESENTATIVE GROUPS**

*[\(Time Stamp: 22:53\)](#)*

Annette Perot, CSEA chapter president, thanked CSEA members for their work and thanked District administration for their collaboration in preparing an MOU for employment details during COVID-19.

### **STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

*[\(Time Stamp: 24:15\)](#)*

None.

### **NEW BUSINESS**

#### **Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel (20-4-3A)**

*[\(Time Stamp: 25:09\)](#)*

*Motion to Approve by:* Trustee Holober

*Second by:* Trustee Goodman

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* Trustee Goodman congratulated Dr. Garcia on her appointment at Berkeley City College.

*Public Comment:* None.

#### **Correction to Board Report Re-Employment of Contract and Regular Faculty for the 2020-21 Academic Year (20-4-2A)**

*[\(Time Stamp: 26:01\)](#)*

*Motion to Approve by:* Trustee Holober

*Second by:* Trustee Mandelkern

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* No discussion.

*Public Comment:* None.

#### **Approval of Consent Agenda**

*[\(Time Stamp: 27:12\)](#)*

#### **Ratification of January and February 2020 District Warrants (20-4-1CA) Reappointment of Member to Bond Oversight Committee (20-4-2CA)**

***Motion to Approve by:*** Trustee Mandelkern

***Second by:*** Vice President Nuris

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** No discussion.

**Other Recommendations**

**20-4-103B Acceptance of Grant Funds from the National Science Foundation for the SkyBayTech Project**

**[\(Time Stamp: 27:30\)](#)**

***Motion to Approve by:*** Trustee Goodman

***Second by:*** Trustee Mandelkern

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** Dr. Jackson thanked the Board for their support of the grant.

***Public Comment:*** None.

**20-4-104B Approval of Contract Award for Development of Evaluation Plan for the Promise Scholars Program Replication**

**[\(Time Stamp: 29:16\)](#)**

***Motion to Approve by:*** Trustee Holober

***Second by:*** Vice President Nuris

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** None.

***Public Comment:*** None.

**20-4-105B Vote to Elect Members to the California Community College Trustees (CCCT) Board**

**[\(Time Stamp: 30:04\)](#)**

***Motion to Approve by:*** Vice President Nuris

***Second by:*** Trustee Holober

***Action:*** The Board voted unanimously to elect the slate of candidates as listed below.

***Summary of Discussion:*** The Board discussed voting for local Bay 10 trustees and concluded with the following slate of candidates for which they would cast their ballot: Adrienne Grey, West Valley-Mission CCD, Andra Hoffman, Los Angeles CCD, Pam Haynes, Los Rios CCD, Suzanne Lee Chan, Ohlone CCD, Cindi Reiss, Peralta CCD, Thomas J. Prendergast, III, South Orange County CCD, Barry Snell, Santa Monica CCD.

***Public Comment:*** None.

**20-4-106B Approval of Suspension of Board Policy 6.25 Pass/No Pass Options Relating to COVID-19 Operating Conditions**

**[\(Time Stamp: 34:32\)](#)**

***Motion to Approve by:*** Trustee Goodman

***Second by:*** Vice President Nuris

**Action:** Approved unanimously, all members voting Aye

**Summary of Discussion:** Trustees and staff discussed the difference in pass/no pass versus pass/fail and the how other institutions are utilizing this change/option; they further discussed letter grade options and hold harmless options.

**Public Comment:** Maxine Turner, a member of the public, asked where she could find data on student completion.

### **20-4-107B Adoption of Resolution Recognizing Community College Month**

**(Time Stamp: 47:53)**

**Motion to Approve by:** Trustee Goodman

**Second by:** Vice President Nuris

**Action:** Approved unanimously, all members voting Aye

**Summary of Discussion:** None.

**Public Comment:** None.

### **INFORMATION REPORTS**

#### **Update on District COVID-19 Response Including Offering District Courses Exclusively in Online and Distance Learning Modalities for the Summer 2020 Academic Term (20-4-3C)**

**(Time Stamp: 55:33)**

**Summary of Discussion:** Interim Chancellor Claire provided the Board with an update, including how stakeholder groups are being engaged, including about operations for summer term 2020. The recommendation is to remain in remote operating mode for summer 2020, with limited exceptions, which is consistent with what other Bay 10 districts have decided. Trustee agreed with the need to provide certainty and guidance and asked about consideration for first responder and health programs. Dr. Aaron McVean stated that those programs would have on-site options.

Interim Chancellor Claire noted that for fall semester 2020 assume for face-to-face modality, but plan for the best and prepare for the worst. He also committed to making equity-minded decisions to support students with technology, access and other services. Interim Chancellor Claire also discussed enrollment and recruitment for fall semester, and improving distance education experience for students, including professional development for faculty and staff, build structures to better support students, assess technology needs, create common districtwide experience for students, and build programs for displaced workers. Vice Chancellor Tom Bauer discussed the concept of a technology loan to own program.

Trustee Goodman asked about working conditions of employees when returning face-to-face, including availability of personal protective equipment, general health and wellness, and hazard pay for on-site workers. Interim Chancellor Claire said the District Emergency Operations Center is evaluating all health and safety issues for returning to face-to-face operations. Trustee Mandelkern asked about donated technology to the District and about students who are have disengaged as the semester has progressed. Dr. Aaron McVean acknowledged that there are not comprehensive data available but the campuses have organized student response teams to contact students.

### **COMMUNICATIONS**

**(Time Stamp: 1:27:53)**

None.

**STATEMENTS FROM BOARD MEMBERS***(Time Stamp: 1:28:00)*

**President Schwarz:** She said was impressed with the number of participants and engagement at meetings.

**Vice President Nuris:** He thanked everyone for their work and encouraged everyone to continue on this collaborative track and offering the best options for students.

**Trustee Goodman:** No comments.

**Trustee Holober:** No comments.

**Trustee Mandelkern:** He thanked faculty, staff, students and community for their efforts and flexibility during this time. He suggested that we use the term quarantine learning rather than distance learning. He also noted the number of attendees at the online meetings and said he hoped the trend would continue. Trustee Mandelkern also congratulated Dr. Angelica Garcia on her appointment as Berkeley City College President.

**Student Trustee Malani:** She thanked staff for the presentation and information.

President Schwarz announced that the next regular meeting of the Board of Trustees would be on May 13, 2020, conducted via Zoom.

**RECONVENE TO CLOSED SESSION**

The Board recessed to closed session at 8:04 p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to open session at 9:15 p.m.

**ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION**

President Schwarz announced that there were no reportable actions taken in closed session.

**ADJOURNMENT**

The meeting adjourned by consent at 9:16 p.m.

Submitted by

Michael Claire, Secretary

**Minutes of the Special Closed Session of the Board of Trustees  
San Mateo County Community College District  
May 6, 2020, San Mateo, CA**

**The meeting was called to order at 4:30 p.m.**

**Board Members Present:** President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern,

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda: Public Employee Appointment: Skyline College President

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

None

**RECESS TO CLOSED SESSION**

The Board recessed to Closed Session at 4:31 p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to Open Session at 6:05 p.m.

**REPORT OF ACTION TAKEN DURING CLOSED SESSION**

President Schwarz announced that the Board took no action in closed session.

**ADJOURNMENT**

The meeting was adjourned by consensus at 6:06 p.m.

Submitted by

Michael Claire, Secretary

**Minutes of the Special Closed Session of the Board of Trustees  
San Mateo County Community College District  
May 7, 2020, San Mateo, CA**

**The meeting was called to order at 3:00 p.m.**

**Board Members Present:** President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern,

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda: Public Employee Appointment: Skyline College President

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

None

**RECESS TO CLOSED SESSION**

The Board recessed to Closed Session at 3:01 p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to Open Session at 6:05 p.m.

**REPORT OF ACTION TAKEN DURING CLOSED SESSION**

President Schwarz announced that the Board took no action in closed session.

**ADJOURNMENT**

The meeting was adjourned by consensus at 6:06 p.m.

Submitted by

Michael Claire, Secretary

**Minutes of the Special Closed Session of the Board of Trustees  
San Mateo County Community College District  
May 8, 2020, San Mateo, CA**

**The meeting was called to order at 11:00 a.m.**

**Board Members Present:** President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern,

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda: Public Employee Appointment: Skyline College President

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

None

**RECESS TO CLOSED SESSION**

The Board recessed to Closed Session at 11:01 a.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to Open Session at 3:30 p.m.

**REPORT OF ACTION TAKEN DURING CLOSED SESSION**

President Schwarz announced that the Board took no action in closed session.

**ADJOURNMENT**

The meeting was adjourned by consensus at 3:31 p.m.

Submitted by

Michael Claire, Secretary

**Minutes of the Regular Meeting of the Board of Trustees  
San Mateo County Community College District  
May 13, 2020 – 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 4:30 p.m.**

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz said that during closed session, the Board will (1) Hold a Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): One case; (2) Hold a Conference with Labor Negotiators Agency Negotiators for Employee Organizations: AFT and CSEA and with Labor Negotiator Agency Designated Representative for Employee Organization: Unrepresented Employee: Chancellor; (3) Consider the Public Employee Appointment/Employment: Chancellor; and (4) Consider Public Employee Appointment/Employment: Skyline College President.

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

No statements at this time.

**RECESS TO CLOSED SESSION**

The Board recessed to closed session at 4:32 p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to open session at 6:00 p.m.

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern; Student Trustee Kaelynn Malani

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

**PLEDGE OF ALLEGIANCE**

*(Time Stamp: 0:57)*

**ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION**

*(Time Stamp: 1:45)*

President Schwarz announced that in closed session the Board voted to approve a settlement based on certain material terms and authorized the Chancellor to negotiate an agreement consistent with those material terms.

**DISCUSSION OF THE ORDER OF THE AGENDA**

*(Time Stamp: 2:01)*

There were no adjustments to the order of the agenda.

**MINUTES****Approval of the Minutes of the Study Session on January 8, 2020 (20-5-1)***(Time Stamp: 2:01)**Motion to Approve by:* Trustee Holoher*Second by:* Vice President Nuris*Action:* Approved unanimously, all members voting Aye*Corrections/Edits:* None**Approval of the Minutes of the Regular Meeting on January 22, 2020 (20-5-2)***(Time Stamp: 2:27)**Motion to Approve by:* Trustee Goodman*Second by:* Trustee Mandelkern*Action:* Approved unanimously, all members voting Aye*Corrections/Edits:* None**PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS***(Time Stamp: 03:15)***Contemporary Conversation Regarding Race, Class, Gender, Privilege and Equity: Recognizing First Responders During COVID-19 (20-5-1B)**

*Summary of Discussion:* Chancellor Claire started the conversation by acknowledging the heroic efforts of front-line workers and how our Colleges serve the community. Each College gave a presentation outlining contributions to front-line programs during COVID-19. Dean of Science, Math & Technology, Ray Hernandez spoke about the Skyline College Bachelor's Degree Program in Respiratory Care and the Emergency Medical Technician (EMT) program. Vice President of Instruction, Dr. Mike Holtzclaw presented about the College of San Mateo Nursing Program, Fire Technology Program, and the Emergency Medical Technician (EMT) program. Vice President of Instruction, Dr. Tammy Robinson presented about the Canada College Radiology Technology Program and the Medical Assisting Program. Board Members thanked the presenters and the Faculty for their hard work and flexibility during the pandemic. Board Members also commended first responders being trained at all three Colleges. Chancellor Claire noted that our minority students have been most impacted by COVID-19.

**STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES***(Time Stamp: 49:14)*

Skyline College Interim President, Dr. Jannett Jackson recognized Cosmetology Program Coordinator, Cassidy Ryan and Vice President of Instruction, Dr. Jennifer Taylor-Mendoza. The Skyline Cosmetology Department has recently received accolades throughout the state.

College of San Mateo Acting President, Kim Lopez announced College of San Mateo's final Town Hall for the Spring 2020 semester will be held on Friday, May 22<sup>nd</sup>. She invited all Board members to attend. Acting President Lopez also announced that former Promise Student, Francisco Martin, is in the final seven on American Idol.

Cañada College President, Jamillah Moore said that Canada College hosted a Town Hall last week in

support of the DREAMers students. President Moore also expressed support with the California Community Colleges Chancellor's Office filing suit against United States Secretary of Education, Betsy DeVos for lack of CARES funding.

District Academic Senate President, Jeramy Wallace, said he will be including an Academic Senate end of year report for the next Board meeting.

Chancellor Claire introduced presentations from the Associated Students at each College. Skyline College Associated Students President, Pearl Ibeanusi, presented on behalf of the Associated Students of Skyline College. College of San Mateo Associated Students President, Max Gaines, presented on behalf of the Associated Students of College of San Mateo. Canada College Associated Students President, Adrian Afif, and Canada College Associated Students Vice President, Chili Montian, presented on behalf of the Associated Students of Canada College. Students gave examples of how they are staying connected, encouraged and resilient during the pandemic. Student leaders also announced newly elected officers for 2020/2021.

### **STATEMENTS FROM OTHER REPRESENTATIVE GROUPS**

[\*\(Time Stamp: 01:15:43\)\*](#)

AFT Executive Secretary, Paul Bissember, and Middle College Instructor at Skyline College and Adjunct Faculty Representative on Skyline College Academic Senate, Timothy Rottenberg, presented the results of the Part Time Faculty pay parity petition. Dr. Annie Corbett, Adjunct Faculty at Skyline College, read comments relating to pay parity from Part Time Faculty.

CSEA President, Annette Perot, congratulated Chancellor Claire on his recent appointment. Ms. Perot said she looks forward to continuing an open, honest and transparent relationship during these unprecedented times.

### **STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

[\*\(Time Stamp: 01:22:33\)\*](#)

None

### **NEW BUSINESS**

#### **Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel (20-5-1A)**

[\*\(Time Stamp: 01:23:09\)\*](#)

***Motion to Approve by:*** Trustee Mandelkern

***Second by:*** Trustee Nuris

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** None

***Public Comment:*** None

**Consideration and Approval of Chancellor Salary Schedule (20-5-2A)**

[\(Time Stamp: 01:24:29\)](#)

***Motion to Approve by:*** Trustee Goodman

***Second by:*** Trustee Nuris

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** Trustee Mandelkern noted that the current salary schedule is considerably less than the previous Chancellor's salary schedule. Trustee Mandelkern also noted that a comparable analysis was completed for Community College Chancellor salaries in the Bay Area.

***Public Comment:*** None

**Consideration and Approval of Chancellor Employment Agreement (20-5-3A)**

[\(Time Stamp: 01:30:01\)](#)

***Motion to Approve by:*** Trustee Mandelkern

***Second by:*** Trustee Nuris

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** The Board of Trustees congratulated Chancellor Claire and gave their support for a very thoughtful and well written Chancellor Employment Agreement.

***Public Comment:*** Ms. Maxine Terner referenced an email she sent to the Board of Trustees with a request to modify the Chancellor Employment Agreement language.

**APPROVAL OF CONSENT AGENDA**

[\(Time Stamp: 01:46:46\)](#)

**Approval of Curricular Additions, Deletions and Modifications – Cañada College, College of San Mateo and Skyline College (20-5-1CA)**

***Motion to Approve by:*** Trustee Mandelkern

***Second by:*** Trustee Nuris

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** None

***Public Comment:*** None

**Approval of Menlo Park/Cañada College CCCE Collaborative Programming (20-5-2CA)**

***Motion to Approve by:*** Trustee Holober

***Second by:*** Trustee Mandelkern

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** Trustee Holober asked a question about how each company supports the program. Canada College Vice President of Instruction, Tammy Robinson, explained that each company supports in different ways.

***Public Comment:*** None

## **Other Recommendations**

### **Approval to Reject All Bids and Rebid College Ridge Lease-Leaseback Project, Phase 2 at Skyline College (20-5-100B)**

*(Time Stamp: 01:50:12)*

*Motion to Approve by:* Trustee Nuris

*Second by:* Trustee Mandelkern

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* Director of Capital Projects, Chris Strugar-Fritsch, said the construction market has not changed since 2019 and the bids for College Ridge came in over budget. Mr. Strugar-Fritsch also said he does not foresee de-escalation in cost any time soon. Chief of Staff, Mitchell Bailey, gave the Board a historical summary of the project including the involvement of Summer Hill Homes. The Board discussed financing and the possibility of changing the size of College Ridge. The Board agreed to reject all bids and rebid the project at a later time.

*Public Comment:* None

## **INFORMATION REPORTS**

### **Discussion of Timeline for College of San Mateo President Search (20-5-1C)**

*(Time Stamp: 02:13:35)*

*Summary of Discussion:* Chancellor Claire discussed the timeline for the College of San Mateo's permanent President. Chancellor Claire said the College of San Mateo will use a process similar to Skyline College's President search. Due to COVID-19, and after discussion with Classified and Academic Senate leadership, it is his recommendation to conduct the search during the Spring 2021 semester. The Board shared their support for the timeline.

*Public Comment:* None

### **Update on CARES Funding Allocation (20-5-2C)**

*(Time Stamp: 02:19:41)*

*Summary of Discussion:* Vice Chancellor of Educational Services and Planning, Dr. Aaron McVean, gave an overview of the CARES funding allocation. The total allocation districtwide was approximately \$5.6M, of which 75% is allocated for direct student aid. Dr. McVean said eligible Pell Grant students that are low income, homeless, veterans, or foster youth are given priority. Trustee Goodman asked a question regarding undocumented students and how the District can provide support for them. Dr. McVean said the District, in collaboration with the Foundation, has secured \$150K to provide direct grants to 536 undocumented students.

*Public Comment:* None

### **Discussion of the Impact of COVID-19 on the Fall 2020 Semester (20-5-3C)**

*(Time Stamp: 02:37:19)*

*Summary of Discussion:* Chancellor Claire discussed a recommendation to transition the Fall 2020 semester to a distance learning modality. District Academic Senate President, Jeremy Wallace, concurred with Chancellor Claire's recommendation stating that the Academic Senate supports prioritizing programs that are essential infrastructure sectors of health care and emergency services. Mr. Wallace also asked the Board to consider limited access to campus for some hard to convert courses such as nursing and dental.

Vice Chancellor of Educational Services and Planning, Dr. Aaron McVean, gave an overview of the logistics of returning to campus including health screenings, temperature checks, social distancing, signage and sanitizing classrooms. Trustee Goodman asked about physical spaces and installing Plexiglas and floor delineating signage. Vice Chancellor of Facilities Planning, Maintenance & Operations, Jose Nunez, said the Facilities Department is in process of determining needs for each individual space and General Services has been researching procurement options.

The Board discussed the urgency of the decision and enrollment trends. After discussion, the Board agreed that Fall 2020 should move forward as distance learning. The Board agreed to bring this item back for a formal ratification at the next meeting.

**Public Comment:** Kate Browne made a comment that the Child Development Centers at the College of San Mateo and Skyline College are prepared to provide service for staff and students as well as being placements for student teaching.

#### **Discussion of 2020 Board Election Outreach Efforts (20-5-4C)**

[\*\(Time Stamp: 03:38:21\)\*](#)

**Summary of Discussion:** Chief of Staff, Mitchell Bailey, shared a document with the Board that will be shared with the public communicating the Board's decision to move to a bi-Trustee area election system. Mr. Bailey said there are five Trustee areas in the county with three areas up for election in November 2020. Trustee Goodman urged staff to distribute this information broadly to many different stakeholder groups throughout the county.

**Public Comment:** Ms. Kate Browne asked a question about who will receive this communication.

#### **COMMUNICATIONS**

[\*\(Time Stamp: 03:48:16\)\*](#)

None

#### **STATEMENTS FROM BOARD MEMBERS**

[\*\(Time Stamp: 03:48:31\)\*](#)

**President Schwarz:** None

**Vice President Nuris:** None

**Trustee Goodman:** Trustee Goodman asked about the Crystal Springs Cross Country Course at the College of San Mateo. Chancellor Claire responded that this item will be added as an information item at the next meeting.

**Trustee Holober:** Trustee Holober asked about preliminary budget adoption. He requested that the Board have the ability to review the budget before it is presented to them. Chancellor Claire said he'd like to add this as an agenda item to an upcoming Study Session in June.

**Trustee Mandelkern:** Trustee Mandelkern congratulated Skyline College Dean of Math, Science & Technology, Ray Hernandez, on his upcoming retirement. Trustee Mandelkern also noted that the San Mateo County Health Officer is currently permitting drive-thru commencement ceremonies up to 200 cars.

***Student Trustee Malani:*** None

President Schwarz announced that the next meeting of the Board of Trustees will be a Study Session on June 10, 2020, conducted via Zoom.

**RECONVENE TO CLOSED SESSION**

The Board recessed to closed session at 10:01 p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to open session at 11:15 p.m.

**ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION**

None.

**ADJOURNMENT**

The meeting adjourned by consent at 11:16 p.m.

Submitted by

Michael Claire, Secretary

**Minutes of the Special Closed Session of the Board of Trustees  
San Mateo County Community College District  
June 2, 2020, San Mateo, CA**

**The meeting was called to order at 6:00 p.m.**

**Board Members Present:** President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern,

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz announced that during closed session, the Board will discuss the items as listed on the printed agenda:

- A. Public Employee Appointment: Skyline College President
- B. Conference with Legal Counsel – Anticipated Litigation: Significant exposure to litigation pursuant to Gov. Code, § 54956.9, subd. (d)(2): Two cases
- C. Employee Discipline, Dismissal, Release

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

None

**RECESS TO CLOSED SESSION**

The Board recessed to Closed Session at 6:01p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to Open Session at 9:30 p.m.

**REPORT OF ACTION TAKEN DURING CLOSED SESSION**

President Schwarz announced that the Board took no action in closed session.

**ADJOURNMENT**

The meeting was adjourned by consensus at 9:31 p.m.

Submitted by

Michael Claire, Secretary

**Minutes of the Regular Meeting of the Board of Trustees  
San Mateo County Community College District  
June 10, 2020 – San Mateo, CA**

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

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

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern

**ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION**

President Schwarz said that during closed session, the Board will (1) Hold a Conference with Labor Negotiators Agency Negotiators for Employee Organizations: AFT and CSEA.

**STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY**

No statements at this time.

**RECESS TO CLOSED SESSION**

The Board recessed to closed session at 5:01 p.m.

**RECONVENE TO OPEN SESSION**

The Board reconvened to open session at 6:00 p.m.

Board Members Present: President Karen Schwarz, Vice President Thomas A. Nuris, Trustee Maurice Goodman, Trustee Richard Holober, Trustee Dave Mandelkern; Student Trustee Jade Shonette

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

**PLEDGE OF ALLEGIANCE**

*(Time Stamp: 1:16)*

**ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION**

*(Time Stamp: 1:45)*

President Schwarz announced that there no actions to report from closed session.

**SWEARING IN OF THE STUDENT TRUSTEE**

*(Time Stamp: 1:54)*

President Schwarz announced that the District Student Council has elected a new student trustee for 2020-2021, Jade Shonette. Ms. Shonette is an international student from the Bahamas and is studying mathematics and political science student at Cañada College. President Schwarz administered the oath of office to Student Trustee Shonette. Trustee Shonette swore the oath. Board members welcomed the student trustee to her new position.

**DISCUSSION OF THE ORDER OF THE AGENDA**

*(Time Stamp: 5:20)*

There were no adjustments to the order of the agenda.

**STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

*(Time Stamp: 05:40)*

There were no comments from the public on non-agenda items.

**NEW BUSINESS**

**Approval of Personnel Items: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel (20-6-1A)**

*(Time Stamp: 07:05)*

*Motion to Approve by:* Trustee Holober

*Second by:* Trustee Goodman

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* None

*Public Comment:* None.

**APPROVAL OF CONSENT AGENDA**

*(Time Stamp: 08:02)*

**Ratification of Chancellor's Recommendation to Hold All Classes, Services and Operations, with Limited Exceptions, Online or Remotely for Fall 2020 Semester (20-6-1CA)**  
**Ratification of March and April 2020 District Warrants (20-6-2CA)**

*Summary of Discussion:* Trustee Mandelkern requested that item 20-6-1CA be pulled from the consent agenda.

**Ratification of Chancellor's Recommendation to Hold All Classes, Services and Operations, with Limited Exceptions, Online or Remotely for Fall 2020 Semester (20-6-1CA)**

*Motion to Approve by:* Trustee Holober

*Second by:* Vice President Nuris

*Action:* Approved unanimously, all members voting Aye

*Summary of Discussion:* Trustee Holober asked staff about the rationale for making a decision about the Fall 2020 semester so far in advance of the semester start. Chancellor Claire, District Academic Senate President Wallace, and Vice Chancellor McVean responded.

*Public Comment:* Dr. Bruno, a member of the faculty at Skyline College, addressed the Board about his objection making a decision at this time about holding classes remotely for the Fall 2020 semester.

**Ratification of March and April 2020 District Warrants (20-6-2CA)**

**(Time Stamp: 40:17)**

***Motion to Approve by:*** Trustee Goodman

***Second by:*** Vice President Nuris

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** None.

***Public Comment:*** None.

**Other Recommendations**

**Approval of Service Award for Student Trustee and Waiving of Service Requirement (20-6-100B)**

**(Time Stamp: 40:43)**

***Motion to Approve by:*** Vice President Nuris

***Second by:*** Trustee Mandelkern

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** None.

***Public Comment:*** None.

**Acceptance of Grant from the National Science Foundation to Cañada College (20-6-101B)**

**(Time Stamp: 41:37)**

***Motion to Approve by:*** Trustee Holober

***Second by:*** Vice President Nuris

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** None

***Public Comment:*** None

**Approval of Contract with Adam Lange, LLC for the Development of SAP Business Objects and Data Dashboards (20-6-102B)**

**(Time Stamp: 42:30)**

***Motion to Approve by:*** Vice President Nuris

***Second by:*** Trustee Holober

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** Trustee Holober raised a general concern about the presentation to the public regarding contracts. Trustee Holober stated that the public should be given adequate advanced access for non-routine contracts. Trustee Mandelkern raised a concern about sole source contracts and asked about policies concerning contract renewal for sole source contracts.

***Public Comment:*** None

**Approval to Execute an Amendment to the Agreement with Strata Information Group to Provide Information Technology Services (20-6-103B)**

*(Time Stamp: 48:12)*

***Motion to Approve by:*** Vice President Nuris

***Second by:*** Trustee Holober

***Action:*** Approved unanimously, all members voting Aye

***Summary of Discussion:*** Trustee Holober raised a concern that the contract was not included with the Board packet and suggested that the matter be put forward to the next Board meeting. Vice President Nuris suggested the Board go forward given that the contract will cease on June 30. Trustee Mandelkern expressed concern that the contract was a sole source contract and that going forward he would like to see a rationale as to why a particular contract is a sole source contract. Trustee Holober requested that contract renewals be brought forward well before the contract expiration date.

***Public Comment:*** None

**Approval of Renewal of Professional Services Agreement with EXOS Community Services to Operate the San Mateo Athletic Club in Partnership with the District (20-6-104B)**

*(Time Stamp: 1:03:12)*

***Motion to Approve by:*** Vice President Nuris

***Second by:*** President Schwarz

***Action:*** No action, motion was tabled

***Summary of Discussion:*** Trustee Goodman expressed concern that there have been issues raised by the public concerning the operation of the San Mateo Athletic Club and asked why this contract renewal was not brought forward sooner given those concerns. Trustee Goodman stressed that the Board has an obligation to be accountable to the public.

Trustee Holober made the following points: it is required by law that a contract be attached to the Board packet in order for the contract to be enforceable; that the contract allows for the operation of the Cañada site as well and that this contract should be for the operation of the San Mateo site only; and that the contract be restructured given the limitations imposed by the shelter in place orders. Finally, Trustee Holober expressed concern about the continuing problem on contracts being brought forward to the Board late in the process and that this practice should cease. Trustee Holober requested that the matter be tabled.

Trustee Mandelkern stated that the Board directed staff to issue a RFP but that he also understands that a RFP was not feasible given the current conditions regarding the pandemic. Trustee Mandelkern questioned what level of service is really needed during this period of limited operation. Trustee Mandelkern also shared Trustee Holober's concern that the contract as written allows EXOS to operate at Cañada. Trustee Mandelkern also raised the question about certain functions being staffed by District employees. Trustee Mandelkern stated that he is in favor of extending the contract for a limited time to issue a RFP, but not one year. Trustee Holober stated that he could support a three-month extension at most. Trustee Mandelkern stated that he was concerned that a three-month extension may be too short.

Vice President Nuris agreed that contracts should be brought forward earlier. Vice President Nuris questioned whether the District would be successful in getting multiple bids on an RFP. Vice President Nuris was in favor of a short-term contract with an escape clause. Vice President Nuris stated his concern that the District risks losing the San Mateo Athletic Club. Vice President Nuris suggested that the item be tabled.

President Schwarz asked Vice Chancellor Bauer to clarify if the contract covers the operation of the Cañada site and he stated that this was not the intent. Vice Chancellor Bauer stated that EXOS voluntarily reduced its management fee. Finally, Vice Chancellor Bauer stated that the RFP can be issued immediately if that is the wish of the Board.

Trustee Mandelkern expressed his support of continuing to provide a general benefit to community when the facilities are not used for College activities. Trustee Holober requested an independent analysis of the option of using district employees to staff athletic club positions. President Schwarz asked if an MOU can be brought back at the next Board meeting.

Chancellor Claire stated that he understood Board concerns expressed and that the administration would be prepared to bring a revised MOU back at the next Board meeting.

**Public Comment:** Ms. Terner requested additional information regarding the contract. Mr. Pimentel stated his concern regarding the use of a sole source contract for the operation of the San Mateo Athletic Club and also encouraged the Board to increase access to the facility to students.

## **STUDY SESSION**

### **A Discussion of Racial Injustice and Structural Racism (20-6-1C)**

[\*\(Time Stamp: 2:07:53\)\*](#)

**Summary of Discussion:** Trustee Goodman stated that it has been tough for African American leaders given the recent events and he expressed his thanks to those who have reached out to him. Trustee Goodman stated that African Americans continue to endure systemic racism. Trustee Goodman stated that he is ready for change and that the Board should be willing for change as well. Trustee Goodman also stated concerns about the experience of our African American employees and students. Trustee Goodman suggested the first step is to understand and acknowledge the harm that has been done, understand the historical context, and allow for expression of anger and frustration. Chancellor Claire thanked Trustee Goodman for sharing his thoughts and his lived experience and stated that we are in a moment and that now is the time to act.

Trustee Mandelkern acknowledged Trustee Goodman's observations and stated that we must act on what we can control. To that end he requested an information report on our training processes for the cadets in the police academy. Trustee Mandelkern also cited the Huddle Up program developed by Coach Tulloch.

CSM President Lopez mentioned the work of Professor Wallace, Dr. Sims, Dr. Taylor-Mendoza, and Dr. Conaway on a book they authored titled: *Minding the Obligation Gap*. The group is offering a free webinar series over the summer that will cover many of the topics in the book.

Cañada President Moore reported that Cañada has started a series on critical conversations on race that allows space for students and college employees to express their feelings and to discuss anti-racism efforts.

Trustee Holober shared that we are in a moment where things might change, specifically law enforcement. Trustee Holober quoted Dr. King stating that: "there is no racial justice without economic justice" and shared his concerns about inequities of wealth distribution.

Trustee Goodman responded to Trustee Holober's comment about economic justice stating that one thing that our District can do is to recruit contractors that reflect the diversity of our community. He also stated that the District can mandate changes in our police training, as well as changes in protocol with the District Public Safety Department. Trustee Mandelkern agreed with Trustee Goodman about the need to review the District's Public Safety Department polices and procedures.

President Jackson discussed the actions that Skyline has taken in response to the recent events. She also stated the importance of validation and healing.

Chancellor Claire stated that we have two roles as leaders: 1) to examine our own institution from every possible angle and make necessary changes 2) to engage the greater community as an educational institution.

**Public Comment:** One faculty member encouraged the Board to institutionalize the Faculty Diversity Program.

### **Budget Update in Advance of the FY 2020-2021 Tentative Budget (20-6-2C)**

[\(Time Stamp: 3:01:44\)](#)

**Summary of Discussion:** CFO Slater gave a presentation on the assumptions that the District will use in the development of the 2020/21 Tentative Budget. CFO Slater discussed the effect of the pandemic and potential impacts on the District's categorical funds, child development centers, auxiliary operations, and international education. She also reviewed budget goals and variety of specific budget assumptions including estimated changes in assessed valuation, which is the major funding source for the District. Also, CFO Slater presented a three-year budget projection based on three budget scenarios. Finally, CFO Slater presented 2020/21 strategic plan initiatives that will require funding. CFO Slater projects a balanced tentative budget. Trustee Holober asked questions about the impact of the state budget on categorical programs and where the District is on the 50% law.

Trustee Holober also made the following comments: he would like to see the District get closer to the 50% law by hiring more full-time faculty; the District should look at productivity numbers by lowering class sizes; The District should take a closer look at reducing spending on international education and auxiliary operations. Trustee Mandelkern stated that the District has an obligation to meet the 50% law.

**Public Comment:** None.

### **COMMUNICATIONS**

[\(Time Stamp: 4:14:38\)](#)

The Board received a letter from Brian Horowitz, a retiree and a recent State Classified Employee of the Year.

### **STATEMENTS FROM BOARD MEMBERS**

[\(Time Stamp: 4:15:22\)](#)

**President Schwarz:** President Schwarz asked Vice Chancellor Bauer for a quick update on the food distribution program and thanked employees for their work on this effort.

**Vice President Nuris:** No Comments

**Trustee Goodman:** Trustee Goodman acknowledged Coach Tulloch for his work on the Huddle Up Program.

**Trustee Holober:** No Comments

**Trustee Mandelkern:** No comments

*Student Trustee Shonette:* No comments

President Schwarz announced that the next meeting of the Board of Trustees would be on June 24 2020, conducted via Zoom.

**ADJOURNMENT**

The meeting adjourned by consent at 10:20 pm.

Submitted by

Michael Claire, Secretary

**BOARD REPORT NO. 21-01-04A**

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

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

**APPROVAL OF PERSONNEL ITEMS**

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

**A. ADMINISTRATIVE APPOINTMENT, REAPPOINTMENT, ASSIGNMENT AND REASSIGNMENT  
(NP = New position, \* = New Employee)**

None

**B. PUBLIC EMPLOYMENT**

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

**Cañada College**

<b>Nicolette Navarrete*</b>	Office Assistant II (Disability Resources Center)	Student Services
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New full-time, 12-month classified employment (Grade 18 of the Classified Salary Schedule 60; Salary Range: \$55,104 - \$70,248), effective January 28, 2021, replacing Krystal Martinez who was reassigned.

**College of San Mateo**

<b>Christina Arenas*</b>	Instructional Aide II (Math Resource Center)	Math/Science Division
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New full-time, 12-month classified employment (Grade 22 of the Classified Salary Schedule 60; Salary Range: \$60,552 - \$77,688), effective January 28, 2021, replacing Lisa Clayton.

**District Office**

<b>Madeline Wiest*</b>	Program Supervisor (NP) (Transcript Evaluation Services)	Educational Services and Planning
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New full-time, 12-month classified employment (Grade 180S of the Classified Professional-Supervisory Salary Schedule 40; Salary Range: \$78,936 - \$100,860), effective February 4, 2021. This position was previously Board approved on October 14, 2020.

**Skyline College****Phoo Oo\***

Cosmetology Aide

Business, Education and  
Professional Program

New full-time, 12-month classified employment (Grade 26 of the Classified Salary Schedule 60; Salary Range: \$66,912 - \$85,512), effective January 28, 2021, replacing Lynsey Hemstreet who resigned.

**2. Re-Employment**

None

**C. REASSIGNMENT THROUGH THE HIRING PROCESS****Skyline College****Brittney Sneed**Program Services Coordinator  
Career Readiness & Job PlacementStrategic Partnership &  
Workforce Development

Reassigned from a full-time Staff Assistant (Grade 21 of the Classified Salary Schedule 60; Salary Range: \$59,112 - \$75,552) into this full-time classified assignment at Grade 27 of the same salary schedule, Salary Range: \$68,580 - \$87,504, effective January 28, 2021, replacing Michele Haggar who resigned.

**D. TRANSFER/ADMINISTRATIVE REASSIGNMENT**

None

**E. CHANGES IN STAFF ALLOCATION****District Office**

1. Recommend creation of a new, temporary classification titled, "Director of Public Affairs" at Grade 195E of the Academic-Classified Exempt Supervisory Salary Schedule 35 (salary range: \$149,122 - \$188,586), effective January 28, 2021 through June 30, 2022. This position will be temporary. In addition, recommend a change in staff allocation to add one full-time, 12-month Director of Public Affairs in the Chancellor's Office, effective January 28, 2021.

**F. PHASE-IN RETIREMENT**

None

**G. LEAVE OF ABSENCE**

None

**H. PUBLIC EMPLOYEE RETIREMENT AND RESIGNATION****1. Retirement****District Office****Miguel Gonzalez**

Groundskeeper

Facilities

Retirement effective January 15, 2021 with 20 years of District service. Eligible for District retiree benefits.

**John (Chris) Strugar-Fritsch**

Director of Capital Projects  
(Measure H)

Facilities

Retirement effective April 2, 2021 with 5 years of District service. Not eligible for District retiree benefits.

**2. Post-Retirement**

None

**3. Resignation**

None

**I. ESTABLISHMENT OF EQUIVALENCY TO MINIMUM QUALIFICATIONS**

None

**J. PROFESSIONAL EXPERT/CONTRACT POSITIONS**

Skyline College	Counseling / Health & Wellness Services	2	01/28/2021	06/30/2021	<b>Professional Expert: Personal Counseling Intern:</b> These positions will carry a therapeutic caseload of students; offers psychoeducational workshops for students, faculty and classified professionals.
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**K. SHORT-TERM, NON-CONTINUING POSITIONS**

District Office	Public Safety	4	01/28/2021	06/30/2021	<b>Public Safety Officer:</b> These positions will assist in the possible need for 24/7 security coverage as it is anticipated that the District may become a Covid-19 test center for the County of San Mateo. Shifts will first be offered to permanent staff. In the event there is not enough interest from permanent staff, flexibility is needed to hire short term staff to provide necessary coverage.
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**BOARD REPORT NO. 21-01-05A**

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

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

**APPROVAL OF REVISIONS TO STUDENT ASSISTANT SALARY SCHEDULE**

The SMCCCD Student Assistant Salary Schedule was last adjusted in January of 2020 to include salaries ranging from a minimum of \$15.00 per hour (Level A) to a maximum of \$20.75 per hour (Level D). The local minimum wage for San Mateo increases to \$15.62 per hour, effective January 1, 2021. Accordingly, the student assistant rates are proposed to be increased by \$0.62 per hour for each category.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the revised Student Assistant Salary Schedule, effective January 1, 2021.



## Student Assistant Salary Schedule

*Effective January 1, 2021*

Category	Hourly Rate	
<p><b>Level A (Entry level)</b> Under direct supervision, tasks assigned are entry-level, typically routine, and have limited responsibility. Students in Level A positions are assigned duties which primarily consist of such tasks as the following:</p> <ul style="list-style-type: none"> <li>• duplicating</li> <li>• alphabetizing/sorting</li> <li>• stocking (store clerk)</li> <li>• filing</li> <li>• receptionist duties</li> <li>• taking messages</li> <li>• bulk mailings</li> <li>• making deliveries</li> <li>• routine data entry</li> <li>• facilities maintenance</li> </ul>	<b>\$15.62</b>	<b>\$16.62</b>
<p><b>Level B (Intermediate level)</b> Under direct supervision, tasks performed require some specialized knowledge, skills, training, and/or experience. Students in Level B positions are assigned duties which primarily consist of such tasks as the following:</p> <ul style="list-style-type: none"> <li>• tutoring</li> <li>• cashiering</li> <li>• scanning to WebExtender</li> <li>• routine correspondence</li> <li>• preparation of spreadsheets</li> <li>• data analysis for reports</li> <li>• laboratory assistant</li> <li>• complex data entry/retrieval</li> <li>• customer service</li> <li>• perform detailed calculations</li> </ul>	<b>\$17.12</b>	<b>\$18.12</b>
<p><b>Level C (Specialist level)</b> Under general supervision, tasks assigned are complex within the scope of student assignments, with specialized skills or abilities. This level may include responsibility for coordinating the work of lower-level student employees. Students in Level C positions are assigned duties which primarily consist of such tasks as the following:</p> <ul style="list-style-type: none"> <li>• operate complex equipment</li> <li>• preparation of presentations</li> <li>• student services support</li> <li>• database setup &amp; maintenance</li> <li>• language translations</li> <li>• accounting assistant</li> <li>• program coordinator</li> <li>• laboratory instructional aide</li> <li>• high school outreach</li> <li>• classroom/community presentations</li> </ul>	<b>\$19.12</b>	<b>\$20.12</b>
<p><b>Level D (Technical level)</b> Under limited supervision, tasks assigned require proficiency necessary to perform highly complex tasks, which require specialized technical knowledge, previous experience, a high degree of independence, responsibility and creativity within the scope of student assignments. This level may include responsibility for coordinating the work of lower-level student employees. Students in Level D positions are assigned duties which primarily consist of such tasks as the following:</p> <ul style="list-style-type: none"> <li>• creation of interactive forms</li> <li>• web page preparation</li> <li>• directed technical services</li> <li>• programming</li> <li>• equipment maintenance/repair</li> <li>• accounting specialist</li> <li>• technical writing</li> <li>• use of complex software</li> <li>• audio/video services</li> <li>• troubleshooting</li> </ul>	<b>\$20.37</b>	<b>\$21.37</b>

**BOARD REPORT NO. 21-01-01CA**

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Dr. Aaron McVean, Vice Chancellor, Educational Services and Planning,  
358-6803

**CURRICULAR ADDITIONS, DELETIONS AND MODIFICATIONS  
CAÑADA COLLEGE, COLLEGE OF SAN MATEO, AND SKYLINE COLLEGE**

The addition of eight courses, two departments, and six programs to the College catalogs are proposed by Cañada College, College of San Mateo, and Skyline College at this time. Additionally, 64 courses are proposed to be offered in the distance education mode.

Three courses were assigned inactive status, which removes them from the catalog and schedule. Since they have not been deleted, they can be more easily reinstated at a later time. If reinstatement is unlikely, these courses will be deleted in the coming years.

Furthermore, seventy-three courses and ten programs were modified, and one program was reactivated.

Each of the proposed courses and programs has been reviewed by the appropriate Division Dean and approved by the College Curriculum or Instruction Committee, acting on behalf of the local Academic Senate. In addition, the Academic Senate Presidents provide oversight with respect to the necessary role of the local Senates in the review and approval process. The rigor of the approval process assures that each new course has substance and integrity in relation to its discipline and that it fills a clear student need not being served by existing course offerings.

**RECOMMENDATION**

It is recommended that the Board approve the attached curricular changes for the Cañada College, College of San Mateo, and Skyline College catalogs.

San Mateo County Community College District

January 27, 2021

This report has been prepared in accordance with SMCCCD Rules and Regulations, Section 6.13.4 and all appropriate laws and regulations.

PREPARED BY: Tammy Robinson, Vice President, Instruction  
Cañada College

APPROVED BY: Lisa Palmer, Curriculum Committee Chair  
Cañada College

Diana Tedone, Academic Senate President  
Cañada College

Jamillah Moore, President  
Cañada College

## **PROPOSED DEPARTMENT ADDITIONS – CAÑADA COLLEGE**

### **ETHNIC STUDIES (ETHN)**

In order to address the California Assembly Bill 1460 (AB-1460), the District Academic Senate (DAS) created a task force composed of the Ethnic Studies faculty from each of our 3 campuses. The Assembly Bill acknowledges the following:

- a) Ethnic studies programs have come about from students of color demanding them. On November 6, 1968, a coalition of student groups at San Francisco State University demanded that the university institute an ethnic studies program.
- b) Ethnic studies are an interdisciplinary and comparative study of race and ethnicity with special focus on four historically defined racialized core groups: Native Americans, African Americans, Asian Americans, and Latina and Latino Americans.
- c) Studies have found that both students of color and white students benefit academically as well as socially from taking ethnic studies courses. Ethnic studies courses play an important role in building an inclusive multicultural democracy;

Thus, the California State University (CSU) has established new transfer requirements that reflect the importance of a robust anti-racist education. The CSU lists five core competencies for courses that meet the new Area F on CSU GE Breadth Requirements:

1. Analyze and articulate concepts of ethnic studies, including but not limited to race and ethnicity, racialization, equity, ethno-centrism, eurocentrism, white supremacy, self-determination, liberation, decolonization and anti-racism.
2. Apply theory to describe critical events in the histories, cultures and intellectual traditions, with special focus on the lived-experiences and social struggles of one or more of the following four historically defined racialized core groups: Native Americans, African Americans, Latina/o Americans and/or Asian Americans, and emphasizing agency and group-affirmation.

3. Critically discuss the intersection of race and ethnicity with other forms of difference affected by hierarchy and oppression, such as class, gender, sexuality, religion, spirituality, national origin, immigration status, ability and/or age.
4. Describe how struggle, resistance, social justice, solidarity and liberation as experienced by communities of color are relevant to current issues.
5. Demonstrate active engagement with anti-racist issues, practices and movements to build a diverse, just and equitable society beyond the classroom.

The District Academic Senate Ethnic Studies Requirement Task Force has recommended the prioritization of the following:

- I. Prioritize an Ethnic Studies Faculty hire
  - a. Cañada's Academic Senate committed to the hiring of this new faculty member for Fall 2021 with a ranking of #1 (see October 22, 2020 meeting minutes).
- II. In preparation of this new faculty hire, we have agreed to clone the CSM ETHN courses in order to meet the extended, although short, curriculum timeline and update them as needed.

In acknowledgement of the District Academic Senate Ethnic Studies Resolution that recognizes the intent of the State Ethnic Studies legislation and with the support of Academic Senate, Academic Committee for Equity and Success (ACES), Curriculum Technical Review Committee, Dean of Humanities and Social Sciences, and Office of the President concur that an Ethnic Studies program is necessary to the educational experience of Cañada College students.

Given the four primary areas study within the Ethnic Studies discipline, local experts will create Cañada College Ethnic Studies courses modeled on the range of CSM Ethnic Studies courses (we plan on cloning all of the CSM ETHN courses in order to provide our students options beyond Area F). Establishing a range of courses allows for flexibility in accommodating the expertise of a new hire and sets the curricular foundation for a program. The request to secure an Ethnic Studies position meets the SMCCCD Board prerogative (September 2020) that Cañada College add three full-time faculty positions.

The program prefix, ETHN, will be used in creating courses to satisfy the new CSU GE breadth requirement, Area F – Ethnic Studies. Per AB 1460, commencing 2020-2021, CSU is mandated to provide for courses in ethnic studies. Commencing 2024-2025, CSU will require, at minimum, one three-unit ethnic studies course as an undergraduate graduation requirement.

San Mateo County Community College District

January 27, 2021

This report has been prepared in accordance with SMCCCD Rules and Regulations, Section 6.13.4 and all appropriate laws and regulations.

PREPARED BY: Mike Holtzclaw, Vice President, Instruction  
College of San Mateo

APPROVED BY: Teresa Morris, Chair, Curriculum Committee  
College of San Mateo

Arielle Smith, President, Academic Senate  
College of San Mateo

Kim Lopez, Acting President  
College of San Mateo

## **PROPOSED CURRICULAR ADDITIONS – COLLEGE OF SAN MATEO**

### COURSE DESCRIPTIONS AND JUSTIFICATIONS

#### **DIGITAL MEDIA**

##### 680MF DIGITAL STORYTELLING (3) (day or evening; distance education)

Justification: The course will update our curriculum to reflect the increased importance of multimedia journalism, in which "stories" include audio, video, data visualization, graphic design and text. Including Distance Education Supplement to allow online offering.

Prerequisite: None.

Recommended Preparation: None.

Description: Students in this hands-on project-based course will produce multimedia journalism and stories in a variety of different media, including audio, video, data visualization, graphic design and text. Multimedia content will be brought together in a website or other medium that is appropriate for distribution.

Classification: AA/AS Degree; CSU transferable.

#### **HISTORY**

##### 104 WORLD HISTORY I (3) (day or evening; distance education)

Justification: World History I & II are part of a foundational undergraduate curriculum and are taught at Skyline and Canada. We would like to offer CSM students the opportunity to take courses that include the histories of the non-Western world. World History I & II contribute to the district, institutional, and program commitment to diversity, equity, and promote anti-racist curriculum development.

Prerequisite: None.

Recommended Preparation: None.

Description: This course surveys the development of and interactions between Africa, the Americas, Asia, Europe, the Mediterranean, and Oceania. By examining the histories, cultures, and folkways of various civilizations, this course chronicles the story of humanity to 1500 CE. Emphasis is given to the rise of civilizations, the emergence of global economies, innovations in science and technology, as well as cultural, intellectual and religious traditions.

Classification: AA/AS Degree; CSU transferable.

106 WORLD HISTORY II (3) (day or evening; distance education)

Justification: World History I & II are part of the foundational undergraduate history major and are taught at Skyline and Canada. We would like to offer CSM students the opportunity to take a survey course that examines both the non-Western and Western world. These courses contribute to the district, institutional, and program commitment to diversity and equity.

Prerequisite: None.

Recommended Preparation: None.

Description: This course provides a broad survey of the modern world including the rich histories of Africa, the Americas, Asia, Europe and Oceania since 1500 CE. It examines the major historical events that created an interconnected world from a comparative and international perspective. Themes such as exploration, industrialization, global trade, human rights, capitalism and consumerism, popular culture, the environment, political and social structures, nationalism, secularism, imperialism and post-colonialism are examined.

Classification: AA/AS Degree; CSU transferable.

## MUSIC

298 NEW INTERFACES FOR MAKING MUSIC (4) (day or evening)

Justification: This proposal creates a permanent number for the experimental course MUS 680MK: New Interfaces for Making Music.

This course introduces students to the growing field of musical interface design. In addition, it ensures currency and expands offerings for the electronic music program.

Spring 2020 was the first time this course was offered. Enrollment was strong and the class was full. During the semester, a number of DGME and electronic music students inquired about when it would be offered again. There is demonstrated interest for this type of interdisciplinary course.

Prerequisite: None.

Recommended Preparation: MUS. 290 or ENGR 100

Description: Exploration of musical interface design: The use of electronic circuits, sensors, actuators and microprocessors for musical expression; hands-on, project-based, individual and group work. Intended for

students who are aspiring musicians, artists, engineers or computer programmers interested in creating new ways to control and manipulate sound.

Classification: AA/AS Degree; CSU transferable.

## **PROPOSED CURRICULAR DEACTIVATIONS – COLLEGE OF SAN MATEO**

### **BUILDING INSPECTION TECHNOLOGY**

700 Introduction to the Building Code

### **COMPUTER AND INFORMATION SCIENCE**

200 Capstone Project – CIS  
379 Introduction to XML and JSON

## **PROPOSED CURRICULAR MODIFICATIONS – COLLEGE OF SAN MATEO**

### **ART**

352 Intermediate Black and White Photography  
353 Advanced Black and White Photography  
383 Intermediate Digital Photography  
384 Advanced Digital Photography  
385 Master Portfolio - Digital Photography  
388 Master Photography Portfolio  
391 Experimental Photography 1  
392 Experimental Photography 2  
393 Experimental Photography 3  
394 Experimental Photography 4  
396 Documentary Photography 1  
397 Documentary Photography 2  
398 Documentary Photography 3  
399 Documentary Photography 4

### **ETHNIC STUDIES**

101 Latin American and Indigenous Peoples History and Culture  
103 Asian Americans and US Institutions  
104 Asian Pacific Islanders in United States History and Culture  
105 African American History and Culture  
107 Introduction to Native American Studies  
108 Rethinking Race, Gender, and Nation  
109 Borders and Crossings  
265 Evolution of Hip Hop Culture: A Socio-Economic And Political Perspective  
288 African-American Cinema  
585 Ethnicity in Cinema

### **LEARNING CENTER**

105 Keys to Success  
240 College and Academic Success

**PHILOSOPHY**

- 100 Introduction to Philosophy
- 300 Introduction to World Religions

**PHYSICS**

- 100 Conceptual Physics
- 211 General Physics I-Calculus Supplement
- 220 General Physics II
- 221 General Physics II-Calculus Supplement
- 270 Physics with Calculus III

**PROPOSED TO BE OFFERED AS DISTANCE EDUCATION – COLLEGE OF SAN MATEO****ART**

- 352 Intermediate Black and White Photography
- 353 Advanced Black and White Photography
- 383 Intermediate Digital Photography
- 384 Advanced Digital Photography
- 385 Master Portfolio - Digital Photography
- 388 Master Photography Portfolio
- 391 Experimental Photography 1
- 392 Experimental Photography 2
- 393 Experimental Photography 3
- 394 Experimental Photography 4
- 396 Documentary Photography 1
- 397 Documentary Photography 2
- 398 Documentary Photography 3
- 399 Documentary Photography 4

**DIGITAL MEDIA**

- 680MF Digital Storytelling

**HISTORY**

- 104 World History I
- 106 World History II

**LEARNING CENTER**

- 105 Keys to Success
- 240 College and Academic Success

**PHILOSOPHY**

- 300 Introduction to World Religions

**PROPOSED PROGRAM ADDITION – COLLEGE OF SAN MATEO**

College of San Mateo proposes to offer an Associate Degree, Associate Degree for Transfer, and/or Certificate of Achievement (16 units or more, state approved), and/or Certificate of Specialization (fewer than 16 units, not state approved) in the following programs:

**SOCIAL SCIENCE**

**Case Management Certificate** – Certificate of Specialization (15 units)

**PROPOSED PROGRAM REACTIVATION – COLLEGE OF SAN MATEO**

**Real Estate Professional** – Certificate of Specialization (15 units)

**PROPOSED PROGRAM MODIFICATIONS – COLLEGE OF SAN MATEO**

**Computer Science Applications and Development** – AS Degree

**Computer Science Applications and Development** – Certificate of Achievement

**Real Estate Salesperson** – Certificate of Specialization

**Web and Mobile Application Development** – AS Degree

**Web and Mobile Application Development** – Certificate of Achievement

San Mateo County Community College District

January 27, 2021

This report has been prepared in accordance with SMCCCD Rules and Regulations, Section 6.13.4 and all appropriate laws and regulations.

PREPARED BY: Jennifer Taylor-Mendoza, Vice President, Instruction  
Skyline College

APPROVED BY: Jessica Hurless, Curriculum Committee Chair  
Skyline College

Leigh Anne Shaw, Academic Senate President  
Skyline College

Melissa Moreno, President  
Skyline College

## **PROPOSED CURRICULAR ADDITIONS – SKYLINE COLLEGE**

### COURSE DESCRIPTIONS AND JUSTIFICATIONS

#### **EDUCATION/CHILD DEVELOPMENT**

665SM INTRODUCTION TO DUAL LANGUAGE LEARNING AND TEACHING (1.0) (day or evening, distance education)

Justification: This Selected Topics course will be offered to a cohort of students participating in a grant-funded two-course series on working with dual language learners in the early learning classroom.

Prerequisite: None.

Recommended Preparation: None.

Description: 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 to 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, an introduction to sound DLL assessments, implicit bias and teachers' cultural competency.

Classification: AA/AS Degree; CSU transferable.

#### **ELECTRONICS TECHNOLOGY**

112 ADVANCED ELECTRONICS FUNDAMENTALS (3.0) (day or evening, distance education)

Justification: ELEC 112 is part of Skyline College's new Engineering Electronics Technology program. The course fits into the first year of the program and leads to the certificate of specialization, designed to prepare students for entry-level internships. This work is supported by the college's new SkyBayTech grant project, funded by the NSF's Advancing Technological Education (ATE) program.

Prerequisite: ELEC 111 and ELEC 231, and completion of or concurrent enrollment in ELEC 232, or equivalent.

Recommended Preparation: None.

Description: Introduction to more advanced electrical/electronic circuits. Includes power supply circuits, filtering circuits, amplifier and oscillator circuits using BJT, FET, and Op-amp devices; also an examination of digital circuits. Emphasizes laboratory techniques and the use of electronic test equipment. A materials fee in the amount shown in the Schedule of Classes is payable upon registration.

Classification: AA/AS Degree; Certificate; CSU transferable.

### 232 ADVANCED ELECTRONICS MATHEMATICS (1.0) (day or evening, distance education)

Justification: ELEC 231 is part of Skyline College's new Engineering Electronics Technology program. The course fits into the first year of the program and leads to the certificate of specialization, designed to prepare students for entry-level internships. This work is supported by the college's new SkyBayTech grant project, funded by the NSF's Advancing Technological Education (ATE) program.

Prerequisite: ELEC 231, or equivalent.

Recommended Preparation: None.

Description: In depth study of algebra, trigonometry, logarithms and graphing as applied to amplifier, filter, oscillator, microwave, and digital logic circuits.

Classification: AA/AS Degree; Certificate; CSU transferable.

### 265 ELECTRONIC ASSEMBLY AND FABRICATION (3.0) (day or evening, distance education)

Justification: ELEC 265 is part of Skyline College's new Engineering Electronics Technology program. The course fits into the first year of the program (taken in the second semester) and provides the culminating experience and skills for the certificate of specialization, designed to prepare students for entry-level positions and internships in local electronics manufacturing and repair industry. This work is supported by the college's new SkyBayTech grant project, funded by the NSF's Advancing Technological Education (ATE) program.

Prerequisite: ELEC 111, and completion of or concurrent enrollment in ELEC 112, or equivalent.

Recommended Preparation: None.

Description: Manufacturing and fabrication processes associated with the electronics industry. Printed circuit board (PCB) design from conception to completion. Emphasizes electrical schematics, bill of material (BOM), component selection, layout design, manufacturability, assembly, soldering, de-soldering, and surface-mount technology. A materials fee in the amount shown in the schedule of classes is payable upon registration.

Classification: AA/AS Degree; Certificate; CSU transferable.

**PROPOSED CURRICULAR MODIFICATIONS – SKYLINE COLLEGE****ANESTHESIA TECHNOLOGY**

- 400 Professional Aspects of Anesthesia Technology
- 405 Basic Principles of Anesthesia Technology
- 410 Basic Anesthesia Equipment
- 430 Advanced Anesthesia Equipment
- 440 Anesthesia Technology Examination and Review

**ANTHROPOLOGY**

- 125 Physical Anthropology
- 127 Physical Anthropology Laboratory
- 150 Introduction to Archaeology: Bones, Beads and the Basics of Material Culture
- 155 Human Prehistory and the Rise of Civilization

**ASTRONOMY**

- 101 Astronomy Laboratory

**AUTOMOTIVE TECHNOLOGY**

- 509.1 Automotive Fundamentals for High School I
- 509.2 Automotive Fundamentals for High School II

**BIOLOGY**

- 695 Independent Study in Biology

**EMERGENCY MEDICAL CARE**

- 425 CPR: Health Care Provider

**HEALTH SCIENCE**

- 314 Health, Safety and Nutrition for Young Children
- 484 Medical Terminology

**HISTORY**

- 109 Europe Since 1945

**KINESIOLOGY – DANCE**

- 410.1 Dance for the Musical Theater Production I
- 410.2 Dance for the Musical Theater Production II
- 410.3 Dance for the Musical Theater Production III
- 410.4 Dance for the Musical Theater Production IV

**LEARNING SKILLS**

- 892 Chemistry Jam
- 894 Physics Jam

### **NETWORK ENGINEERING TECHNOLOGIES**

- 400 Introduction to Local Area Networks
- 410 Structured Wiring and Cabling
- 413 Wireless Local Area Networks
- 430 Introduction to Routers
- 431 Network Switches – Concepts and Applications
- 432 Routing Concepts and Applications
- 435 Network Security
- 439 Troubleshooting the Internetwork
- 443 Introduction to Linux Administration

### **SOCIAL JUSTICE STUDIES**

- 140 Hip Hop Culture and Politics

### **SURGICAL TECHNOLOGY**

- 440 Basic Sciences for Surgical Technology
- 441 Surgical Patient Care
- 442 Surgical Specialties
- 443 Clinical Practice for Surgical Technology
- 446 Clinical Practice for CST
- 448 Clinical Lab Practicum for Central Service Technology
- 451 Surgical Skills Lab

### **PROPOSED TO BE OFFERED AS DISTANCE EDUCATION – SKYLINE COLLEGE**

#### **ANESTHESIA TECHNOLOGY**

- 400 Professional Aspects of Anesthesia Technology
- 405 Basic Principles of Anesthesia Technology
- 410 Basic Anesthesia Equipment
- 430 Advanced Anesthesia Equipment
- 440 Anesthesia Technology Examination and Review

#### **ANTHROPOLOGY**

- 125 Physical Anthropology
- 127 Physical Anthropology Laboratory
- 150 Introduction to Archaeology: Bones, Beads and the Basics of Material Culture
- 155 Human Prehistory and the Rise of Civilization

#### **ASTRONOMY**

- 101 Astronomy Laboratory

**AUTOMOTIVE TECHNOLOGY**

- 509.1 Automotive Fundamentals for High School I
- 509.2 Automotive Fundamentals for High School II

**BIOLOGY**

- 695 Independent Study in Biology

**EDUCATION/CHILD DEVELOPMENT**

- 665SM Introduction to Dual Language Learning and Teaching

**ELECTRONICS TECHNOLOGY**

- 112 Advanced Electronics Fundamentals
- 232 Advanced Electronics Mathematics
- 265 Electronic Assembly and Fabrication

**EMERGENCY MEDICAL CARE**

- 425 CPR: Health Care Provider

**HEALTH SCIENCE**

- 314 Health, Safety and Nutrition for Young Children
- 484 Medical Terminology

**HISTORY**

- 109 Europe Since 1945

**KINESIOLOGY – DANCE**

- 410.1 Dance for the Musical Theater Production I
- 410.2 Dance for the Musical Theater Production II
- 410.3 Dance for the Musical Theater Production III
- 410.4 Dance for the Musical Theater Production IV

**LEARNING SKILLS**

- 892 Chemistry Jam
- 894 Physics Jam

**NETWORK ENGINEERING TECHNOLOGIES**

- 400 Introduction to Local Area Networks
- 410 Structured Wiring and Cabling
- 413 Wireless Local Area Networks
- 430 Introduction to Routers
- 431 Network Switches – Concepts and Applications

- 432 Routing Concepts and Applications
- 435 Network Security
- 439 Troubleshooting the Internetwork
- 443 Introduction to Linux Administration

### **SOCIAL JUSTICE STUDIES**

- 140 Hip Hop Culture and Politics

### **SURGICAL TECHNOLOGY**

- 440 Basic Sciences for Surgical Technology
- 441 Surgical Patient Care
- 442 Surgical Specialties
- 443 Clinical Practice for Surgical Technology
- 446 Clinical Practice for CST
- 448 Clinical Lab Practicum for Central Service Technology
- 451 Surgical Skills Lab

### **PROPOSED PROGRAM ADDITIONS– SKYLINE COLLEGE**

Skyline College proposes to offer an Associate Degree, Certificate of Specialization (fewer than 16 units, not state approved), and/or Career Certificate (generally fewer than 8 units, not state approved) in the following programs:

#### **ACCOUNTING**

- Accounting Clerk** – Career Certificate (8.5-9.5 units)
- Accounting Clerk in Government Accounting** – Certificate of Specialization (14-15 units)
- Payroll Accounting** – Certificate of Specialization (11.5-12.5 units)

#### **ELECTRONICS TECHNOLOGY**

- Electronic Assembly and Fabrication** – Certificate of Specialization (12 units)

#### **HOSPITALITY AND TOURISM MANAGEMENT**

- Hospitality Management** – Associate in Science Degree (30-31 units in the major area + General Education and other requirements for the Associate Degree)

### **PROPOSED PROGRAM MODIFICATIONS – SKYLINE COLLEGE**

#### **ACCOUNTING**

- Accounting** – Certificate of Achievement
- Accounting** – Associate in Science Degree

#### **COSMETOLOGY**

- Cosmetology** – Certificate of Achievement
- Cosmetology** – Associate in Science Degree

## **NETWORK ENGINEERING TECHNOLOGIES**

**Network Engineering** – Associate in Science Degree

### **PROPOSED DEPARTMENT ADDITIONS – SKYLINE COLLEGE**

#### **ETHNIC STUDIES (ETHN)**

**Justification:** The faculty of the Social Science and Creative Arts Division, in collaboration with Academic Senate, request the creation and addition of an Ethnic Studies subject code, ETHN, with TOP Code 2203.00 (Ethnic Studies Programs that focus on culture and history of Ethnic and Minority Groups).

#### **Background:**

Ethnic Studies are an interdisciplinary and comparative study of race and ethnicity with special focus on four historically defined racialized core groups in the United States: Native Americans, African Americans, Asian Americans, and Latina and Latino Americans. Studies have found that both students of color and white students benefit academically, as well as socially, from taking Ethnic Studies courses. Ethnic Studies courses play an important role in building an inclusive, multicultural democracy.

Thus, the Social Science and Creative Arts Division request the addition of an ETHN subject code allowing Skyline College to develop an Ethnic Studies program that will serve students in three ways:

1. The Ethnic Studies program will offer courses that help students acquire the knowledge and skills to comprehend the diversity and social justice history of the United States and of the society in which they live, and enable them to contribute to that society as responsible and constructive citizens.
2. It will assist Skyline College students meet the requirements of AB 1460, approved by the Governor on August 17, 2020, that requires the California State University to require, as an undergraduate graduation requirement, the completion of, at minimum, one 3-unit course in ethnic studies, as specified for new students entering in Fall 2021.
3. Some of the Ethnic Studies courses will be articulated as lower-division preparation for transfer to Ethnic Studies programs at CSU's, specifically San Francisco State University (SFSU), which will offer students a new degree option.

**BOARD REPORT NO. 21-01-02CA**

TO: Members of the Board of Trustees  
FROM: Michael Claire, Chancellor  
PREPARED BY: Bernata Slater, Chief Financial Officer, 358-6755

**APPROVAL OF DISTRICT ORGANIZATIONAL MEMBERSHIPS**

In Board policy 8.54, the District encourages, to the extent possible within financial restraints, college and staff affiliations with professional and educational organizations and associations to provide quality education to students and for the effectiveness and efficiency of the District and College operations.

The policy also states that all applications for membership shall be submitted to the Chancellor or his/her designee, and a list of all organizational memberships shall be submitted to the Board for approval. Attached is the list of all organizational memberships which the Chief Financial Officer has received as of December 31, 2020. Memberships requested since the last report to the Board are highlighted on the attachment.

**RECOMMENDATION**

It is recommended that the Board approve and accept all organizational memberships listed on the attached.

**SMCCCD Organizational Approved Memberships as of 12/31/2020 - (New Memberships highlighted in Gray)**

<b>AAA Northern California, Nevada and Utah</b>
<b>Academic Senate for California Community Colleges</b>
<b>Access Text Network</b>
<b>Accreditation Council of Business Programs</b>
<b>Accreditation Review Council on Education in Surgical Technology and Surgical Assisting (ARC/STSA)</b>
<b>Accrediting Commission for Community and Junior Colleges</b>
<b>Adult Learning Satellite Service (PBS) (KCSM)</b>
<b>AIGA</b>
<b>Alliance for Community College Innovation (Formerly Comm. Coll. Leadership Inst./League for Innovation in the Comm. College)</b>
<b>Alliance for Mentally Ill of San Mateo County</b>
<b>American Association for Higher Education</b>
<b>American Association for Women in Community Colleges (AAWCC)</b>
<b>American Association of Community and Junior Colleges</b>
<b>American Association of Community Colleges (AACC)</b>
<b>American Association of Colleges &amp; Universities (AAC&amp;U)</b>
<b>American Association of University Women (AAUW)</b>
<b>American Baseball Coaches Association (ABCA) (New Membership - CSM \$300)</b>

<b>American College Health Association</b>
<b>American Council on Education</b>
<b>American Council on Teaching of Foreign Language</b>
<b>American Design Drafting Association</b>
<b>American International Recruitment Council (AIRC)</b>
<b>American Payroll Association</b>
<b>American Political Science Association</b>
<b>American Public Television (formerly American Program Service) (KCSM)</b>
<b>American Society for Training and Development</b>
<b>American Society for Travel Agents</b>
<b>American Society of Anesthesia Technologists (ASATT)</b>
<b>American Society of Civil Engineers (ASCE)</b>
<b>American Theatre Association</b>
<b>American Volleyball Coaches Association (AVCA)</b>
<b>Art Hazards</b>
<b>Asian American Manufacturer's Association</b>
<b>Asian Business Association</b>
<b>Asian Pacific Islander Council</b>
<b>Associated Bodywork &amp; Massage Professionals (ABMP)</b>

**SMCCCD Organizational Approved Memberships as of 12/31/2020 - (New Memberships highlighted in Gray)**

<b>Association for Advancement in Higher Education (AASHE)</b>
<b>Association for Education Communications and Technology (KCSM)</b>
<b>Association of American Colleges &amp; Universities (AACU)</b>
<b>Association of America's Public Television Stations (KCSM)</b>
<b>Association of Chief Human Resources Officers/Affirmative Action Officers</b>
<b>Association of California Community College Eligibility Specialists (ACCES) (New Membership - CSM \$100)</b>
<b>Association of College and University Telecommunications Administrators</b>
<b>Association of College Business Officers</b>
<b>Association of Collegiate Schools of Architecture</b>
<b>Association of Community and Continuing Education (ACCE)</b>
<b>Association of Community College Trustees</b>
<b>Association of Departments of English</b>
<b>Association of Instructional Administrators (AIA)</b>
<b>Association of Physical Plant Administrators</b>
<b>Association of Title IX Administrators</b>
<b>Auxiliary Organizations Association (Bookstore)</b>
<b>Base 11</b>

<b>Bay Area Faculty Diversity Internship Project (BAFDIP)</b>
<b>Bay Area Shared Information Consortium (BASIC)</b>
<b>Bay Area World Trade Center</b>
<b>Bay Association of College Stores (Bookstore)</b>
<b>Belmont Chamber of Commerce</b>
<b>Board of Registered Nursing</b>
<b>Brisbane Chamber of Commerce</b>
<b>Burlingame Chamber of Commerce</b>
<b>California Association for Alcohol/Drug Educators</b>
<b>California Association for Counseling and Development</b>
<b>California Association for Institutional Research</b>
<b>California Association of College Stores (Bookstore)</b>
<b>California Association of Community College Registrars &amp; Admin. Officers (CACCRAO)</b>
<b>California Association for Micro Enterprise Opportunity</b>
<b>California Association of Nurserymen</b>
<b>California Association of Public Procurement Officials, Inc. (CAPPO)</b>
<b>California Association of School Business Officials (CASBO)</b>
<b>California Association of Student Financial Aid Administrators (CASFAA)</b>

**SMCCCD Organizational Approved Memberships as of 12/31/2020 - (New Memberships highlighted in Gray)**

<b>California Association on Postsecondary Education and Disability</b>
<b>Community College Public Relations Organization (CCPRO) (New Membership - Districtwide \$400)</b>
<b>California Colleges for International Education</b>
<b>California Community College Admin. of Occupational Education</b>
<b>California Community College Association of Student Trustees (CCCAST)</b>
<b>California Community College Athletic Directors' Association</b>
<b>California Community College Baseball Coaches Association</b>
<b>California Community College Women's Basketball Coaches Association</b>
<b>California Community College Chief Information Systems Officers' Association</b>
<b>California Community College Council for Staff and Organizational Development (4C/SD) (CCCCSD)</b>
<b>California Community College Fastpitch Coaches Association (3CFCA)</b>
<b>California Community College Football Coaches Association</b>
<b>California Community College Internal Auditors</b>
<b>California Community College Men's Basketball Coaches Association</b>
<b>California Community College Mental Health and Wellness Association</b>

<b>California Community College Police Chiefs' Association</b>
<b>California Community College Soccer Coaches Association</b>
<b>California Community College Softball Coaches Association</b>
<b>California Community College Tennis Coaches Association</b>
<b>California Community College Track and Cross Country Coaches (5CTCA)</b>
<b>California Community College Track and Field Association</b>
<b>California Community College Women's' Basketball Coaches Association (CCCWBCA)</b>
<b>California Community College Women's' Volleyball Coaches Association</b>
<b>California Community College Wrestling Coaches Association</b>
<b>California Community Colleges Chief Instructional Officers</b>
<b>California Community Colleges Chief Student Services Administrators Association (CCCCSSAA)</b>
<b>California Community Colleges EOPS Association</b>
<b>California Community Colleges Matriculation Professionals Association</b>
<b>California Cooperative Education Association</b>
<b>California Corporate College</b>

**SMCCCD Organizational Approved Memberships as of 12/31/2020 - (New Memberships highlighted in Gray)**

<b>California Fire Technology Directors' Association (CFTDA)</b>
<b>California Landscape Contractors' Association</b>
<b>California Library Association</b>
<b>California Media &amp; Library Educators' Association</b>
<b>California Newspaper Publishers Association</b>
<b>California Organization of Associate Degree Nursing Program Directors</b>
<b>California Public Employers Labor Relations Association (CALPELRA)</b>
<b>California State Employees' Charitable Campaign (KCSM)</b>
<b>Center for International Trade Development</b>
<b>Chief Instructional Officers of the CCC</b>
<b>Chief Student Services Officers Association (CSSO)</b>
<b>Childcare Coordinating Council</b>
<b>Coast Conference Athletic Association</b>
<b>College and University Personnel Association</b>
<b>College Art Association</b>
<b>Collegiate Stores Corporation (CSC) (Bookstore)</b>
<b>Commission on Accreditation of Allied Health Education (CAAHEP)</b>
<b>Commission on Dental Accreditation American Dental Association (ADA)</b>
<b>Committee on Allied Health Education and Accreditation (CAAHEP)</b>

<b>Committee on Chemistry in the Two-year Colleges</b>
<b>Committee on the Accreditation for Respiratory Care (CoARC)</b>
<b>Community College Alliance of MESA Directors (CCAMD)</b>
<b>Community College Baccalaureate Association</b>
<b>Community College Business Officers (CCBO)</b>
<b>Community College Consortium - Computers, Reading and Language Arts</b>
<b>Community College Facility Coalition (CCFC)</b>
<b>Community College Humanities Association</b>
<b>Community College Leadership Development Initiative Foundation</b>
<b>Community Colleges for Int'l Dev (CCID)</b>
<b>Comprehensive College Baccalaureate Association (CCBA) (2009)</b>
<b>Council for Higher Education Accreditation</b>
<b>Council for Opportunity in Education (COE)</b>
<b>Council for Research Development (2010)</b>
<b>Council for the Arts - Palo Alto and Mid-Peninsula</b>
<b>Council of Chief Librarians - California Community Colleges</b>
<b>Council of Supply Chain Management Professionals</b>
<b>Daly City/Colma Chamber of Commerce</b>
<b>Daly City Partnership</b>

**SMCCCD Organizational Approved Memberships as of 12/31/2020 - (New Memberships highlighted in Gray)**

<b>Downtown Business Group of Redwood City</b>
<b>EDUCOM National Learning Infrastructure Initiative</b>
<b>English Council of California Two-year Colleges</b>
<b>Forum on Education Abroad</b>
<b>Foster City Chamber of Commerce</b>
<b>Foundation for California Community Colleges - UMOJA Consortium</b>
<b>Higher Education Recruitment Consortium</b>
<b>Hire-Ed</b>
<b>Hispanic Association of Colleges &amp; Universities</b>
<b>Honors Transfer Council of California</b>
<b>Housing Leadership Council of San Mateo County</b>
<b>IIE Network</b>
<b>Institute of International Education</b>
<b>Instructional Technology Council</b>
<b>Intercollegiate Tennis Coaches' Association</b>
<b>International Accounts Payable Professionals, Inc.</b>
<b>International Consortium for Educational Economic Development</b>
<b>International Association of Campus Law Enforcement Administrators (IACLEA)</b>
<b>Joint Review Committee for Respiratory Therapy</b>

<b>Joint Review Committee on Education in Radiology Technology</b>
<b>Journalism Association of Community Colleges</b>
<b>League for Innovation</b>
<b>Learning Assessment Retention Consortium</b>
<b>Learning Resources Network</b>
<b>Library Orientation Exchange(LOEX), Eastern Michigan University</b>
<b>Menlo Park Chamber of Commerce</b>
<b>Middle College High School Consortium</b>
<b>Modern Language Association of America</b>
<b>Multimedia Development Group</b>
<b>Music Association, California Community Colleges</b>
<b>NAFSA: Association of International Educators</b>
<b>National Alliance of Business</b>
<b>National Asian Pacific Islander Council (NAPIC)</b>
<b>National Association for Community College Entrepreneurship (NACCE)</b>
<b>National Association of Basketball Coaches</b>
<b>National Association of College Auxiliary Services (Bookstore)</b>
<b>National Association of College Stores (Bookstore)</b>
<b>National Association of Colleges and Employers (NACE)</b>

**SMCCCD Organizational Approved Memberships as of 12/31/2020 - (New Memberships highlighted in Gray)**

<b>National Association of Community College Teacher Education Programs (NACCTEP)</b>
<b>National Association of Foreign Student Affairs</b>
<b>National Association of Minority Engineering Program Administrators</b>
<b>National Association of Public Television Stations</b>
<b>National Association of Student Financial Aid Administrators (NASFAA)</b>
<b>National Association of Student Personnel Administrations</b>
<b>National Association of Small Business International Trade Educators</b>
<b>National Association of Veterans Program Administrators (NAVPA)</b>
<b>National Athletic Trainers' Association (NATA)</b>
<b>National Collegiate Honors Council</b>
<b>National Commission for Cooperative Education</b>
<b>National Community College Council for Research and Planning</b>
<b>National Community Colleges Hispanic Council</b>
<b>National Council for Continuing Education &amp; Training</b>
<b>National Council for Marketing &amp; Public Relations</b>
<b>National Council for Occupational Education</b>
<b>National Council of Teachers of English</b>

<b>National Council on Black American Affairs (NCBAA)</b>
<b>National Council on Student Development</b>
<b>National Fastpitch Coaches Association (NFCA) (New membership - CSM \$110)</b>
<b>National Fire Protection Association</b>
<b>National Institute for Staff and Organizational Development</b>
<b>National Kitchen &amp; Bath Association</b>
<b>National Public Radio (KCSM)</b>
<b>National Soccer Coaches Association of America</b>
<b>Non-Profit Gallery Association</b>
<b>North American Council for Staff Program and Organizational Development, NCSPOD</b>
<b>Northern California Chief Business Officials</b>
<b>Northern California Community College Computer Consortium</b>
<b>Northern California Community College Consortium - Affirmative Action</b>
<b>Northern California Football Alliance</b>
<b>Northern California Intersegmental Articulation</b>
<b>Northern California Track &amp; Cross Country Coaches Association</b>
<b>Northern California World Trade Center</b>
<b>Online Learning Consortium</b>
<b>Overseas Association for College Admission Counseling</b>

**SMCCCD Organizational Approved Memberships as of 12/31/2020 - (New Memberships highlighted in Gray)**

<b>Pacific Association College Registrars &amp; Admissions Officers (PACRAO)</b>
<b>Pacific Bell Providers' Consortium</b>
<b>Pacific Coast College Health Association (for District Health Council)</b>
<b>Pacifica Chamber of Commerce</b>
<b>Palo Alto Chamber of Commerce</b>
<b>President's Round Table</b>
<b>Public Agency Risk Managers Association (PARMA)</b>
<b>Public Radio Program Directors Association (KCSM)</b>
<b>Public Television Programmer's Association (KCSM)</b>
<b>Professional and Organizational Development (POD) Network in Higher Education</b>
<b>Radio Research Consortium (KCSM)</b>
<b>Recording for the Blind and Dyslexic</b>
<b>Redwood City 2020</b>
<b>Redwood City Chamber of Commerce</b>
<b>Redwood City Downtown Business Group</b>
<b>RP Group</b>
<b>SACNAS</b>
<b>San Bruno Chamber of Commerce</b>
<b>San Bruno Rotary Club</b>
<b>San Carlos Chamber of Commerce</b>

<b>San Francisco African American Chamber of Commerce</b>
<b>San Francisco Black Chamber of Commerce</b>
<b>San Francisco Chamber of Commerce</b>
<b>San Francisco Hispanic Chamber of Commerce</b>
<b>San Francisco Legal Assistant Association</b>
<b>San Mateo Chamber of Commerce</b>
<b>San Mateo Consortium of Quality Programs</b>
<b>San Mateo Council of Non Profits</b>
<b>San Mateo County Economic Development Association (SAMCEDA)</b>
<b>San Mateo County Employer Advisory Council</b>
<b>San Mateo County Fire Training Officers' Association</b>
<b>San Mateo County School Boards Association</b>
<b>School Employers' Association of Northern California</b>
<b>School Project for Utility Rate Reduction (SPURR) - dues are built into gas costs.</b>
<b>Silicon Valley Leadership Group</b>
<b>Society for College and University Planning (SCUP)</b>
<b>Society of Hispanic Professional Engineers</b>
<b>South San Francisco Chamber of Commerce</b>
<b>Specialty Equipment Market Association (SEMA)</b>
<b>State Association of Fire Educators</b>

**SMCCCD Organizational Approved Memberships as of 12/31/2020 - (New Memberships highlighted in Gray)**

<b>STEMconnector</b>
<b>StudyCalifornia</b>
<b>Teachers of English to Speakers of Other Languages</b>
<b>The Democracy Commitment</b>
<b>Transfer Center Directors Association of California Community Colleges</b>
<b>Tutor Tutor</b>
<b>U.S. Green Building Council</b>
<b>Western Association for College Admission Counseling</b>
<b>Western Intercollegiate Consortium on Education in Radiologic Technology</b>
<b>Western Regional Council on Black American Affairs</b>
<b>Western Regional Honors Council</b>
<b>Westop</b>
<b>Women in International Trade (Northern California Chapter)</b>
<b>Women in Logistics Northern California (WIL)</b>
<b>Woodside Terrace A.M. Kiwanis Club</b>
<b>Workforce Alliance</b>
<b>World Affairs Council of Northern California</b>
<b>Yoga Alliance</b>

**BOARD REPORT NO. 21-01-03CA**

TO: Members of the Board of Trustees  
FROM: Michael Claire, Chancellor  
PREPARED BY: Bernata Slater, Chief Financial Officer, 358-6795

**APPROVAL OF 2021-22 INTEGRATED DISTRICT BUDGET PLANNING CALENDAR**

The budget development process for 2021-22 requires the formulation of a budget calendar. Included in the 2021-22 calendar is consultation with the District Committee on Budget and Finance, which is a subcommittee of the District Participatory Governance Council in matters relating to finance.

The calendar provides timelines for planning, discussions, and decisions by the Board concluding with the adoption of the Final Budget for 2021-22 in September 2021.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the attached 2021-22 Integrated District Budget Planning Calendar.

**Integrated District Budget Planning Calendar, 2021-22**

<b>Date</b>	<b>Campus &amp; District Review / Action</b>	<b>Committee on Budget and Finance Consultation</b>	<b>Board Review / Action</b>
September 2020	Colleges: <ul style="list-style-type: none"> <li>• Finalize Spring 2021 Schedule of Classes</li> </ul>		
September	College Budget and Planning Committees convene: <ul style="list-style-type: none"> <li>• Review priorities, budget goals for current year and accomplishments from past year</li> </ul>	District Committee on Budget and Finance convenes	
September - October	Colleges: <ul style="list-style-type: none"> <li>• Develop program plans and discuss strategies</li> </ul>		
October – November	College Budget and Planning Committees: <ul style="list-style-type: none"> <li>• Develop college budget goals for 2021-22</li> <li>• Review District preliminary resource allocation</li> </ul> District Office: <ul style="list-style-type: none"> <li>• Faculty Obligation Number due to the State</li> <li>• Review draft external audit reports</li> </ul>		
October – December	College Budget and Planning Committees: <ul style="list-style-type: none"> <li>• Submit hiring priorities</li> <li>• Submit tentative recommendations for 2021-22 that includes number of positions to be funded</li> </ul>	Review budget planning calendar Discuss: <ul style="list-style-type: none"> <li>• Budget strategies</li> <li>• New resource allocation, if any</li> <li>• Budget development process</li> <li>• Resource Allocation Model</li> </ul>	
January 2021	2020-21 “P1” First Principal Apportionment: <ul style="list-style-type: none"> <li>• Chief Financial Officer certifies CCFS-320 (FTES Report)</li> </ul>	Review CCFS-320 (FTES Report)	Approve 2021-22 Integrated District Budget Planning Calendar  Accept 2019-20 external audit reports

January 10	Governor's 2021-22 Budget Proposal		
January – February	College Budget and Planning Committees: <ul style="list-style-type: none"> <li>Review 2020-21 expenditures to date</li> </ul> Chancellor's Council: <ul style="list-style-type: none"> <li>Discuss budget strategies and allocations</li> </ul>	Revise budget planning calendar, as appropriate  Review and reassess 2021-22 estimates impacted by Governor's Budget Proposal <ul style="list-style-type: none"> <li>Discuss revenue and expenditure implications</li> <li>Inform District Participatory Governance Council</li> </ul>	
January - February	Ongoing State Budget Hearings Legislative Analyst's Office Review of Governor's Proposed Budget		
February	Colleges: <ul style="list-style-type: none"> <li>Finalize Summer 2021 Schedule of Classes</li> </ul> 2019-20 Recalc Apportionment received from State (final adjustments from prior year)	Review of 2020-21 Mid-Year Budget Report  Presentation of Preliminary Resource Allocation Model  Review of preliminary 2021-22 assumptions	Review of Governor's Proposed Budget  Review of preliminary State and District revenue assumptions and implications  Review of District expenditure plans and implications  Discuss budget priorities  Discuss program and operational priorities  Acceptance of 2020-21 Mid-Year Budget Report
March	Colleges: <ul style="list-style-type: none"> <li>Finalize Fall 2021 Schedule of Classes</li> </ul>	Review of Board 2021-22 budget priorities and district-wide allocations	
March – April	District Budget Officer: <ul style="list-style-type: none"> <li>Run preliminary position control report for 2021-22</li> </ul> Colleges: <ul style="list-style-type: none"> <li>On-going review of position control</li> </ul>		Receive budget updates, as needed  Review budget assumptions for 2021-22 Tentative Budget  Establish Board Goals for 2021-22

	<ul style="list-style-type: none"> <li>• Prepare for current year external audit</li> </ul> <p>College Budget and Planning Committees:</p> <ul style="list-style-type: none"> <li>• Review preliminary 2020-21 ending balance estimates</li> </ul>		
March – May	<p>Departments:</p> <ul style="list-style-type: none"> <li>• Submit budget requests for 2021-22 to College Budget Committees</li> </ul> <p>College Budget Committees:</p> <ul style="list-style-type: none"> <li>• Review departmental budget requests for 2021-22</li> </ul>		
April	<p>2020-21 “P2” Second Principal Apportionment:</p> <ul style="list-style-type: none"> <li>• Chief Financial Officer certifies CCFS-320 (FTES Report)</li> </ul>	Review CCFS-320 (FTES Report)	
Mid May	Governor’s May Revise		
May	<p>Review of Governor’s May Revise</p> <p>Site tentative budgets completed</p> <p>Work begins on developing final budget</p> <p>District Budget Officer:</p> <ul style="list-style-type: none"> <li>• Prepare Fiscal Management Self-Assessment Checklist</li> </ul>	<p>Review of Governor’s May Revise</p> <ul style="list-style-type: none"> <li>• Inform District Participatory Governance Council</li> </ul> <p>Review Fiscal Management Self-Assessment Checklist</p>	Receive Governor’s May Revise Budget Update
June	<p>District Office:</p> <ul style="list-style-type: none"> <li>• Completes 2021-22 Tentative Budget input and document</li> <li>• Complete 2021-22 GANN Limit Calculation</li> </ul>	Review of 2021-22 Tentative Budget	<p>Adopt the 2021-22 Tentative Budget</p> <p>Adopt the 2021-22 GANN Limit Calculation</p>
June 30	State Budget Adopted		
June-August	Adjustments to 2021-22 Final Budget	Receive updates to any significant changes from 2021-22 Tentative Budget to 2021-22 Final Budget	
July	2020-21 Annual Principal Apportionment:		

	<ul style="list-style-type: none"> <li>Chief Financial Officer certifies CCFS-320 (FTES Report)</li> </ul> <p>County:</p> <ul style="list-style-type: none"> <li>Finalizes 2021-22 Assessed Valuation</li> </ul>		
August	Legislative Trailer Bills State Budget Workshop		
August	<p>District Office:</p> <ul style="list-style-type: none"> <li>Close 2020-21 books</li> <li>Completes 2021-22 Final Budget input and document</li> </ul> <p>2021-22 Advanced Apportionment received from State</p>		
September		Review CCFS-320 (FTES Report)	Public Hearing and adopt 2021-22 Final Budget

**BOARD REPORT NO. 21-01-06B**

TO: Members of the Board of Trustees  
FROM: Michael Claire, Chancellor  
PREPARED BY: Bernata Slater, Chief Financial Officer, 358-6755

**RECEIPT AND ACCEPTANCE OF THE 2019-20 DISTRICT AUDIT REPORT**

Attached is a copy of the audit of the San Mateo County Community College District funds, prepared by the Board-approved firm of Crowe LLP. The audit was based upon the fiscal year ending June 30, 2020. A representative of the auditing firm will be present at this meeting to respond to questions about the audit in general and about the firm's findings and recommendations for the District.

**RECOMMENDATION**

It is recommended that the Board of Trustees receive and accept the 2019-20 audit report for the District, which was filed by Crowe LLP with the State Department of Education, the State Controller, and the State Chancellor's Office prior to the December 31, 2020 due date.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**  
**FINANCIAL STATEMENTS**  
June 30, 2020

FINANCIAL STATEMENTS  
 WITH SUPPLEMENTARY INFORMATION  
 For the Year Ended June 30, 2020

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FINANCIAL STATEMENTS  
 WITH SUPPLEMENTARY INFORMATION  
 For the Year Ended June 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
San Mateo County Community College District  
San Mateo, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, the fiduciary activities and the discretely presented component unit of San Mateo County Community College District, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise San Mateo County Community College District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the fiduciary activities and the discretely presented component unit of the San Mateo County Community College District, as of June 30, 2020, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 22 and the Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 68 to 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Mateo County Community College District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The schedule of expenditures of federal awards and other supplementary information as listed in the table of contents, except for the Organization, have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and other supplementary information as listed in the table of contents, except for the information on page 74 titled Organization, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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(Continued)

The information on page 74 titled Organization has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2020 on our consideration of San Mateo County Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of San Mateo Community College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Mateo County Community College District's internal control over financial reporting and compliance.



Crowe LLP

Sacramento, California  
December 4, 2020

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS****JUNE 30, 2020**

---

**Introduction**

The San Mateo County Community College District ("District") was established in 1922, and operates three colleges: Cañada College, College of San Mateo, and Skyline College. Located between San Francisco and the Silicon Valley, the District's colleges provide community college educational services to residents of the County of San Mateo, California. In total the three Colleges of the District serve approximately 30,000 students annually and offer the first two years of college-level instruction in a wide variety of transfer programs as well as more than 120 career and technical education (CTE) programs. Students can earn either an Associate in Arts or Science degree or receive Certificates of Proficiency in their chosen fields. Additionally, Skyline College offers one of only fifteen baccalaureate programs in the California Community College System, where students can earn a Bachelor of Science degree in Respiratory Care. Distance education courses are available at all three colleges as well as courses and programs serving concurrently enrolled students. Noncredit short courses are offered for a fee through the District's Community Education Program.

This section of the District's Annual Financial Report presents management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020. The discussion and analysis should be read in conjunction with the financial statements and the notes which follow this section.

The annual report consists of three basic financial statements that provide information on the District as a whole:

- The Statement of Net Position
- The Statement of Revenues, Expenses, and Change in Net Position
- The Statement of Cash Flows

Each one of these statements will be discussed in the following pages.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020****Economic Position of the District within the State**

The District continues its community-supported status for the tenth consecutive year (since FY 2011-12). When the State sets the District's revenue limit (determining how many students the District is funded to serve) and deducts from the revenue limit local property taxes, student fees, funds received from the Education Protection Account, and an on-going allocation since FY 2015-16 for full-time faculty hiring, there is no need for State apportionment to sum to the revenue limit. This means that the District has more resources than it would normally receive as a revenue limit district and is no longer subject to the State's budgetary constraints for general apportionment resources. The District is now firmly in community-supported status and anticipates to receive upwards of \$80 million in FY 2020-21 in excess of what the District would have received had it been subject to the revenue limit established by the State. In addition to an increase in property taxes, the District continues to receive funds from the dissolution of Redevelopment Agencies (RDAs). As fewer property taxes are diverted to RDAs, more of this revenue is redirected to the District. The former RDAs are also slowly selling assets, which brings additional one-time resources to the District's coffers. All in all, the District's revenues have steadily increased over the years; however, the impact of the pandemic on property taxes and thus this revenue stream for the District is uncertain. Given the District's community-supported status and its reliance on property taxes, which is dependent on assessed valuation (an economic lagging indicator), the District is anticipating lower property tax revenue increases over the next couple years and budgeting accordingly to ensure balanced budget. The District has planned for three scenarios. The 2020-21 Final Budget is based upon Scenario 1 with assessed valuation for 2020-21 anticipating an increase of 7.02%, which is consistent with data from the Assessor's Office, <sup>1</sup> with modest decreases in the out years. For contingency planning purposes, Scenario 2 and 3 have been discussed across the organization. The scenarios are noted below:

Property Taxes	2020-21	2021-22	2022-23
Scenario 1 (Current)	7.02%	4.5%	4%
Scenario 2		1.5%	.5%
Scenario 3		-1.5%	-3.5%

With this modest reduction in projected property tax revenue the District still projects a balanced budget for the next three fiscal years.

**Salaries and Benefits**

The expenditure projection for salaries includes annual increases for movement on step and column placements and longevity service increments. FY 2019-20 includes actual as well as accrued salary adjustments for all employee groups. The FY 2020-21 budget includes an anticipated salary adjustments for all employee groups and increases in health premium rates for employees and retirees effective January 1, 2021. On average, the rates increased approximately 7.22% across all medical plans. Dental and vision insurance premiums remained unchanged.

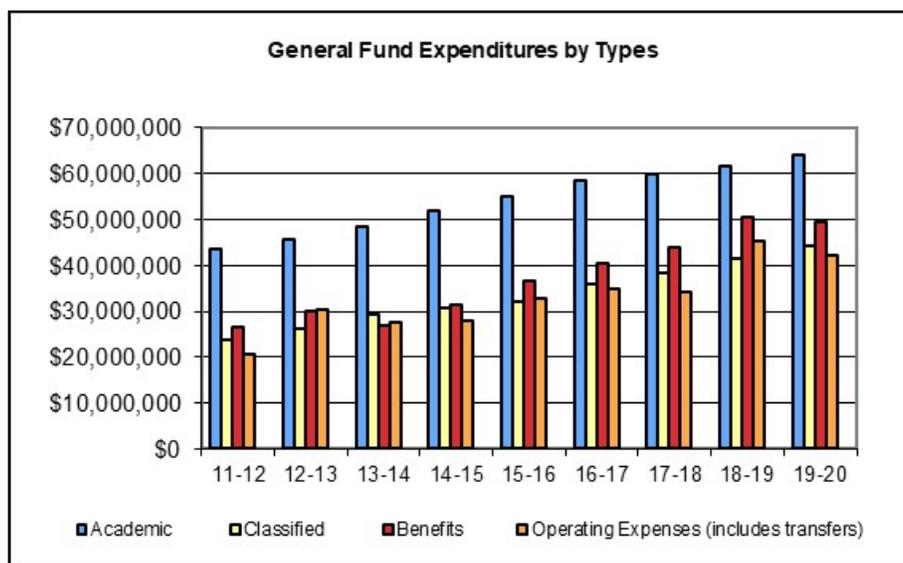
<sup>1</sup> <https://www.smcacre.org/assessor-clerk-recorder-press-releases-0>

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

The 2020-21 State Budget redirected \$2.3 billion from the 2019-20 State Budget Act that was allocated to provide long-term relief for the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) to further reduce the employer contribution rates for 2020-21 and 2021-22. This action reduced the employer contribution rates by approximately 2% and does provide short-term relief to employers; however, districts continue to grapple with long-term funding strategies as rates are expected to continue to rise for the next several years. For 2020-21, the PERS employer rate increased from 19.72% to 20.70% for classified employees and the STRS employer rate decreased from 17.1% to 16.15% for faculty and other academic employees. The District's Workers' Compensation costs have remained low; however, given the pandemic, the District elected to increase its internal charge percentage from a rate of .71% of payroll to .90% of payroll based upon the 90% confidence level per the District's actuarial study. The unemployment insurance contribution rate remained unchanged at 0.055%.

Below is a historical graphical depiction of unrestricted general fund expenditures by expenditure type:



#### **Other Postemployment Benefits**

To comply with Governmental Accounting Standards Board Statement 45, in FY 2009-10, the District began assessing an amount to cover the future retiree medical benefit costs for current employees. These charges appear as part of benefit expenses across all funds.

The District adopted Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in FY 2016-17. This Statement replaced the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB plans. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, established new accounting and financial reporting requirements for OPEB plans.

GASB Statement 75 requires the liability of employers and non-employer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. As a result of GASB Statement 75 implementation, the District was required to recognize all of the OPEB liability rather than amortize it over 30 years.

The District made no contributions in FY 2019-20 and contracted to prepare an actuarial study as of June 30, 2020. This recent study determined that the District has fully funded its OPEB liability of \$118 million. The fiduciary net position of the trust on June 30, 2020 was \$128.5 million (or nine percent "over-funded"). (See Note 13 in the financial statements for additional details.)

Given this funding status, the District anticipates disbursing \$7.1 million from the Reserve Fund for Post-Retirement to fund its "pay as you go" retiree benefit costs in FY 2020-21. The District anticipates to start drawing from the Futuris Other Post-Employment Benefits (OPEB) Trust in FY 2021-22 to fund "pay as you go" retiree benefit costs while continuing to charge itself for future OPEB benefits for current employees. Effective FY 2020-21, this charge is 3% of payroll, which is a decrease of 2% of payroll in prior years.

#### **Bond construction**

As of June 30, 2020, \$289 million of the \$388 million authorization for the Measure H November 2014 General Obligation Bond Program has either been spent or encumbered by contract. Below is a sample of projects funded:



*Building 1 Progress*



*Building 9*

Various projects were completed throughout the year including:

- Campus Bus Stop Relocation
- Astronomy Observatory
- Building 9 Exterior Envelope Repairs

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

College of San Mateo

*Edison Lot Progress**Building 17 Sparkpoint*

Various projects were completed throughout the year including:

- Building 17 Student Life and Learning Communities Renovation

*Building B3A-E Portable Replacement Progress**Building 1 Midi/Piano Lab Progress*

Various projects were completed throughout the year including:

- Building 3 South Wall Waterproofing
- Building 6 Fireside Furniture Refresh
- Parkland and Accessible Route to College Ridge

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

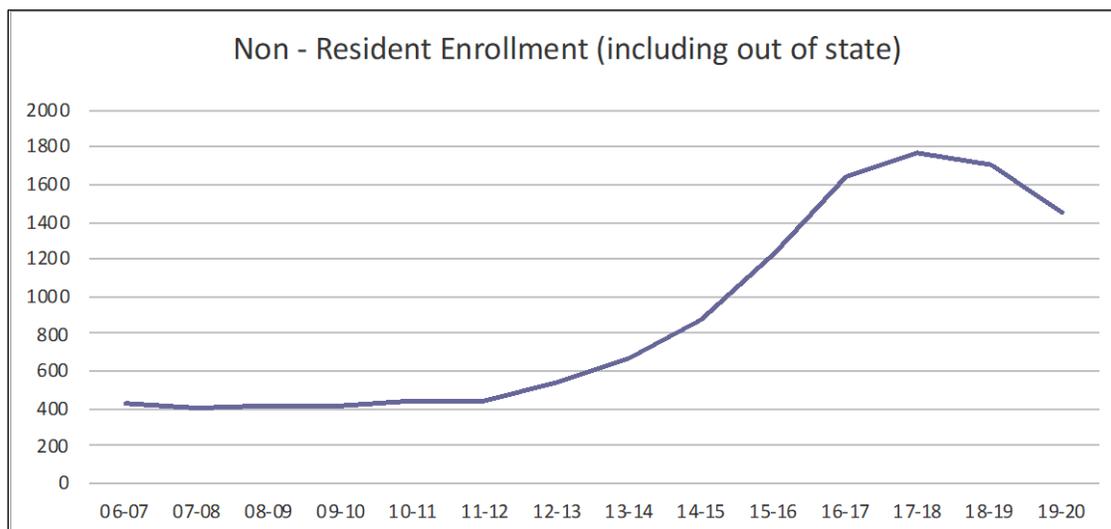
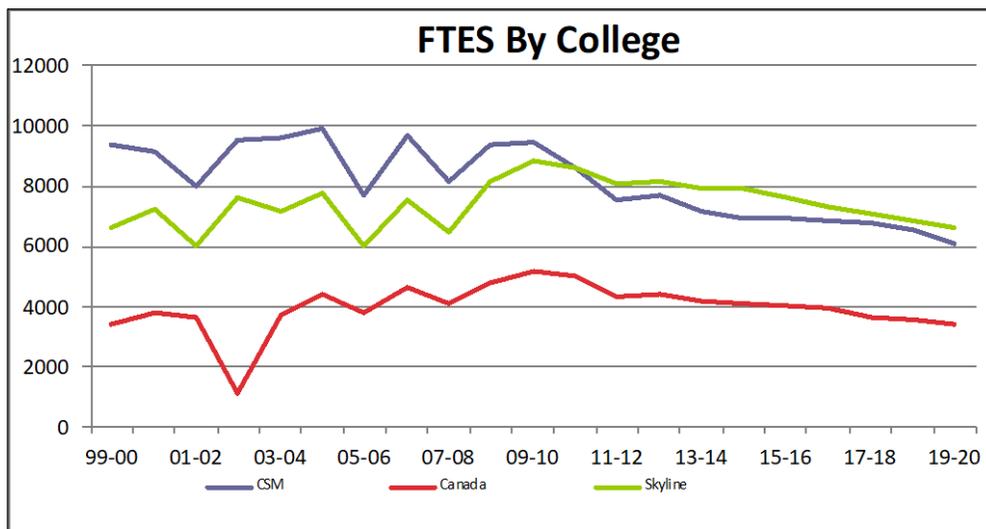
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2020**

**Enrollment:**

For the District, enrollment is no longer the main driver of funding since property taxes and fees primarily determine its resource as a community-supported district. Historically, community college districts' enrollment increases when unemployment increases and decreases when the economy recovers. Accordingly, the District's enrollment has declined over the past ten years partially due to the dramatic improvement in the economy in the Bay Area. In FY 2019-20, the District's resident enrollment continued to decline accelerated by the pandemic. Additionally, federal anti-immigration policies coupled with the pandemic pushed international student enrollment back to the level of FY 2015-16, a 44% decline. The District anticipates educating close to 460 international students in FY 2020-21 and is implementing a program upon which international students can enroll in courses from their home country via distance education.

Below is a historical graphical depiction illustrating Full Time Equivalent Students (FTES) enrolled in the District's colleges:



## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

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**PERS and STRS Retirement Pensions.** The District participates in the Public Employees Retirement System (CalPERS) and State Teachers Retirement System (CalSTRS). The District and the employee each pay a percentage of the employee's salary into one of these systems. The State of California contributes to these systems as well. The rates that are paid are set by the CalPERS Board for CalPERS and, pursuant to AB 1469, the legislation gives the CalSTRS Board limited authority to adjust employer contribution rates for CalSTRS. For many years, the employee rate for both systems did not change, but the CalPERS Board has increased the employer rate as deemed necessary. For the past few years, the employee rate for CalSTRS as well as the employer rates for both systems have increased significantly. At this time, both systems are underfunded in terms of their actuarially determined liability. The employer rate for CalPERS is projected (subject to change) to steadily increase to 27.30% by FY 2023-24 while the employer rate for CalSTRS will increase to 18.10% by FY 2023-24. Management anticipates these increases to cost the District by at least \$6.5 million by FY 2023-24.

Below is a chart illustrating the employer rates for the PERS and STRS Retirement Pensions as known and projected:

	<b>CalPERS</b>	<b>CalSTRS</b>
<b>2013-14</b>	11.44%	8.25%
<b>2014-15</b>	11.77%	8.88%
<b>2015-16</b>	11.85%	10.73%
<b>2016-17</b>	13.89%	12.58%
<b>2017-18</b>	15.53%	14.43%
<b>2018-19</b>	18.06%	16.28%
<b>2019-20</b>	19.72%	17.10%
<b>2020-21</b>	20.70%	16.15%
<b>2021-22</b>	23.01%	16.00%
<b>2022-23</b>	26.24%	18.10%
<b>2023-24</b>	27.30%	18.10%

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

Effective FY 2014-15, GASB Statement 68 required the District to record its share of the pension systems' total liabilities for retirement benefits. The rationale is that public employers have pooled to create these systems and thus are jointly responsible for any shortfall in the systems' reserves. Each of the systems have less funding than their actuarial studies determined is needed to provide benefits for current and future retirees. Below is a chart illustrating the effect of GASB Statement 68:

	<b>CalSTRS</b>	<b>CalPERS</b>	<b>Total</b>
Net Pension Liability	\$ 90,316,000,000	\$ 29,144,251,322	
SMCCCD Share	0.099%	0.412%	
SMCCCD Liability	\$ 89,413,000	\$ 120,075,000	\$ 209,488,000

Accordingly, the District's net position as of June 30, 2020 will reflect an additional \$11.7 million liability for a total of \$209.5 million.

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020*SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENT OF NET POSITION - PRIMARY GOVERNMENT  
AS OF JUNE 30, 2020 and 2019*

	(In Thousands) 2020	(In Thousands) 2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 79,015	\$ 62,246
Accounts Receivable, net	26,553	21,152
Inventories	4,703	3,673
Prepaid Expenditures and other assets	3,265	2,893
<b>Total Current Assets</b>	<b>113,536</b>	<b>89,964</b>
<b>Noncurrent Assets</b>		
Restricted Cash and Cash Equivalents	416,219	496,899
OPEB Asset	10,539	13,462
Depreciable Capital Assets, Net	558,156	533,748
Nondepreciable Capital Assets	218,642	183,285
<b>Total Noncurrent Assets</b>	<b>1,203,556</b>	<b>1,227,394</b>
<b>TOTAL ASSETS</b>	<b>1,317,092</b>	<b>1,317,358</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding	9,998	10,664
Deferred outflows - pensions	55,105	60,639
Deferred outflows - OPEB	9,483	2,447
<b>TOTAL ASSETS &amp; DEFERRED LOSS ON REFUNDING</b>	<b>\$ 1,391,678</b>	<b>\$ 1,391,108</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable & Accrued Expenses	\$ 27,809	\$ 29,205
Accrued Interest	8,767	9,179
Unearned Revenue	16,162	18,708
Compensated absences	3,408	3,937
Long-Term Debts, Current Portion	47,921	45,636
<b>Total Current Liabilities</b>	<b>104,067</b>	<b>106,665</b>
<b>Noncurrent Liabilities</b>		
Compensated Absences	3,818	1,795
Long Term Debt - Non- Current Portion	1,026,018	1,049,780
Net OPEB Liability	209,103	197,690
Aggregate net pension obligation		
<b>Total Noncurrent Liabilities</b>	<b>1,238,939</b>	<b>1,249,265</b>
<b>TOTAL LIABILITIES</b>	<b>1,343,006</b>	<b>1,355,930</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pensions	12,322	10,351
Deferred inflows - OPEB	11,947	13,874
Deferred inflows - debt refunding	4,596	4,529
<b>NET POSITION</b>		
Net Invested in capital assets	9,050	235,442
Restricted for:		
Capital Projects	32,383	26,750
Debt Service	70,757	80,976
Educational Programs	16,229	47,024
Other activities	19,787	16,918
Unrestricted	(128,399)	(400,686)
<b>TOTAL NET POSITION</b>	<b>19,807</b>	<b>6,424</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,391,678</b>	<b>\$ 1,391,108</b>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**Statement of Net Position**

The Statement of Net Position above includes all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting basis used by private companies. Net Position, the difference between total assets and total liabilities, is one way to measure the financial condition of the District. The following are explanatory remarks regarding the statement:

- Cash and cash equivalents consist of cash in the Local Agency Investment Fund (LAIF) of the State Treasurer's Office, San Mateo County Investment Pool, a special deposit bond with Wells Fargo Bank, proceeds from the District's general obligation bonds, institutional investment pool, and certificates of deposit with various banks.
- Accounts receivable primarily consists of revenues from local, state, and federal sources which were not received as of June 30, 2020.
- Inventories and other assets include prepaid expenses and bookstore inventories.
- Capital assets, net of depreciation, are the net historical value of land, buildings, construction in progress, and equipment less accumulated depreciation.
- Accounts payable and accrued liabilities consist of benefits, salaries, and amounts owed to local vendors which the District incurred but for which payments were not issued as of June 30, 2020.
- Unearned revenues represent cash received during FY 2019-20 from the State, Federal grants, and student fees which were not "earned" as of June 30, 2020.
- Long-term liabilities include obligations to be paid over a period longer than one year. The current portion represents payments due within the next 12 months. The District has compensated absences payable and construction bonds payable in its long-term liabilities.
- According to the Governmental Accounting Standards Board, equity is to be reported as net position, rather than fund balance. The District's net position is classified as follows:
  - Net investment in capital assets, represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
  - Restricted net position consists of both expendable and nonexpendable portions. Restricted expendable net position includes resources which the District is contractually obligated to expend in accordance with restrictions imposed by external third parties.
  - Unrestricted net position represents resources used for transactions relating to the educational and general operations of the District.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**Statement of Revenues, Expenses and Change in Net Position**

The Statement of Revenues, Expenses and Change in Net Position shown below consists of operating and non- operating results for the District. Operating revenues represent all revenues from “exchange” transactions, in which each party gives and receives essentially equal value. Non-operating revenues include State revenues, property tax revenues, investment earnings, certain Federal and State grants, entitlements, and donations.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

***SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION -  
PRIMARY GOVERNMENT  
FOR THE YEARS ENDED JUNE 30, 2020 and 2019***

	(In Thousands)	(In Thousands)
	<b>2020</b>	<b>2019</b>
<b>OPERATING REVENUES</b>		
Net Student Tuition and Fees	\$ 21,307	\$ 22,944
Auxiliary Enterprise Sales and Charges	8,254	10,010
Other Sales and Charges	1,611	1,908
<b>TOTAL OPERATING REVENUES</b>	<b>31,172</b>	<b>34,862</b>
<b>OPERATING EXPENSES</b>		
Salaries	144,028	135,998
Employee benefits	74,825	70,645
Supplies, Materials, and Other Operating Expenses and Services	33,875	36,976
Student Aid	25,459	19,622
Depreciation	29,121	27,467
<b>TOTAL OPERATING EXPENSES</b>	<b>307,308</b>	<b>290,708</b>
<b>OPERATING LOSS</b>	<b>(276,136)</b>	<b>(255,846)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Local Property Taxes, Levied for General Purposes	168,332	157,586
Local Property Taxes, Levied for Special Purposes	66,689	43,981
State Taxes and Other Revenues	13,177	17,257
Grants, Apportionments and Contracts, Noncapital	61,112	52,961
Investment Income	17,336	8,122
Interest Expense	(44,396)	(32,799)
Gain (Loss) on Disposal of Asset	(23)	29,977
Other Non-Operating Revenues (Expenses)	6,963	26,218
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>289,190</b>	<b>303,303</b>
<b>INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES</b>	<b>13,054</b>	<b>47,457</b>
State revenues, capital	186	398
Local revenues, capital	143	269
<b>TOTAL OTHER REVENUES AND EXPENSES</b>	<b>329</b>	<b>667</b>
<b>CHANGE IN NET POSITION</b>	<b>13,383</b>	<b>48,124</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>6,424</b>	<b>(41,700)</b>
<b>RESTATEMENT</b>	<b>-</b>	<b>-</b>
<b>Cumulative effect of GASB 75 implementation</b>		
<b>NET POSITION, BEGINNING OF YEAR AS RESTATED</b>	<b>6,424</b>	<b>(41,700)</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 19,807</b>	<b>\$ 6,424</b>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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The following are explanatory remarks regarding the statement:

- Tuition and fees include enrollment, health, non-resident tuition, and other student fees, less scholarship discounts and allowances as defined by GASB Statement 35.
- Auxiliary enterprise sales and charges consist of bookstore and cafeteria sales, community and contract instruction, and fitness center income.
- Internal services include premiums and self-insurance charges for general liability and workers compensation.
- State apportionments, non-capital includes state apportionment, apprenticeship, and child development apportionment. (This is not to be confused with general apportionment as the District does not receive this type of revenue given its community-funded status.)
- Local property taxes and other non-operating revenues consist primarily of secured and unsecured taxes which are payable to the District in December and April of each year. The County of San Mateo collects the taxes on behalf of the District. Other non-operating revenues are State lottery revenue and miscellaneous local income.
- Federal and state grants and contract services are exchange transactions for which the District files applications, complies with individual spending restrictions, files expenditure reports, and/or enters into contracts.
- Net investment income includes interest from the San Mateo County Investment Pool managed by the County Treasurer, certificates of deposit, bond proceeds, and the Local Agency Investment Fund (LAIF).
- State and local revenues - capital includes State scheduled maintenance funding and proceeds from the issuance of general obligation bonds issuance. These revenues relate mainly to construction activities.

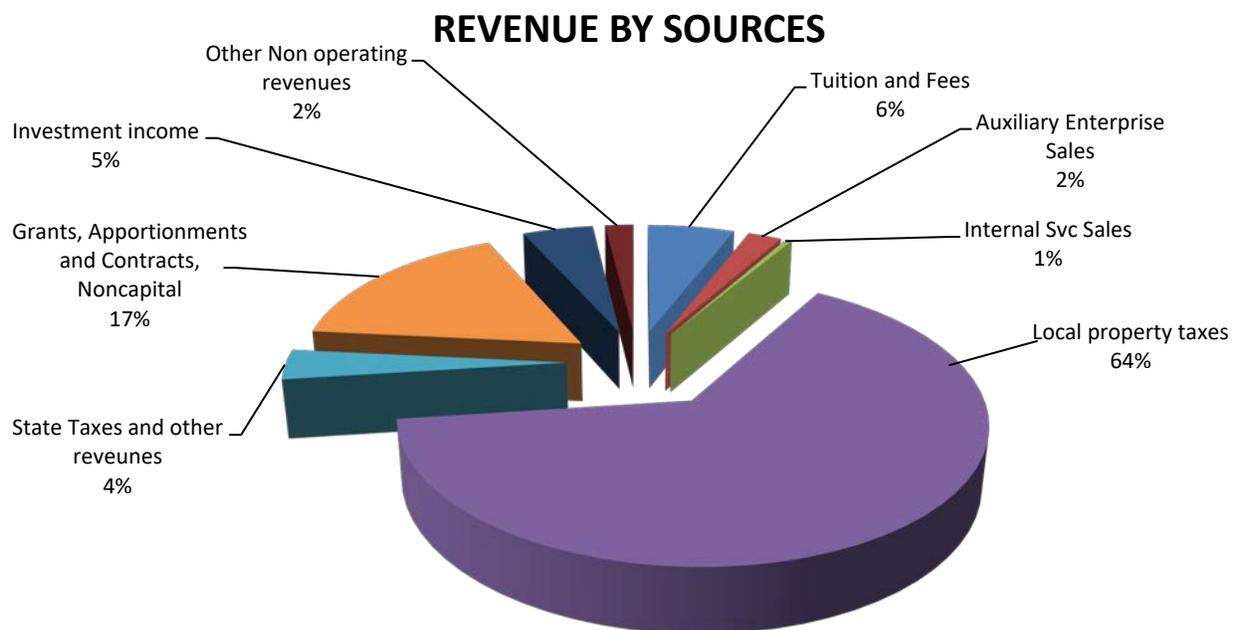
## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

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Below is an illustration of District revenues by source:

**Graph 1. Revenue by Sources**



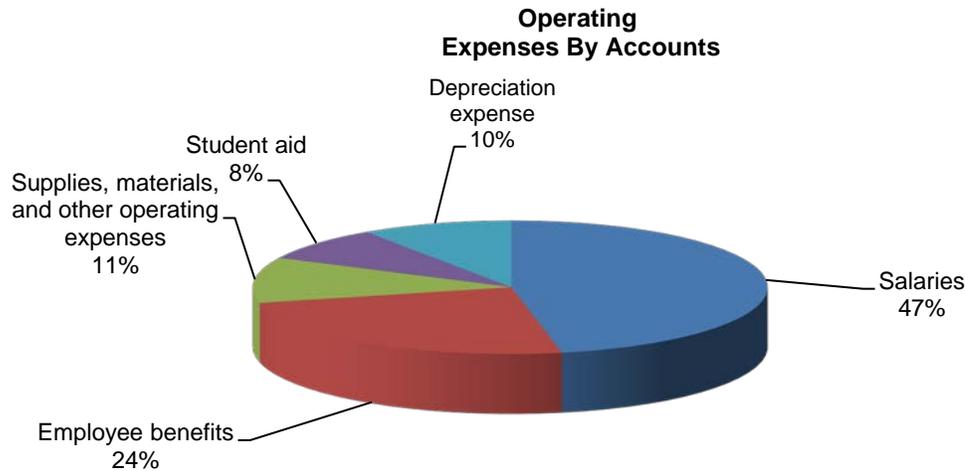
Revenues and expenses changed mainly due to the following:

- Operating revenue experienced a decrease due to a decrease in tuition and fees as well as reduction to Auxiliary operations revenue due to covid-19 pandemic.
- Non-operating revenue increased mainly due to an increase in local property taxes, state as well as federal grants and investment income.

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

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**Graph 2. Operating Expenses By Accounts**

The following are explanatory remarks regarding the above graph:

- Salaries and benefits expenses represent the largest percentage of the District's operating expenses.
- Supplies, materials, other operating expenses, services and utilities are the normal cost of operating expenses for exchange transactions.
- Depreciation of capital assets is computed and recorded using the straight-line method. The District maintains a capitalization threshold of \$5,000 for equipment and \$100,000 for building improvements. Useful lives of the assets are estimated as follows:
  - 5 to 10 years for equipment
  - 25 to 50 years for improvements
  - 25 to 50 years for buildings

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2020**

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**Cash Flows**

The Statement of Cash Flows shown below provides information about cash receipts and cash payments during the fiscal year. The statement also assists readers in understanding the District's ability to generate net cash flows and its ability to meet obligations as they come due and the District's need for assistance via external financing. The District has adopted the direct method, and under this method, data for cash flow present operating activities by major categories of gross receipts and gross payments as well as the resulting net amount. Additional explanatory information for the statement is as follows:

- The main cash receipts from operating activities consist of tuition, student fees, and auxiliary enterprise sales. Cash outlays include payment of salaries, benefits, supplies, and operating expenses.
- State apportionments, property taxes, and grants are the primary source of non-capital financing.
- For capital financing activities, the main sources are from special state apportionments and general obligation bond.
- Cash from investing activities consists of interest from the County Investment Pool, the institutional investment pool, certificates of deposits, general obligation bonds, and the Local Agency Investment Fund (LAIF).

**Table 3 - Statement of Cash Flows**

***SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT***  
***STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT***  
***FOR THE YEARS ENDED JUNE 30, 2020 and 2019***

	(In Thousands) <b>2020</b>	(In Thousands) <b>2019</b>
<b>CASH FLOWS (USED IN) PROVIDED BY:</b>		
Operating Activities	\$ (240,223)	\$ (228,320)
Noncapital financing activities	312,609	292,832
Capital financing activities	(153,633)	171,164
Investing activities	17,336	8,122
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(63,911)</b>	<b>243,798</b>
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>559,144</b>	<b>315,346</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 495,233</b>	<b>\$ 559,144</b>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS****JUNE 30, 2020**

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**Economic Factors and the FY 2020-21 Budget**

Being community-supported, the District's revenues primarily consist of property tax revenues and student fees and are relatively predictable. The County Assessor's Office has stated that the secured roll's assessed valuation increased 7.02% county-wide in FY 2020-21. Accordingly, the District's has projected property tax revenues in FY 2020-21 to increase by 7.02%. This coupled with solid reserves of 15% and state, federal, and local dollars designated for response to pandemic-related expenditures puts the District on solid financial footing. The District continues to build multi-year financial plans and has planned balanced budgets through FY 2022-23.

**Construction Planning FY 2020-21 and Beyond**

The District continues to revise and update its master schedule and the master budget associated with the Capital Improvement Program to coincide with funding and programming requirements. For several years, the District experienced a decline in State Capital Outlay funds for projects due to the fact that the State had failed to approve an educational facilities bond. However, with the passage of Proposition 51, a \$9.1 billion statewide education facilities bond, in November 2016, the District is receiving \$34.5M for three projects, one at each campus, with local matching funds from Measure H. The District could receive close to \$55 million for facilities upgrades contingent on local match. The State process is in flux so the timing is uncertain.

Compilations of site-specific activities, which are currently in design or construction phase, are listed below:

**Cañada College:**

- Building 1N Kinesiology and Wellness Center
- Building 13 Multiple Program Instructional Center
- Building 13 Swing Space
- Building 16/18 Swing/Secondary Effects
- Building 22 Swing Space
- Cañada Vista Envelope Repairs
- Parking Lot 6 Expansion

**College of San Mateo:**

- Building 3 Theatre Modernization
- Building 19 Facelift
- Building 20 Edison Lot Expansion
- Water Supply Tank Replacement

**Skyline College:**

- Building 1 Social Science and Creative Arts Building Facelift
- Building 2 Workforce and Economic Development Prosperity Center
- Buildings 3A/B/C/D/E Portable Replacement
- Building 19 Pacific Heights Swing Space

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**Districtwide:**

- Districtwide UPS Device (MDF/IDF) Replacement
- Districtwide Telephone System Replacement
- Districtwide Network Switch Upgrade
- Districtwide Firewall Network Switch Upgrade
- Districtwide Wireless Access Point Replacement
- Districtwide ADA Transition Plan Upgrade
- Districtwide Server Replacement
- Districtwide Video Camera Replacement

The District is fortunate in having legislative authority to use a variety of construction delivery methods to best suit each project's character and bring best value to the colleges and community, including design-build, multiple-prime contracting, as well as the traditional design-bid-build delivery method.

**Staff and Faculty Housing**

In response to regional housing costs that are among the highest in the country, the District has undertaken initiatives to assist faculty and staff with the high cost of housing. The District currently owns and operates 104 housing units at its College of San Mateo and Cañada College, and a third complex with 30 units is under development at Skyline College. Employees are eligible to live in these units for up to seven years and pay rent that is well below market rate. Residents of the employee housing program are strongly encouraged to save the money from their reduced rent to apply towards a down payment to buy housing in the area. The District also has a second loan program for first-time homebuyers that will supplement employees' down payment savings up to \$150,000 with a closing cost grant of up to a \$1,000.

**Locations**

**College Vista**, located on the College of San Mateo campus, is a two and three-story complex with 44 units built on a 2-acre site with stunning views of the South Bay.



**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**Cañada Vista**, located at Cañada College, consists of two three-story residential buildings with 60 units on 3.3 acres overlooking mountain views.



**College Ridge**, located at Skyline College, has completed initial site work development and it is anticipated that a contractor will be selected by late 2020 to begin construction on the 30-unit development. Anticipated opening of the new complex is spring 2022.

**Contacting the District's Financial Management Office**

This financial report is designed to provide our citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to illustrate the District's accountability for funding it receives. Questions or concerns about this report or requests for additional financial information should be addressed to Bernata Slater, Chief Financial Officer, by phone at 650-358-6755 or by e-mail at [slaterb@smccd.edu](mailto:slaterb@smccd.edu).

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 79,015,364
Accounts receivables, net	26,553,340
Inventory	4,703,709
Prepaid expenses	<u>3,264,380</u>
Total current assets	<u>113,536,793</u>

Noncurrent assets:

Restricted cash and cash equivalents	416,219,303
Net OPEB asset	10,538,993
Nondepreciable capital assets	218,641,584
Depreciable capital assets, net	<u>558,155,936</u>
Total noncurrent assets	<u>1,203,555,816</u>

Total assets	<u>1,317,092,609</u>
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**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflow of resources - OPEB	9,483,032
Deferred outflow of resources - debt refundings	9,997,917
Deferred outflow of resources - pensions	<u>55,104,900</u>
Total deferred outflows of resources	<u>74,585,849</u>

Total assets and deferred outflows of resources	<u>\$ 1,391,678,458</u>
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**LIABILITIES**

Current liabilities:

Accounts payable	\$ 27,808,908
Interest payable	8,766,925
Unearned revenue	16,162,300
Compensated absences payable - current portion	3,407,764
Long-term debt - current portion	<u>47,921,439</u>
Total current liabilities	<u>104,067,336</u>

Noncurrent liabilities:

Compensated absences payable - noncurrent portion	3,817,778
Bonds and notes payable - noncurrent portion	1,026,017,528
Net pension liability	<u>209,103,000</u>

Total noncurrent liabilities	<u>1,238,938,306</u>
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Total liabilities	<u>1,343,005,642</u>
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**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources - OPEB	11,946,750
Deferred inflows of resources - debt refundings	4,596,838
Deferred inflows of resources - pensions	<u>12,322,000</u>

Total deferred inflows of resources	<u>28,865,588</u>
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**NET POSITION**

Net investment in capital assets	9,050,197
Restricted for capital projects	32,382,818
Restricted for debt service	70,756,983
Restricted for educational programs	16,229,135
Restricted for other activities	19,787,749
Unrestricted	<u>(128,399,654)</u>
Total net position	<u>19,807,228</u>

Total liabilities, deferred inflows of resources and net position	<u>\$ 1,391,678,458</u>
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See accompanying notes to the basic financial statements.

BOARD REPORT NO. 21-01-06B  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
For the Year Ended June 30, 2020

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Operating revenues:	
Tuition and fees	\$ 29,097,193
Less: Fee waivers and allowance	<u>(7,790,516)</u>
Net tuition and fees	<u>21,306,677</u>
Auxiliary enterprise sales and charges:	
Bookstore	3,000,505
Cafeteria	282,598
Fitness center	4,971,302
Other sales and charges	<u>1,611,079</u>
Total operating revenues	<u>31,172,161</u>
Operating expenses:	
Salaries	144,027,756
Employee benefits	74,825,070
Supplies, materials, and other operating expenses	33,875,260
Student financial aid	25,459,324
Depreciation	<u>29,120,378</u>
Total operating expenses	<u>307,307,788</u>
Loss from operations	<u>(276,135,627)</u>
Non-operating revenues (expenses):	
Local property taxes, levied for general purposes	168,332,141
Local property taxes, levied for special purposes	66,688,644
State taxes and other revenues	13,176,975
Federal grants and contracts, noncapital	24,726,255
State grants, apportionment, contracts, noncapital	31,922,316
Local grants and contracts, noncapital	4,463,974
Investment income	17,336,000
Interest expense on capital asset-related debt	(44,395,984)
Loss on disposal of asset	(23,323)
Other non-operating revenues	<u>6,962,498</u>
Total non-operating revenues	<u>289,189,496</u>
Income before capital contributions	13,053,869
Capital contributions:	
State revenues, capital	185,549
Local revenues, capital	<u>143,470</u>
Change in net position	<u>13,382,888</u>
Net position, beginning of year	<u>6,424,340</u>
Net position, end of year	<u>\$ 19,807,228</u>

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See accompanying notes to the basic financial statements.

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Cash flows from operating activities:	
Tuition and fees	\$ 21,522,829
Payments to suppliers	(41,669,786)
Payments to / on behalf of employees	(204,481,870)
Payments to students	(25,459,324)
Auxiliary sales and charges	<u>9,865,484</u>
Net cash used in operating activities	<u>(240,222,667)</u>
Cash flows from noncapital financing activities:	
Property taxes, levied for general purposes	168,332,141
Property taxes, levied for special purposes	66,688,644
State taxes and other apportionments	13,176,975
Federal grants and contracts	24,726,255
State grants, apportionment, contracts, noncapital	31,922,316
Local grants and contracts	4,463,974
Other receipts and disbursements	<u>3,298,955</u>
Net cash provided by noncapital financing activities	<u>312,609,260</u>
Cash flows from capital and related financing activities:	
State apportionment for capital purposes	185,549
Purchase of capital assets	(92,075,372)
Principal paid on capital debt	(34,366,574)
Interest paid on capital debt	(27,519,840)
Local property taxes and other revenues for capital purposes	<u>143,470</u>
Net cash used in capital and related financing activities	<u>(153,632,767)</u>
Cash flows from investing activities:	
Interest received from investments	<u>17,336,000</u>
Net cash provided by investing activities	<u>17,336,000</u>
Net change in cash and cash equivalents	(63,910,174)
Cash and cash equivalents, beginning of year	<u>559,144,841</u>
Cash and cash equivalents, end of year	<u>\$ 495,234,667</u>

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(Continued)

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Reconciliation of loss from operations to net cash used in operating activities:	
Loss from operations	\$ (276,135,627)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	29,120,378
Changes in assets and liabilities:	
Receivables, net	(5,401,827)
Inventory and prepaid assets	(1,402,606)
Deferred outflows - pensions and OPEB	(1,502,465)
Accounts payable	1,771,503
Unearned revenue	(2,545,444)
Compensated absences	1,492,981
Net OPEB liability	2,923,336
Net pension liability	11,413,000
Deferred inflows - pensions and OPEB	<u>44,104</u>
Total adjustments	<u>35,912,960</u>
Net cash used in operating activities	<u><u>\$ (240,222,667)</u></u>
Cash and cash equivalents consist of the following:	
Cash and cash equivalents	\$ 79,015,364
Restricted cash and cash equivalents	<u>416,219,303</u>
Total cash and cash equivalents	<u><u>\$ 495,234,667</u></u>
Non-cash transactions:	
Amortization of premiums	\$ 3,731,356
Accretion of interest	\$ 229,778,251
Amortization of deferred (gain) loss on refunding	\$ 666,570

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See accompanying notes to the basic financial statements.

		<u>Agency Funds</u>	
	<u>OPEB Trust Fund</u>	<u>Associated Students Trust</u>	<u>Student Representation Fee</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 1,788,180	\$ 258,866
Investments:			
Mutual funds – fixed income	71,241,803	-	-
Mutual funds – equity	49,780,432	-	-
Mutual funds – real estate	7,859,063	-	-
Accounts receivable	-	152,100	-
Fixed assets	-	<u>3,578</u>	<u>-</u>
Total assets	<u>\$ 128,881,298</u>	<u>\$ 1,943,858</u>	<u>\$ 258,866</u>
<b>LIABILITIES AND NET POSITION</b>			
Accounts payable	\$ 359,439	\$ -	\$ -
Due to student groups and other	<u>-</u>	<u>1,943,858</u>	<u>258,866</u>
Total liabilities	<u>359,439</u>	<u>\$ 1,943,858</u>	<u>\$ 258,866</u>
Net position restricted for OPEB	<u>128,521,859</u>		
Total liabilities and net position	<u>\$ 128,881,298</u>		

See accompanying notes to the basic financial statements.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION  
For the Year Ended June 30, 2020

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	<u>OPEB Trust Fund</u>
<b>Additions</b>	
Employer contributions	\$ 7,409,326
Net investment income:	
Dividends and other income	4,919,681
Realized and unrealized gains, net	1,010,576
Investment fees	<u>(450,368)</u>
Total additions	<u>12,889,215</u>
<b>Deductions</b>	
Retiree benefits	<u>7,409,326</u>
Net increase in net position	<u>5,479,889</u>
<b>Net Position restricted for OPEB:</b>	
Net position, beginning of year	<u>123,041,970</u>
Net position, end of year	<u><u>\$ 128,521,859</u></u>

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See accompanying notes to the basic financial statements.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
DISCRETELY PRESENTED COMPONENT UNIT  
EDUCATIONAL HOUSING CORPORATION  
STATEMENT OF FINANCIAL POSITION  
June 30, 2020

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**ASSETS**

Cash and cash equivalents	\$ 35,471
Due from District	<u>122,286</u>
Total assets	<u><u>\$ 157,757</u></u>

**LIABILITIES AND NET ASSETS**

## Liabilities:

Unearned rent	\$ 19,976
Rent security deposits	<u>102,573</u>
Total liabilities	122,549

Net assets without donor restriction	<u>35,208</u>
Total liabilities and net assets	<u><u>\$ 157,757</u></u>

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See accompanying notes to the basic financial statements.

BOARD REPORT NO. 21-01-06B  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
DISCRETELY PRESENTED COMPONENT UNIT  
EDUCATIONAL HOUSING CORPORATION  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

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Revenues:	
Rental income	\$ 1,168,703
Other local income	<u>1,125</u>
Total revenues	<u>1,169,828</u>
Expenses:	
Operating expenses	420,108
Transfer to District	<u>747,020</u>
Total expenses	<u>1,167,128</u>
Change in net assets	2,700
Net assets without donor restriction, beginning of year	<u>32,508</u>
Net assets without donor restriction, end of year	<u><u>\$ 35,208</u></u>

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See accompanying notes to the basic financial statements.

BOARD REPORT NO. 21-01-06B  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
DISCRETELY PRESENTED COMPONENT UNIT  
EDUCATIONAL HOUSING CORPORATION  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2020

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Cash flow from operating activities:	
Change in net assets	\$ 2,700
Changes in assets and liabilities	
Accounts receivable	(93,266)
Unearned rent	(7,004)
Rent security deposits	<u>(19,803)</u>
Net cash flows used in operating activities	<u>(117,373)</u>
Net change in cash and cash equivalents	(117,373)
Cash and cash equivalents, beginning of year	<u>152,844</u>
Cash and cash equivalents, end of year	<u><u>\$ 35,471</u></u>

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See accompanying notes to the basic financial statements.

31.

#### **NOTE 1 - ORGANIZATION**

San Mateo County Community College District (the "District") was established in 1922 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering post-secondary educational services to residents of San Mateo County and surrounding areas. The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three college campuses located in the cities of San Mateo, San Bruno, and Redwood City, California. While the District is a political subdivision of the State of California, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section (Cod. Sec.) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial Reporting Entity: The decision to include potential component units in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America and GASB Cod. Sec. 2100. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the "direct benefit" criterion, the "entitlement/ability to access" criterion, and the "significance" criterion. The District identified the following potential component units:

- San Mateo County Community College District Financing Corporation
- San Mateo County Community College Educational Housing Corporation
- San Mateo County Community College Foundation

The *San Mateo County Community College District Financing Corporation* (the Corporation) is a legally separate organization component unit of the District. The Corporation was formed to issue debt specifically for the acquisition and construction of capital assets for the District. The Board of Trustees of the Corporation is the same as the Board of Trustees of the District. The financial activity has been "blended" or consolidated within the financial statements as of the District as if the activity was the District's. This activity is accounted for in the District's COP Payment Fund and COP Construction Fund. Individually-prepared financial statements are not prepared for the Corporation.

The *San Mateo County Community Colleges Educational Housing Corporation* (the Housing Corp.) is a non-profit organization under IRS Code Section 501(c)(3). The Housing Corp. meets the criteria of the governing authority's ability to significantly influence operations and accountability for fiscal matters and the criteria for inclusion in the District's reporting entity. Its purpose is to operate staff and faculty housing. The financial activity of the Housing Corp. is reported as a separate discretely presented component unit. Individually-prepared financial statements are not prepared for the Housing Corp.

The *San Mateo County Community Colleges Foundation* (the Foundation) is a non-profit organization under IRS Code Section 501(c)(3). The District has determined that the Foundation does not meet the criteria of the governing authority's ability to significantly influence operations and accountability for fiscal matters and the criteria for inclusion in the District's report entity. It is dedicated to providing assistance to the students, teachers, and programs of the Colleges. The financial activity of the Foundation is not included in this report. Individually-prepared financial statements can be obtained from the Foundation at <https://foundation.smccd.edu/>.

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(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Presentation and Accounting: For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. Under this model, the District's financial statements provide a comprehensive entity-wide perspective at the District's financial position and activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the obligation has been incurred. All significant intra-agency transactions have been eliminated. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor's Office's *Budget and Accounting Manual*.

Fiduciary funds for which the District acts only as an agent or trust are not included in the business-type activities of the District. These funds are reported in the Statement of Fiduciary Net Position and Statement of Change in Fiduciary Net Position at the fund financial statement level.

Cash and Cash Equivalents: The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the Statement of Cash Flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt or construction of capital assets.

Accounts Receivable: Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. This allowance is based upon a five-year average ratio over actual revenues. The allowance was estimated at \$2,032,402 as of June 30, 2020.

Prepaid Expenses: Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30.

Inventory: Inventory consists primarily of bookstore merchandise and supplies held for resale at each of the colleges. Inventories are stated at lower of cost or market, utilizing the first in, first out method. The cost is recorded as an expense as the inventory is consumed.

Capital Assets and Depreciation: Capital assets are long-lived assets of the District as a whole and include land, construction-in-progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of \$5,000 for equipment and \$100,000 for land, buildings and improvements. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at acquisition value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction-in-progress as the projects are constructed.

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(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 25 to 50 years; improvements, 25 to 50 years; equipment, 5 to 10 years.

Unearned Revenue: Revenue from Federal, State and local special projects and programs is recognized when qualified expenditures have been incurred. Tuition, fees and other support received but not earned are recorded as unearned revenue until earned.

Postemployment Benefits Other Than Pensions (OPEB): For purpose of measuring the net OPEB liability, information about the fiduciary net position of the Other Postemployment Benefit Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and interest-earning investment contracts that are reported at cost. The Plan is included in the District's financial report and separately presented as a fiduciary fund. Separate financial statements are also prepared for the Plan and may be obtained by contacting the San Mateo County Community College District.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. Additionally, the District has recognized a deferred outflow of resources related to the recognition of the pension liability and OPEB liability reported in the Statement of Net Position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the net pension liability and net OPEB (asset) liability reported which is in the Statement of Net Position.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) program of CalSTRS and Public Employers Retirement Fund B (PERF B) a program of CalPERS, and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Certain investments are reported at fair value. The following is a summary of pension amounts in aggregate.

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(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

	<u>STRP</u>	<u>PERF B</u>	<u>Total</u>
Deferred outflows of resources	\$ 25,069,546	\$ 30,035,354	\$ 55,104,900
Deferred inflows of resources	\$ 11,209,000	\$ 1,113,000	\$ 12,322,000
Net pension liability	\$ 89,111,000	\$ 119,992,000	\$ 209,103,000
Pension expense	\$ 18,989,838	\$ 28,557,432	\$ 47,547,270

**Compensated Absences:** Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the entity-wide financial statements. The District also participates in “load-banking” with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each classified member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

**Net Position:** The District's net position is classified as follows:

**Net investment in capital assets:** This represents the District's total investment in capital assets, net of associated outstanding debt obligations related to those capital assets and deferred outflows of resources. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

**Restricted net position:** Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties. Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. At June 30, 2020 there is no balance of nonexpendable restricted net position.

**Unrestricted net position:** Unrestricted net position represents resources derived from student tuition and fees, State apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources, and then towards unrestricted resources.

(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

On-Behalf Payments: GASB Statement No. 24 requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another legally separate entity be recognized as revenue and expenditures by the employer government. The State of California makes direct on-behalf payments for retirement benefits to the State Teachers' on behalf of all Community Colleges in California. The government-wide conversion entries relating to the pension reporting requirements of GASB Statement No. 68 rely on Local Educational Agencies (LEAs) having recognized the state's on-behalf pension contribution in their funds. Prior to the issuance of GASB Statement No. 68, the District recorded this entry at the consolidation entry level for GASB Statement No. 35 business-type activity reporting.

Classification of Revenues and Expenses: The District has classified its revenues as either operating or nonoperating revenues. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. Co5.101 including State appropriations, local property taxes, and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

*Operating revenues and expenses:* Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises. All expenses are considered operating expenses except for interest expense on capital related debt.

*Nonoperating revenues and expenses:* Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell grants, most Federal, State and local grants and contracts and Federal appropriations, gifts and contributions, and other revenue sources described in GASB Cod. Sec. Co5.101, such as State appropriations and investment income. Interest expense on capital related debt is a non-operating expense.

State Apportionments: Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these calculations and corrections are accrued in the year in which the measurements are generated.

Property Taxes: Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of San Mateo bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received. San Mateo County is on the Teeter Plan, which means that the District receives the property taxes that are owed to the District, regardless of the taxes actually collected by the County.

The voters of the District passed General Obligation Bonds in 2001, 2005, and 2014 for the acquisition, construction, and remodeling of certain District property. As a result of the passage of the Bonds, property taxes are assessed on the property within the District specifically for the repayment of the debts incurred. The taxes are billed and collected as noted above and remitted to the District when collected.

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(Continued)

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

California Promise Grant: Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors through the California Promise Grant in the Statement of Revenues, Expenditures, and Change in Net Position. Allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf. To the extent that fee waivers and payments have been used to satisfy tuition and fee charges, the District has recorded an allowance.

Estimates: The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Interfund Activity: Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Component Unit - Educational Housing Corporation Financial Statement Presentation: The Educational Housing Corporation (the "Housing Corp.") presents its financial statements in accordance with the FASB Accounting Standards Codification. Under these reporting requirements, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction, and net assets with donor restriction.

The assets, liabilities, and net assets of the Housing Corp. are reported as unrestricted funds, which represent the portion of resources that are available for general purpose of the Housing Corp.'s operations.

Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting. Revenues are reported as increases in the unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California Franchise Tax Codes.

**NOTE 3 - CASH AND CASH EQUIVALENTS**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

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(Continued)

**NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)**

Summary of Cash and Cash Equivalents: Cash and cash equivalents of the District as of June 30, 2020 consisted of the following:

Cash in County Treasury	\$ 461,492,187
Cash with fiscal agent	30,718,083
Cash on hand and in banks	2,686,713
Cash in revolving	70,000
Certificates of deposit	<u>267,684</u>
Total cash and cash equivalents	<u>\$ 495,234,667</u>

Cash and cash equivalents of the Fiduciary Funds as of June 30, 2020, consisted of the following:

Cash on hand and in banks	\$ 490,540
Cash in County Treasury	<u>1,815,373</u>
Total cash and cash equivalents	<u>\$ 2,305,913</u>

Cash and cash equivalents of the Educational Housing Corporation as of June 30 2020, consisted of the following:

Cash on hand and in banks	\$ <u>35,471</u>
Total cash and cash equivalents	<u>\$ 35,471</u>

Cash in County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County Treasury. The District is considered to be an involuntary participant in an external investment pool. The District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value by the County Treasurer for the entire portfolio. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

The District's deposits in the fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County Treasurer has indicated that there are no derivatives in the pool as of June 30, 2020.

Cash with Fiscal Agent: Cash with Fiscal Agent represents bond funds to be used in the future. At June 30, 2020, the funds are held with a bank in a money market account and recorded at fair value.

(Continued)

**NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)**

Custodial Credit Risk - Deposits and Certificate of Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC") and are collateralized by the respective financial institution. At June 30, 2020, the carrying amount of the District's cash in banks was \$33,518,038 and the bank balance was \$33,486,038.

The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the District. All cash held by the financial institutions that is not insured is collateralized.

**NOTE 4 - INVESTMENTS - OPEB TRUST**

The District's OPEB (the "Trust") Trust fund, a fiduciary fund, has adopted an internally developed investment policy that is governed by the standards established in the California Constitution. In addition, the Trust has written investment policies regarding the type of investments that may be made specifically for the Trust and the amount, which may be invested in any one financial institution or amounts that may be invested in long-term instruments. Management believes the Trust has complied with the provisions of statutes pertaining to the types of investments held, institutions in which deposits were made, and security requirements.

The fair values of the Trust's individual investments as of June 30, 2020 consisted of the following::

Mutual funds – fixed income	\$ 71,241,803
Mutual funds – equity	49,780,432
Mutual funds – real estate	<u>7,859,063</u>
Total investments	<u>\$ 128,881,298</u>

During the fiscal year ended as of June 30, 2020, the Trust's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated as follows:

Dividends and other income	\$ 4,919,681
Realized gains	361,609
Unrealized gains	648,967
Investment fees	<u>(450,368)</u>
Total investment income, net	<u>\$ 5,479,889</u>

(Continued)

**NOTE 4 - INVESTMENTS - OPEB TRUST (Continued)**

Custodial Credit Risk: The California Government Code requires California banks and savings and loan associations to secure the Trust's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110 percent of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits and collateral is considered to be held in the name of the Trust. All cash held by financial institutions is entirely insured or collateralized.

Credit Risk: The Trust's investment policy requires all fixed income investments to be of investment grade quality or higher at purchase; that is, at the time of purchases, rated no lower than "BBB" by Standard and Poor's. The Trust Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. At June 30, 2020, the Trust investments consisted of open-end mutual funds, therefore there are no credit ratings to disclose.

Interest Rate Risk: The Trust's investments consisted of open and closed-end mutual funds, therefore, there are no significant interest rate risk related to the investments held, as there are no maturities related to the mutual funds held.

Fair Value of Financial Instruments: The following methods and assumptions were used by the Trust to estimate the fair value of its financial instruments at June 30, 2020.

Fair Value Hierarchy: Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

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(Continued)

**NOTE 4 - INVESTMENTS - OPEB TRUST (Continued)**

Assets Recorded at Fair Value: The following table presents information about the District's assets measured at fair value on a recurring basis:

	June 30, 2020			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
OPEB Investments:				
Mutual funds - fixed income	\$ 71,241,803	\$ 71,241,803	\$ -	\$ -
Mutual funds - equity	49,780,432	49,780,432	-	-
Mutual funds – real estate	<u>7,859,063</u>	<u>7,859,063</u>	-	-
Total	<u>\$128,881,298</u>	<u>\$128,881,298</u>	<u>\$ -</u>	<u>\$ -</u>

Mutual funds were valued at closing prices from securities exchanges and are classified as Level 1 investments.

During the year ended June 30, 2020, there were no significant transfers in or out of Level 1.

There were no assets or liabilities measured at fair value on a non-recurring basis at June 30, 2020.

**NOTE 5 - ACCOUNTS RECEIVABLE**

Accounts receivables for the District as of June 30, 2020, consisted primarily of intergovernmental grants, entitlements, interest, and other local sources. The accounts receivable are as follows:

Federal Government	
Categorical aid	\$ 2,587,220
State Government	
Categorical aid	2,877,702
Lottery	830,390
Local sources	
Interest	1,797,054
Financial aid receivables	1,562,756
Student receivables	1,303,706
Other local sources	<u>17,626,914</u>
Subtotal	<u>28,585,742</u>
Less allowance for bad debt	<u>(2,032,402)</u>
Total accounts receivable, net	<u>\$ 26,553,340</u>

(Continued)

**NOTE 5 - ACCOUNTS RECEIVABLE (Continued)**

As of June 30, 2020, receivables from other local sources includes \$836,517 for loans made to District employees to purchase houses. All full-time employees who purchase a home and contribute at least 20 percent of the purchase price are eligible to receive loans of up to \$150,000 per employee. Repayment terms and interest rates are: no payments due in years 1 through 5, payments of principal and interest in years 6-10, with final payment of any remaining balance, as well as shared appreciation, in year 10. Selling the property, withdrawing cash from the equity, or leaving the District's employment accelerates the due date of the loan. Interest is charged at 4 percent per year. As of June 30, 2020, the District had over \$4.7 million available for new loans.

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the District consists of the following at June 30, 2020:

	Balance July 1, <u>2019</u>	Additions and <u>Transfers</u>	Deductions and <u>Transfers</u>	Balance June 30, <u>2020</u>
Non-depreciable:				
Land	\$ 20,586,318	\$ -	\$ -	\$ 20,586,318
Construction in progress	162,698,992	85,985,593	(50,629,319)	198,055,266
Depreciable:				
Land improvements	138,592,997	1,827,083	-	140,420,080
Buildings and improvements	670,266,434	48,802,236	(179,982)	718,888,688
Furniture, equipment and vehicles	<u>26,447,407</u>	<u>2,960,150</u>	<u>(287,412)</u>	<u>29,120,145</u>
Total	<u>1,018,592,148</u>	<u>139,575,062</u>	<u>(51,096,713)</u>	<u>1,107,070,497</u>
Less accumulated depreciation:				
Land improvements	49,644,056	6,622,433	-	56,266,489
Buildings and improvements	234,166,433	20,141,472	(179,982)	254,127,923
Furniture, equipment and vehicles	<u>17,748,026</u>	<u>2,356,473</u>	<u>(225,934)</u>	<u>19,878,565</u>
Total	<u>301,558,515</u>	<u>29,120,378</u>	<u>(405,916)</u>	<u>330,272,977</u>
Capital assets, net	<u>\$ 717,033,633</u>	<u>\$110,454,684</u>	<u>\$ (50,690,797)</u>	<u>\$ 776,797,520</u>

(Continued)

**NOTE 7 - ACCOUNTS PAYABLE**

Accounts payable for the District as of June 30, 2020, consisted of the following:

Vendor and other	\$ 9,508,233
Payroll related liabilities	4,653,783
Construction	11,473,660
Workers' compensation	2,173,000
Federal	<u>232</u>
Total	<u>\$ 27,808,908</u>

The accounts payable of the Fiduciary Fund consists primarily of funds held for student clubs.

The accounts payable of the Educational Housing Corporation consists of local vendor payables.

**NOTE 8 - UNEARNED REVENUE**

Unearned revenue as of June 30, 2020, consisted of the following:

State categorical aid	\$ 8,116,764
Enrollment fees	2,981,727
Other local	<u>5,063,809</u>
Total	<u>\$ 16,162,300</u>

**NOTE 9 - LONG TERM LIABILITIES**

The long-term liabilities activity for the year ended June 30, 2020, is as follows:

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Payments and Reductions</u>	<u>June 30, 2020</u>	<u>Current Portion</u>
General obligation bonds	\$ 801,050,076	\$ -	\$ 34,366,573	\$ 766,683,503	\$ 32,192,541
Unamortized bond premiums	64,587,448	-	3,731,357	60,856,091	3,731,356
Accreted interest	229,778,251	24,159,550	7,538,427	246,399,374	11,997,541
Net pension liability	197,690,000	11,413,000	-	209,103,000	-
Net OPEB liability	(13,462,329)	2,923,336	-	(10,538,993)	-
Compensated absences	<u>5,732,561</u>	<u>5,146,339</u>	<u>3,653,358</u>	<u>7,225,542</u>	<u>3,407,764</u>
Total	<u>\$ 1,285,376,007</u>	<u>\$ 43,642,225</u>	<u>\$ 49,289,715</u>	<u>\$ 1,279,728,517</u>	<u>\$ 51,329,202</u>

On June 4, 2002, the District issued \$96,857,613 of General Obligation Bonds Series 2001A. The Bonds were issued to finance the acquisition, construction and modernization of certain District property and facilities. The Current Interest Bonds of \$53,335,000 were refunded during the fiscal year ended June 30, 2012. Capital Appreciation Bonds of \$18,045,613 mature September 1, 2016 through September 1, 2026 with interest accreting at an average 5.55% compounded semiannually each year and due upon maturity.

Unamortized premiums and accreted interest on the capital appreciation bonds were \$138,641 and \$19,229,063 at June 30, 2020, respectively.

(Continued)

**NOTE 9 - LONG TERM LIABILITIES (Continued)**

The following is a schedule of future payments as of June 30, 2020 for the Series 2001A Capital Appreciation Bonds:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,727,950	\$ 2,952,050	\$ 4,680,000
2022	1,750,546	3,304,454	5,055,000
2023	1,771,958	3,678,042	5,450,000
2024	1,499,173	3,415,827	4,915,000
2025	1,522,960	3,792,040	5,315,000
2026-2027	<u>3,117,408</u>	<u>8,797,592</u>	<u>11,915,000</u>
Totals	<u>\$ 11,389,995</u>	<u>\$ 25,940,005</u>	<u>\$ 37,330,000</u>

On February 9, 2005, the District issued \$69,995,132 of General Obligation Bonds Series 2001B. The Bonds were issued to finance the acquisition, construction and modernization of certain District property and facilities. The Current Interest Bonds of \$22,375,000 were refunded during the fiscal years ended June 30, 2012 and 2015. Capital Appreciation Bonds of \$23,095,132 mature September 1, 2021 through September 1, 2028 with interest accreting at an average 4.78% compounded semiannually each year and due upon maturity.

Unamortized premiums and accreted interest on the capital appreciation bonds were \$350,775 and \$24,165,478 at June 30, 2020, respectively.

The following is a schedule of future payments as of June 30, 2020 for the Series 2001B Capital Appreciation Bonds:

Year Ending June 30,	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	2,127,124	2,367,876	4,495,000
2023	2,126,338	2,623,662	4,750,000
2024	2,123,259	2,896,741	5,020,000
2025	2,117,543	3,187,457	5,305,000
2026-2029	<u>14,600,868</u>	<u>28,859,132</u>	<u>43,460,000</u>
Totals	<u>\$ 23,095,132</u>	<u>\$ 39,934,868</u>	<u>\$ 63,030,000</u>

On April 11, 2006, the District issued \$40,124,660 of General Obligation Bonds Series 2001C. The Bonds were issued to finance the acquisition, construction and modernization of certain District property and facilities. The Current Interest Bonds of \$7,500,000 were partially refunded during the fiscal year ended June 30, 2015 with the remaining bonds maturing during the year ended June 30, 2016. Capital Appreciation Bonds of \$25,469,660 mature September 1, 2016 through March 30, 2031 with interest accreting at an average 4.90% compounded semiannually each year and due upon maturity.

Unamortized premiums and accreted interest on the capital appreciation bonds were \$114,613 and \$21,734,779 at June 30, 2020, respectively.

(Continued)

**NOTE 9 - LONG TERM LIABILITIES (Continued)**

The following is a schedule of future payments as of June 30, 2020 for the Series 2001C Capital Appreciation Bonds:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 872,212	\$ 852,788	\$ 1,725,000
2022	874,686	950,314	1,825,000
2023	879,786	1,055,214	1,935,000
2024	883,714	1,166,286	2,050,000
2025	884,316	1,280,684	2,165,000
2026-2030	8,256,620	16,128,380	24,385,000
2031	<u>9,388,318</u>	<u>22,551,682</u>	<u>31,940,000</u>
Totals	<u>\$ 22,039,652</u>	<u>\$ 43,985,348</u>	<u>\$ 66,025,000</u>

On April 11, 2006, the District issued \$135,429,395 of General Obligation Bonds Series 2005A. The Bonds were issued to finance the acquisition, construction and modernization of certain District property and facilities. The Current Interest Bonds of \$61,795,000 matured during the fiscal year ended June 30, 2015. Capital Appreciation Bonds of \$73,634,395 mature September 1, 2015 through September 1, 2030 with interest accreting at an average 4.86% compounded semiannually each year and due upon maturity.

Unamortized premiums and accreted interest on the capital appreciation bonds were \$593,168 and \$47,862,495 at June 30, 2020, respectively.

The following is a schedule of future payments as of June 30, 2020 for the Series 2005A Capital Appreciation Bonds:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 4,707,415	\$ 4,602,585	\$ 9,310,000
2022	4,658,602	5,061,398	9,720,000
2023	4,617,174	5,537,826	10,155,000
2024	4,571,603	6,033,397	10,605,000
2025	4,525,737	6,554,263	11,080,000
2026-2030	22,003,302	41,366,698	63,370,000
2031	<u>4,274,697</u>	<u>10,190,303</u>	<u>14,465,000</u>
Totals	<u>\$ 49,358,530</u>	<u>\$ 79,346,470</u>	<u>\$ 128,705,000</u>

On December 12, 2006, the District issued \$332,570,194 of General Obligation Bonds Series 2005B. The Bonds were issued to finance the acquisition, construction and modernization of certain District property and facilities. The Current Interest Bonds of \$41,155,000 were partially refunded during the fiscal years ended June 30, 2012 and 2015. The remaining Current Interest Bonds of \$6,865,000 matured during the fiscal year ending June 30, 2017. Capital Appreciation Bonds of \$163,005,194 mature September 1, 2020 through September 1, 2038 with interest accreting at an average 4.58% compounded semiannually each year and due upon maturity.

Unamortized premiums and accreted interest on the capital appreciation bonds were \$4,155,970 and \$133,407,558 at June 30, 2020, respectively.

(Continued)

**NOTE 9 - LONG TERM LIABILITIES (Continued)**

The following is a schedule of future payments as of June 30, 2020 for the Series 2005B General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 4,689,965	\$ 4,030,035	\$ 8,720,000
2022	4,957,819	4,687,181	9,645,000
2023	5,244,307	5,430,693	10,675,000
2024	5,502,657	6,217,343	11,720,000
2025	5,754,962	7,070,038	12,825,000
2026-2030	32,404,327	50,760,673	83,165,000
2031-2035	53,814,067	120,255,933	174,070,000
2036-2039	<u>50,637,090</u>	<u>148,607,910</u>	<u>199,245,000</u>
Totals	<u>\$ 163,005,194</u>	<u>\$ 347,059,806</u>	<u>\$ 510,065,000</u>

On April 26, 2012, the District issued \$107,595,000 of 2012 General Obligation Refunding Bonds. Proceeds were used to refund portions of the outstanding Series 2001A General Obligation Bonds, Series 2001B General Obligation Bonds, and Series 2005B General Obligation Bonds. The 2012 Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2012 Refunding Bonds mature through September 1, 2026 and bear interest at rates ranging from 2.00% to 5.00% with interest due annually on September 1. For financial reporting purposes, the refunded debt has been considered defeased and therefore removed from the District's financial statements. On June 30, 2020, \$42,925,000 of bonds outstanding are considered defeased.

Unamortized premiums on the 2012 Refunding Bonds were \$8,791,944 as of June 30, 2020.

The following is a schedule of the future payments as of June 30, 2020 for the 2012 Refunding Bonds:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 9,645,000	\$ 1,953,725	\$ 11,598,725
2022	5,945,000	1,517,925	7,462,925
2023	6,225,000	1,280,125	7,505,125
2024	7,550,000	998,875	8,548,875
2025	4,160,000	678,000	4,838,000
2026-2027	<u>9,400,000</u>	<u>714,250</u>	<u>10,114,250</u>
Totals	<u>\$ 42,925,000</u>	<u>\$ 7,142,900</u>	<u>\$ 50,067,900</u>

On May 27, 2015, the District issued \$127,000,000 of General Obligation Bonds Series 2014A. The Bonds were issued to finance the acquisition, construction and modernization of certain District property and facilities. The General Obligation Bonds Series 2014A mature September 1, 2016 through September 1, 2045 and bear interest at rates ranging from 3.00% to 5.00% with interest due semiannually on September 1 and March 1.

Unamortized premiums on the 2015 General Obligation Bonds Series 2014A were \$7,535,987 as of June 30, 2020.

(Continued)

**NOTE 9 - LONG TERM LIABILITIES (Continued)**

The following is a schedule of future payments as of June 30, 2020 for the Series 2014A General Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2021	\$ -	\$ 3,185,750	\$ 3,185,750
2022	-	3,185,750	3,185,750
2023	205,000	3,180,625	3,385,625
2024	385,000	3,165,875	3,550,875
2025	580,000	3,141,750	3,721,750
2026-2030	5,340,000	15,067,250	20,407,250
2031-2035	12,315,000	12,973,625	25,288,625
2036-2040	3,595,000	10,553,625	14,148,625
2041-2045	31,895,000	7,460,125	39,355,125
2046	<u>9,960,000</u>	<u>249,000</u>	<u>10,209,000</u>
Totals	<u>\$ 64,275,000</u>	<u>\$ 62,163,375</u>	<u>\$ 126,438,375</u>

On September 4, 2014, the District issued \$121,805,000 of 2014 General Obligation Refunding Bonds. Proceeds were used to refund portions of the outstanding Series 2001B General Obligation Bonds, Series 2001C General Obligation Bonds, and Series 2005B General Obligation Bonds. The 2014 Refunding Bonds are general obligations of the District payable solely from ad valorem property taxes. The 2014 Refunding Bonds mature September 1, 2015 through September 1, 2034 and bear interest at rates ranging from 2.00% to 5.00% with interest due annually on September 1.

Unamortized premiums on the 2014 Refunding Bonds were \$9,978,166 as of June 30, 2020.

The following is a schedule of the future payments as of June 30, 2020 for the 2014 Refunding Bonds:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 495,000	\$ 4,135,350	\$ 4,630,350
2022	515,000	4,115,150	4,630,150
2023	535,000	4,094,150	4,629,150
2024	255,000	4,078,350	4,333,350
2025	3,505,000	3,985,625	7,490,625
2026-2030	35,700,000	16,756,750	52,456,750
2031-2035	<u>42,260,000</u>	<u>5,211,000</u>	<u>47,471,000</u>
Totals	<u>\$ 83,265,000</u>	<u>\$ 42,376,375</u>	<u>\$ 125,641,375</u>

On October 30, 2018, the District issued \$261,000,000 of 2018 General Obligation Bonds Series 2018B. The Bonds were issued to finance the acquisition, construction, and modernization of certain District property and facilities. The 2018 General Obligation Bonds Series 2018B mature September 1, 2019 through September 1, 2045 and bear interest at rates ranging from 3.75% to 5.00% with interest due semiannually on September 1 and March 1.

Unamortized premiums on the 2018 General Obligation Bonds Series 2018B were \$25,530,128 as of June 30, 2020.

(Continued)

**NOTE 9 - LONG TERM LIABILITIES (Continued)**

The following is a schedule of the future payments as of June 30, 2020 for the 2018B Refunding Bonds:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 10,055,000	\$ 11,452,725	\$ 21,507,725
2022	3,905,000	11,154,000	15,059,000
2023	-	11,056,375	11,056,375
2024	370,000	11,047,125	11,417,125
2025	845,000	11,016,750	11,861,750
2026-2030	13,945,000	53,580,750	67,525,750
2031-2035	34,110,000	47,750,600	81,860,600
2036-2040	63,165,000	37,692,988	100,857,988
2041-2045	98,870,000	19,643,250	118,513,250
2046	<u>25,675,000</u>	<u>641,875</u>	<u>26,316,875</u>
Totals	<u>\$ 250,940,000</u>	<u>\$ 215,036,438</u>	<u>\$ 465,976,438</u>

On October 30, 2018 the District issued \$33,665,000 of 2018 General Obligation Refunding Bonds. Proceeds were used to refund portions of the outstanding principal amount of the District's 2014 General Obligation Refunding Bonds. The 2018 Refunding Bonds mature September 1, 2035 through September 1, 2038 and bear interest at rates ranging from 3.75% to 4.00% with interest due semiannually on September 1 and March 1.

Unamortized premiums on the 2014 Refunding Bonds were \$914,217 as of June 30, 2020.

The following is a schedule of the future payments as of June 30, 2020 for the 2018 Refunding Bonds:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 1,325,388	\$ 1,325,388
2022	-	1,325,388	1,325,388
2023	-	1,325,388	1,325,388
2024	-	1,325,388	1,325,388
2025	-	1,325,388	1,325,388
2026-2030	-	6,626,938	6,626,938
2031-2035	-	6,626,938	6,626,938
2036-2039	<u>33,665,000</u>	<u>2,629,252</u>	<u>36,294,252</u>
Totals	<u>\$ 33,665,000</u>	<u>\$ 22,510,068</u>	<u>\$ 56,175,068</u>

(Continued)

**NOTE 9 - LONG TERM LIABILITIES (Continued)**

On October 30, 2018 the District issued \$22,725,000 of 2018 General Obligation Bonds (2019 Forward Delivery Refunding Bonds). Proceeds were used to refund portions of the outstanding principal amount of the District's 2015 General Obligation Bonds Series 2014A. The 2019 Forward Delivery Refunding Bonds mature September 1, 2036 through September 1, 2040 and bear interest at 5.00% with interest due annually on September 1.

There was no accrued interest or sinking fund resources related to the new debt proceeds.

Unamortized premiums on the 2018 Forward Delivery Bonds were \$2,752,484 as of June 30, 2020.

The following is a schedule of the future payments as of June 30, 2020 for the 2018 Forward Delivery Bonds:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 1,136,250	\$ 1,136,250
2022	-	1,136,250	1,136,250
2023	-	1,136,250	1,136,250
2024	-	1,136,250	1,136,250
2025	-	1,136,250	1,136,250
2026-2030	-	5,681,250	5,681,250
2031-2035	-	5,681,250	5,681,250
2036-2040	17,105,000	4,096,125	21,201,125
2041	<u>5,620,000</u>	<u>140,500</u>	<u>5,760,500</u>
Totals	<u>\$ 22,725,000</u>	<u>\$ 21,280,375</u>	<u>\$ 44,005,375</u>

**NOTE 10 - RISK MANAGEMENT**

**Insurance Coverage:** The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ending June 30, 2020, the District contracted with Risk Strategies, Inc., an insurance broker, to manage the District's insurance claims. The District is self-insured for the first \$150,000. Settled claims have not exceeded this commercial coverage. The District has an Owner-Controlled Insurance Program (OCIP) that covers its capital projects over \$1 million.

**Workers' Compensation:** For the fiscal year, the District contracted with Andreini and Company for placement of excess workers' compensation insurance program. The District is self-insured for the first \$350,000.

**Employee Medical Benefits:** The District has contracted with the CalPERS to provide employee medical and surgical benefits. CalPERS is a shared risk pool comprised of nearly 2,500 employers and covers five regions (Bay Area, Other Northern California, Southern California, Other Southern California, and Out of State). Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating Districts. Claims are paid for all participants regardless of claims flow. The CalPERS Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool. CalPERS requires the District to have a post-retirement medical benefit plan for CalPERS members.

(Continued)

**NOTE 10 - RISK MANAGEMENT (Continued)**

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate costs of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

Claim Liabilities: The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2018 to June 30, 2020:

	<u>Workers'</u> <u>Compensation</u>
Liability Balance, July 1, 2018	\$ 1,930,000
Claims and changes in estimates	2,556,559
Claims payments	<u>(2,275,559)</u>
Liability Balance, June 30, 2019	2,211,000
Claims and changes in estimates	3,478,965
Claims payments	<u>(3,516,965)</u>
Liability Balance, June 30, 2020	<u>\$ 2,173,000</u>
Assets available to pay claims at June 30, 2020	<u>\$ 7,771,440</u>

**NOTE 11 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN**

*General Information about the State Teachers' Retirement Plan*

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at <https://www.calstrs.com/comprehensive-annual-financial-report>.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit (DB) Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

(Continued)

**NOTE 11 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN** (Continued)

*CalSTRS 2% at 60*

CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any 36 consecutive months of credited service.

*CalSTRS 2% at 62*

CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for 36 consecutive months of credited service.

Contributions: Required member, employer, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method.

In June 2019, California Senate Bill 90 (SB 90) was signed into law and appropriated approximately \$2.2 billion in fiscal year 2018–19 from the state's General Fund as contributions to CalSTRS on behalf of employers. The bill requires portions of the contribution to supplant the amounts remitted by employers such that the amounts remitted will be 1.03 and 0.70 percentage points less than the statutorily required amounts due for fiscal years 2019–20 and 2020–21, respectively. The remaining portion of the contribution, approximately \$1.6 billion, was allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program.

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(Continued)

**NOTE 11 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)**

California Assembly Bill 84, Chapter 16, Statutes of 2020, (AB 84) was signed into law in June 2020 and revised certain provisions of Teachers' Retirement Law enacted by SB 90. Specifically, AB 84 repurposed the aforementioned \$1.6 billion contribution originally intended to reduce employers' long-term liabilities, to further supplant employer contributions through fiscal year 2021–22. Pursuant to AB 84, employers will remit contributions to CalSTRS based on a rate that is 2.95% less than the statutory rate for fiscal year 2020–21 and 2.18% less than the rate set by the board for fiscal year 2021–22. Any remaining amounts must be allocated to reduce the employers' share of the unfunded actuarial obligation of the DB Program. The rate reduction for fiscal year 2019-20 under SB 90 was not changed by AB 84. The employer contribution rates set in statute and the CalSTRS board's authority to adjust those rates starting in fiscal year 2021–22 under the CalSTRS Funding Plan were not changed by the passage of SB 90 or AB 84. A summary of statutory contribution rates and other sources of contributions to the DB Program are as follows:

*Members* – Under CalSTRS 2% at 60, the member contribution rate was 10.25 percent of applicable member earnings for fiscal year 2019-20. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 10.205 percent of applicable member earnings for fiscal year 2019-20.

In general, member contributions cannot increase unless members are provided with some type of "comparable advantage" in exchange for such increases. Under previous law, the Legislature could reduce or eliminate the 2 percent annual increase to retirement benefits. As a result of AB 1469, effective July 1, 2014, the Legislature cannot reduce the 2 percent annual benefit adjustment for members who retire on or after January 1, 2014, and in exchange for this "comparable advantage," the member contribution rates have been increased by an amount that covers a portion of the cost of the 2 percent annual benefit adjustment.

*Employers* – 17.10 percent of applicable member earnings. This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

Pursuant to AB 1469, employer contributions increased from a prior rate of 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The legislation also gives the CalSTRS board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The CalSTRS board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

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(Continued)

**NOTE 11 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)**

The CalSTRS employer contribution rate increases effective for fiscal year 2019-20 through fiscal year 2045-46 are summarized in the table below:

<u>Effective Date</u>	<u>Prior Rate</u>	<u>Increase</u>	<u>Total</u>
July 01, 2019	8.25%	9.88%	17.10% <sup>(1)</sup>
July 01, 2020	8.25%	10.85%	16.51% <sup>(1)</sup>
July 01, 2021 to June 30, 2046	8.25%	(2)	(2)
July 01, 2046	8.25%	Increase from prior rate ceases in 2046-47	

(1) Pursuant to SB 90 and AB 84, the fiscal year 2018-19 state contribution of approximately \$2.2 billion made in advance on behalf of employers will be used to pay the contributions required by employers for the 2019-20, 2020-21 and 2021-22 fiscal years, such that employers will remit 1.030%, 2.950% and 2.180% less, respectively, than is required by the CalSTRS Funding Plan.

(2) The CalSTRS Funding Plan authorizes the board to adjust the employer contribution rate up or down 1% each year, but no higher than 20.25% total and no lower than 8.25%.

The District contributed \$9,250,546 to the plan for the fiscal year ended June 30, 2020.

*State* – 10.328 percent of the members' creditable earnings from the fiscal year ending in the prior calendar year.

Also, as a result of AB 1469, the additional state appropriation required to fully fund the benefits in effect as of 1990 by 2046 is specific in subdivision (b) of Education Code Section 22955.1. The increased contributions end as of fiscal year 2045-2046.

The state's base contribution of the Defined Benefit Program is calculated based on creditable compensation from two fiscal years prior. The state rate increased to 5.811% on July 1, 2019, to continue paying down the unfunded liabilities associated with the benefits structure that was in place in 1990 prior to certain enhancements in benefits reductions in contributions. Additionally, the enactment of SB 90 will result in future supplemental contributions to be made by the state to pay down its portion of the unfunded actuarial obligation of the Defined Benefit Program in fiscal years 2019-20 through 2022-2023

(Continued)

**NOTE 11 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)**

The CalSTRS state contribution rates effective for fiscal year 2019-20 and beyond are summarized in the table below.

<u>Effective Date</u>	<u>Base Rate</u>	<u>AB 1469 Increase for 1990 Benefit Structure</u>	<u>SBMA Funding</u> <sup>(1)</sup>	<u>Total State Appropriation to DB Program</u>
July 01, 2019	2.017%	5.811%	2.50%	10.328% <sup>(2)</sup>
July 01, 2020	2.017%	5.811% <sup>(3)</sup>	2.50%	10.328% <sup>(2)</sup>
July 01, 2021 to June 30, 2046	2.017%	(4)	2.50%	(4)
July 01, 2046 and thereafter	2.017%	(5)	2.50%	(5)

(1) This rate does not include the \$72 million reduction in accordance with Education Code Section 22954.

(2) This rate does not include the \$2.2 billion supplemental state contribution on behalf of employers pursuant to SB 90.

(3) In May 2020, the CalSTRS board exercised its limited authority to increase the state contribution rate by 0.5% of the creditable compensation effective July 1, 2020. However, pursuant to AB 84, the state suspended the board's rate-setting authority for state contributions for fiscal year 2020–21, thereby negating the board's rate increase of 0.5%.

(4) The CalSTRS board has limited authority to adjust state contribution rates annually through June 30, 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50 percent in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure would be reduced to 0 percent.

(5) From July 1, 2046, and thereafter, the rates in effect prior to July 1, 2014, are reinstated, if necessary, to address any remaining 1990 unfunded actuarial obligation.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amounts recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District as of June 30, were as follows:

District's proportionate share of the net pension liability	\$ 89,111,000
State's proportionate share of the net pension liability associated with the District	<u>48,616,000</u>
Total	<u><u>\$ 137,727,000</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school Districts and the State. At June 30, 2019, the District's proportion was 0.099 percent, which was a decrease of 0.001 percent from its proportion measured as of June 30, 2018.

(Continued)

**NOTE 11 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN** (Continued)

For the year ended June 30, 2020, the District recognized pension expense of \$18,989,838 and revenue and pension expense of \$14,922,932 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 225,000	\$ 2,511,000
Changes of assumptions	11,271,000	-
Net differences between projected and actual earnings on investments	-	3,433,000
Changes in proportion and differences between District contributions and proportionate share of contributions	4,323,000	5,265,000
Contributions made subsequent to measurement date	<u>9,250,546</u>	<u>-</u>
Total	<u>\$ 25,069,546</u>	<u>\$ 11,209,000</u>

\$9,250,546 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ 1,465,133
2022	\$ (912,867)
2023	\$ 1,330,133
2024	\$ 2,765,800
2025	\$ 386,300
2026	\$ (424,500)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of the June 30, 2019 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

**NOTE 11 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)**

Actuarial Methods and Assumptions: The total pension liability for the 2019-20 STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2018 and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2018
Experience Study	July 1, 2010, through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Post-retirement Benefit Increases	2.00% simple for DB Not applicable for DBS/CBB

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the Cal STRS board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return is summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Global Equity	47%	4.8%
Fixed Income	12	1.3
Real Estate	13	3.6
Private Equity	13	6.3
Absolute Return / Risk Mitigating Strategies	9	1.8
Inflation Sensitive	4	3.3
Cash / Liquidity	2	(0.4)

\* 20-year geometric average

(Continued)

**NOTE 11 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)**

Discount Rate: The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability as of June 30, 2020 calculated using the discount rate of 7.10 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	<u>\$ 132,693,000</u>	<u>\$ 89,111,000</u>	<u>\$ 52,972,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

**NOTE 12 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B**

*General Information about the Public Employer's Retirement Fund B*

Plan Description: The Schools Cost-sharing Multiple-employer Defined Benefit Pension Plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at:

<https://www.calpers.ca.gov/docs/forms-publications/cafr-2019.pdf>

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

(Continued)

**NOTE 12 - NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)**

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when agencies first join the PERF B, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2020 were as follows:

*Members* – The member contribution rate was 7.00 percent of applicable member earnings for fiscal year 2019-20.

*Employers* – The employer contribution rate was 19.72 percent of applicable member earnings.

The District contributed \$11,215,354 to the plan for the fiscal year ended June 30, 2020.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2020, the District reported a liability of \$119,992,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating school Districts. At June 30, 2019, the District’s proportion was 0.412 percent, which was an increase of 0.015 percent from its proportion measured as of June 30, 2018.

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(Continued)

**NOTE 12 - NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B** (Continued)

For the year ended June 30, 2020, the District recognized pension expense of \$28,557,432. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 8,716,000	\$ -
Changes of assumptions	5,712,000	-
Net differences between projected and actual earnings on investments	-	1,113,000
Changes in proportion and differences between District contributions and proportionate share of contributions	4,392,000	-
Contributions made subsequent to measurement date	<u>11,215,354</u>	<u>-</u>
Total	<u>\$ 30,035,354</u>	<u>\$ 1,113,000</u>

\$11,215,354 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$ 12,296,333
2022	\$ 3,146,333
2023	\$ 1,948,833
2024	\$ 315,500

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2019 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

**NOTE 12 - NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)**

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2018
Experience Study	June 30, 1997, through June 30, 2015
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.15%
Consumer Price Inflation	2.50%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter

The mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP 2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS’ website.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>Long -Term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return Years of 1 - 10<sup>(1)</sup></u>	<u>Expected Real Rate of Return Years of 11+<sup>(2)</sup></u>
Global Equity	50%	4.80%	5.98%
Fixed Income	28	1.00	2.62
Inflation of Assets	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate Assets	13	3.75	4.93
Liquidity	1	-	(0.92)

\* 10-year geometric average

(1) An expected inflation rate of 2.00% used for this period

(2) An expected inflation rate of 2.92% used for this period

Discount Rate: The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS’ website.

(Continued)

**NOTE 12 - NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected cash flows of the Plan. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan’s asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the rounded equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability as of June 30, 2020 calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease <u>(6.15%)</u>	Current Discount Rate <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
District's proportionate share of the net pension liability	<u>\$172,960,000</u>	<u>\$119,992,000</u>	<u>\$ 76,051,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Plan Description: In addition to the pension benefits described in Notes 11 and 12, the District provides postemployment health care benefits (OPEB) for retired employees in accordance with negotiated contracts with the various bargaining units of the District. The Other Postemployment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the San Mateo County Community College District. The District provides the OPEB benefits through a single employer defined benefit OPEB plan that is administered by Benefit Trust Company. OPEB provisions are established and amended per contractual agreement with employee groups. The plan does issue separate financial statements, which are produced by the District and available upon request. The following is a description of the current retiree benefit plan:

Academic Employees: Employees of the San Mateo County Community College District, upon meeting the years of District service requirement and the “Magic 75” which is employee’s Age plus Years of District service, will qualify for retiree benefits as indicated in their union contract. Retiree Benefits package may differ depending on hire date. The years of District service required are 10 years if hired prior to September 8, 1993 and 20 years if hired on or after September 8, 1993.

(Continued)

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**CSEA & All Non-represented Employees:** Employees of the San Mateo County Community College District, upon meeting the years of District service requirement and the "Magic 75" which is employee's Age plus Years of District service, will qualify for retiree benefits as indicated in their union contract. Retiree Benefits package may differ depending on hire date. The years of District service required are 10 years if hired prior to July 1, 1992 and 20 years if hired on or after July 1, 1992.

**AFCSME Employees:** Employees of the San Mateo County Community College District, upon meeting the years of District service requirement and the "Magic 75" which is employee's Age plus Years of District service, will qualify for retiree benefits as indicated in their union contract. Retiree Benefits package may differ depending on hire date. The years of District service required are 10 years if hired prior to July 1, 1992 and 20 years if hired on or after July 1, 1992.

**Benefit Payments:** The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. The Plan is included in the District's financial report and separately presented as a fiduciary fund. Separate financial statements are also prepared for the Plan and may be obtained by contacting the San Mateo County Community College District.

During the year ended June 30, 2010 the District signed an irrevocable trust (the Trust) agreement. The District appointed a Board of Authority with authority to establish and amend benefits terms under the plan and make decisions on behalf of the District with respect to the Futuris Public Entity Investment Trust Program. The Benefit Trust Company was appointed as the custodian and trustee to administer the Futuris Public Entity Investment Trust.

**Employees Covered by Benefit Term:** The following is a table of plan participants at June 30, 2020 (measurement date):

	<u>Number of Participants</u>
Inactive Employees/Dependents Receiving Benefits	675
Active Employees	<u>1,015</u>
	<u><u>1,690</u></u>

**Contributions:** California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Governing Board. Eligible employees are not permitted to make contributions to the Trust. The Plan administrator shall, on behalf of the employer, make all contributions to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the Net OPEB obligation over a period not to exceed 30 years. Contributions to the Trust from the District were \$7,409,326 for the year ended June 30, 2020. As of June 30, 2020, the District's OPEB liability is fully funded.

(Continued)

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

OPEB Plan Investments: The plan discount rate of 6.5% was determined using the following asset allocation and assumed rate of return:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>	<u>Rate Return*</u>
Fixed Income	50%	5%
Equities	50%	8%

\*Geometric average

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 28-year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 28 years.

Actuarial Assumptions: The total OPEB liability in the June 30, 2020 actuarial valuation was determine using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Census data	The census data was provided by the District as of June 30, 2019
Actuarial cost methods	Entry age actuarial cost method
Inflation rate	2.75%
Investment rate of return	6.50%
Discount rate	6.50%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Participation rates	100% for certificated and classified employees.
Mortality	For certificated employees the 2009 CalSTRS mortality tables were used. For classified employees the 2014 CalPERS active mortality for miscellaneous employees were used.

(Continued)

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

Changes in the Net OPEB (Asset) Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Total Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
Balance, July 1, 2019	<u>\$109,579,641</u>	<u>\$123,041,970</u>	<u>\$ (13,462,329)</u>
Changes for the year:			
Service cost	2,593,072	-	2,593,072
Interest	7,015,191	-	7,015,191
Experience gains/losses	293,734	-	293,734
Change in assumptions	5,910,554	-	5,910,554
Employer contributions	-	7,409,326	(7,409,326)
Actual investment income	-	5,930,257	(5,930,257)
Administrative expense	-	(450,368)	450,368
Benefit payments	<u>(7,409,326)</u>	<u>(7,409,326)</u>	<u>-</u>
Net change	<u>8,403,225</u>	<u>5,479,889</u>	<u>2,923,336</u>
Balance, June 30, 2020	<u>\$117,982,866</u>	<u>\$128,521,859</u>	<u>\$ (10,538,993)</u>

Fiduciary Net Position as a percentage of the Total OPEB Liability, at June 30, 2020: 109%

Sensitivity of the net pension liability to assumptions: The following presents the net OPEB liability calculated using the discount rate of 6.5 percent. The schedule also shows what the net OPEB liability and net OPEB asset would be if it were calculated using a discount rate that is 1 percent lower (6 percent) and 1 percent higher (8 percent):

	Discount Rate 1% Lower (5.5%)	Valuation Discount Rate (6.5%)	Discount Rate 1% Higher (7.5%)
Net OPEB (asset) liability	<u>\$ 2,940,263</u>	<u>\$ (10,538,993)</u>	<u>\$ (21,132,621)</u>

The following table presents the net OPEB liability calculated using the health care cost trend rate of 4 percent. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percent lower (3 percent) and 1 percent higher (5 percent):

	Health Care Trend Rate 1% Lower (3%)	Valuation Health Care Trend Rate (4%)	Health Care Trend Rate 1% Higher (5%)
Net OPEB (asset) liability	<u>\$ (22,509,668)</u>	<u>\$ (10,538,993)</u>	<u>\$ 4,395,606</u>

OPEB Expense: For the year ended June 30, 2020, the District recognized OPEB expense of \$6,039,929.

(Continued)

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

*OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 257,912	\$ 11,946,750
Changes of assumptions	5,189,754	-
Net differences between projected and actual earnings on investments	4,035,366	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Contributions made subsequent to measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 9,483,032</u>	<u>\$ 11,946,750</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended <u>June 30,</u>	
2021	\$ 65,240
2022	\$ 65,240
2023	\$ (170,779)
2024	\$ (605,431)
2025	\$ (1,170,274)
Thereafter	\$ (647,714)

*See required supplementary information following the notes to the basic financial statements, which presents multi-year trend information on whether assets are increasing or decreasing over time relative to the plan liabilities.*

(Continued)

#### **NOTE 14 - COMMITMENTS AND CONTINGENCIES**

Grants: The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District.

Litigation: The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District.

Operating Leases: The District has entered into various operating leases for equipment with no lease terms in excess of one year. None of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date

Construction Commitments: As of June 30, 2020, the District has approximately \$41,505,974 in outstanding commitments on construction contracts. The projects are funded through a combination of general obligation bonds and capital project apportionments from the State Chancellor's Office.

#### **NOTE 15 - JOINT POWER AGREEMENTS**

The District participates in joint ventures under joint power agreements with the following joint powers authorities (JPAs): School Excess Liability Fund (SELF) and San Mateo County School Insurance Group (SMCSIG). There have been no significant reductions in insurance coverage from the prior year. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. The JPAs arrange for and provide property, liability, workers' compensation, dental, vision, and excess liability coverage for their members. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

Each JPA is governed by a board consisting of representatives from the members. The boards control the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the members beyond their representation on the boards. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in the JPA. The District's share of year end assets, liabilities, or fund equity is not calculated by the JPA's. Separately issued financial statements can be requested from each JPA.

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(Continued)

**NOTE 15 - JOINT POWER AGREEMENTS (Continued)**

Condensed financial information of the JPAs for the most recent year available is as follows:

	<u>SELF</u> <u>June 30, 2019</u>	<u>SMCSIG</u> <u>June 30, 2019</u>
Total assets	\$ 121,323,694	\$ 26,372,555
Total deferred outflows of resources	\$ 423,181	\$ 392,825
Total liabilities	\$ 101,851,136	\$ 11,091,438
Total deferred inflow of resources	\$ 31,467	\$ 70,852
Net position	\$ 19,864,272	\$ 15,603,090
Total revenues	\$ 25,735,366	\$ 45,275,439
Total expenses	\$ 23,968,407	\$ 45,026,058
Change in net position	\$ 1,766,959	\$ 249,381

**NOTE 16 - COVID-19 IMPACTS**

In December 2019, a novel strain of coronavirus surfaced (COVID-19) and spread around the world, with resulting business and social disruption. In response to the pandemic and in compliance with various state and local ordinances, the District closed physical campuses and transitioned to a distance learning model. On March 13, 2020 the Governor of California issues Executive Order N-26 - 20, guaranteeing state funding to support the continued payment of salaries and benefits to all employees through June 30, 2020.

The operations and business results of the District could be adversely affected in the future including reduction in the level of funding and impact to the timing of cash flows. In addition, significant estimates may be adversely impacted by national, state, and local events designed to contain the coronavirus. Debt ratings for outstanding issuances may further be impacted. For the 2021 school year, the District is offering instruction in formats consistent with local health guidelines. Throughout the pandemic the District has put into practice a number of safety measures to protect students and employees and will continue to revise them as needed.

**REQUIRED SUPPLEMENTARY INFORMATION**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability				
Service cost	\$ 3,269,290	\$ 3,359,195	\$ 3,414,487	\$ 2,593,072
Interest	7,305,828	7,957,577	8,335,093	7,015,191
Benefit payments	(7,230,215)	(7,222,945)	(7,432,730)	(7,409,326)
Change in assumptions	-	-	-	5,910,554
Experience gains/losses	-	-	(15,800,542)	293,734
	<u>3,344,903</u>	<u>4,093,827</u>	<u>(11,483,692)</u>	<u>8,403,225</u>
Net change in Total OPEB liability				
Total OPEB Liability, beginning of year	<u>113,624,603</u>	<u>116,969,506</u>	<u>121,063,333</u>	<u>109,579,641</u>
Total OPEB Liability, end of year (a)	<u>\$116,969,506</u>	<u>\$121,063,333</u>	<u>\$109,579,641</u>	<u>\$117,982,866</u>
Plan fiduciary net position				
Employer contributions	15,230,215	19,422,945	10,032,730	7,409,326
Actual Investment Income	9,043,304	6,028,034	5,948,263	5,930,257
Administrative expense	(337,684)	(376,812)	(419,134)	(450,368)
Benefits payment	(7,230,215)	(7,222,945)	(7,432,730)	(7,409,326)
	<u>16,705,620</u>	<u>17,851,222</u>	<u>8,129,129</u>	<u>5,479,889</u>
Change in plan fiduciary net position				
Fiduciary trust net position, beginning of year	<u>80,355,999</u>	<u>97,061,619</u>	<u>114,912,841</u>	<u>123,041,970</u>
Fiduciary trust net position, end of year (b)	<u>\$ 97,061,619</u>	<u>\$114,912,841</u>	<u>\$123,041,970</u>	<u>\$128,521,859</u>
Net OPEB (asset) liability, ending (a) - (b)	<u>\$ 19,907,887</u>	<u>\$ 6,150,492</u>	<u>\$ (13,462,329)</u>	<u>\$ (10,538,993)</u>
Covered payroll	\$ 83,799,966	\$ 91,765,187	\$ 98,883,699	\$102,312,968
Plan fiduciary net position as a percentage of the total OPEB liability	83%	95%	112%	109%
Net OPEB (asset) liability as a percentage of covered payroll	24%	7%	(14)%	(10)%

*This is a 10-year schedule, however the information in this schedule is not required to be presented retrospectively.*

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 For the Year Ended June 30, 2020

State Teacher's Retirement Plan						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District's proportion of the net pension liability	0.105%	0.105%	0.092%	0.093%	0.100%	0.099%
District's proportionate share of the net pension liability	\$ 60,122,504	\$ 70,426,000	\$ 74,125,000	\$ 85,792,000	\$ 91,965,000	\$ 89,111,000
State's proportionate share of the net pension liability associated with the District	<u>37,062,000</u>	<u>37,248,000</u>	<u>42,202,000</u>	<u>50,754,000</u>	<u>52,654,000</u>	<u>48,616,000</u>
Total net pension liability	<u>\$ 97,184,504</u>	<u>\$107,674,000</u>	<u>\$116,327,000</u>	<u>\$136,546,000</u>	<u>\$144,619,000</u>	<u>\$137,727,000</u>
District's covered payroll	\$ 46,781,000	\$ 48,554,000	\$ 45,675,000	\$ 47,739,000	\$ 53,265,000	\$ 53,033,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	128.52%	145.05%	162.29%	179.71%	172.66%	168.03%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 For the Year Ended June 30, 2020

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	Public Employers Retirement Fund B					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District's proportion of the net pension liability	0.358%	0.363%	0.37%	0.38%	0.397%	0.412%
District's proportionate share of the net pension liability	\$ 40,542,482	\$ 53,485,000	\$ 72,981,000	\$ 91,241,000	\$105,725,000	\$119,992,000
District's covered payroll	\$ 37,548,000	\$ 40,172,000	\$ 44,332,000	\$ 48,676,000	\$ 52,301,000	\$ 57,027,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	107.98%	133.14%	164.62%	187.45%	202.15%	210.41%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%	73.89%	71.87%	70.85%	70.05%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

All years prior to 2015 are not available.

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See accompanying note to required supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 For the Year Ended June 30, 2020

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	State Teachers' Retirement Plan					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 4,311,554	\$ 4,900,874	\$ 6,005,598	\$ 7,433,405	\$ 8,821,372	\$ 9,250,546
Contributions in relation to the contractually required contribution	<u>\$ (4,311,554)</u>	<u>\$ (4,900,874)</u>	<u>\$ (6,005,598)</u>	<u>\$ (7,433,405)</u>	<u>\$ (8,821,372)</u>	<u>\$ (9,250,546)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 48,554,000	\$ 45,675,000	\$ 47,739,000	\$ 51,514,000	\$ 54,185,000	\$ 51,023,000
Contributions as a percentage of covered payroll	8.88%	10.73%	12.58%	14.43%	16.28%	17.10%*

All years prior to 2015 are not available.

\* This rate reflects the original employer contribution rate of 18.13 percent under AB1469, reduced for the 1.03 percentage points to be paid on behalf of employers pursuant to SB 90.

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(Continued)

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 For the Year Ended June 30, 2020

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	Public Employers Retirement Fund B					
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 4,728,591	\$ 5,252,004	\$ 6,760,065	\$ 8,137,083	\$ 10,306,432	\$ 11,215,354
Contributions in relation to the contractually required contribution	<u>\$ (4,728,591)</u>	<u>\$ (5,252,004)</u>	<u>\$ (6,760,065)</u>	<u>\$ (8,137,083)</u>	<u>\$ (10,306,432)</u>	<u>\$ (11,215,354)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 40,172,000	\$ 44,332,000	\$ 48,676,000	\$ 52,393,000	\$ 57,061,000	\$ 56,870,000
Contributions as a percentage of covered payroll	11.77%	11.85%	13.89%	15.53%	18.06%	19.72%

All years prior to 2015 are not available.

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See accompanying note to required supplementary information.

**NOTE 1 - PURPOSE OF SCHEDULES**

A - Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability

The Schedule of Changes in Net OPEB Liability is presented to illustrate the elements of the District's Net OPEB Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

B - Schedule of the District's Proportionate Share of the Net Pension Liability

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

C - Schedule of the District's Contributions (Pensions)

The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

D - Changes of Benefit Terms (Pensions)

There are no changes in benefit terms reported in the Required Supplementary Information.

E - Changes of Assumptions (Pensions)

The discount rate for Public Employer's Retirement Fund B was 7.50, 7.65, 7.65, 7.15, 7.15 and 7.15 percent in the June 30, 2013, 2014, 2015, 2016, 2017 and 2018 actuarial reports, respectively.

The following are the assumptions for State Teachers' Retirement Plan:

<u>Assumptions</u>	<u>Measurement Period</u>				
	As of June 30, <u>2019</u>	As of June 30, <u>2018</u>	As of June 30, <u>2017</u>	As of June 30, <u>2016</u>	As of June 30, <u>2015</u>
Consumer price inflation	2.75%	2.75%	2.75%	3.00%	3.00%
Investment rate of return	7.10%	7.10%	7.10%	7.60%	7.60%
Wage growth	3.50%	3.50%	3.50%	3.75%	3.75%

**SUPPLEMENTARY INFORMATION**

The San Mateo County Community College District was established in 1922, and includes three college campuses located in San Mateo County. There were no changes in the boundaries of the District during the current year. The District's three colleges are each accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges.

#### BOARD OF TRUSTEES

<u>Members</u>	<u>Office</u>	<u>Term Expires</u>
Maurice Goodman	President	2020
Karen Schwarz	Vice President-Clerk	2020
Richard Holober	Trustee	2022
Dave Mandelkern	Trustee	2020
Thomas A. Nuris	Trustee	2022
Jade Shonett	Student Trustee	2021

#### ADMINISTRATION

Mr. Michael E. Claire  
Chancellor

Ms. Bernata Slater  
Chief Financial Officer

Ms. Kim Lopez  
Interim President, College of San Mateo

Dr. Jamillah Moore  
President, Cañada College

Dr. Melissa Moreno  
President, Skyline College

BOARD REPORT NO. 21-01-06B  
 SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
 For the Year Ended June 30, 2020

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grant Number</u>	<u>Sub-recipient Award Amount</u>	<u>Federal Expend- itures</u>
<u>Department of Education</u>				
<i>Direct Programs:</i>				
Student Financial Aid Cluster:				
Federal Work Study Program	84.033	-	\$ -	\$ 468,012
Federal Pell Grant Program	84.063	-	-	12,625,437
Federal Supplemental Education Opportunity Grant	84.007	-	-	435,300
Federal Direct Student Loans	84.268	-	-	<u>965,512</u>
Subtotal Student Financial Aid Cluster			-	<u>14,494,261</u>
TRIO Cluster:				
Student Support Services	84.042A	-	-	788,778
Upward Bound	84.047A	-	-	<u>305,338</u>
Subtotal TRIO Cluster			-	<u>1,094,116</u>
Higher Education Program:				
Higher Education -Institutional Aid HSI STEM	84.031C	-	-	2,141,894
Higher Education -Institutional Aid HSI Coop	84.031S	-	<u>166,203</u>	<u>1,882,307</u>
Subtotal Higher Education			<u>166,203</u>	<u>4,024,201</u>
Minority Science and Engineering Improvement	84.120A	-	14,099	297,756
Education Stabilization Fund:				
COVID-19 HEERF Student Portion	84.425E	-	-	2,769,162
COVID-19 HEERF Institutional Portion	84.425F	-	-	593,832
COVID-19 HEERF Minority Serving Institutions	84.425L	-	-	<u>132,254</u>
Subtotal Education Stabilization Fund			-	<u>3,495,248</u>
<i>Passed through California Community Colleges Chancellor's Office:</i>				
CTEA I-C Basic Grants to States	84.048A	19-C01-052	-	<u>594,061</u>
Total Department of Education			<u>180,302</u>	<u>23,999,643</u>
<u>Department of Health and Human Services</u>				
<i>Passed through California Community Colleges Chancellor's Office:</i>				
Temporary Assistance for Needy Families Cluster	93.558		-	85,279
Title IV-E Foster Care	93.658		-	31,726
<i>Passed through California Department of Education/CDTC:</i>				
Child Care Development Cluster:				
Child Care and Development Block Grant	93.575	19-20-3939, 19-20-4047, CCTR9244	-	29,584
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCTR9244	-	<u>24,370</u>
Subtotal Child Care Development Cluster			-	<u>53,954</u>
Total Department of Health and Human Services			-	<u>170,959</u>

(Continued)

BOARD REPORT NO. 21-01-06B  
 SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
 For the Year Ended June 30, 2020

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grant Number</u>	<u>Sub-recipient Award Amount</u>	<u>Federal Expend- itures</u>
<u>Department of Agriculture</u>				
<i>Passed through California Department of Education:</i>				
Child and Adult Care Food program	10.558	1754-0A	\$ -	\$ 17,622
<u>National Science Foundation</u>				
Research Cluster:				
<i>Direct Program:</i>				
Education and Human Resources	47.076		-	414,752
<i>Passed through San Jose Evergreen Community College District:</i>				
Total National Science Foundation Research Cluster	47.076	SC-SUB-G1288	-	9,856
			-	424,608
<u>Small Business Administration</u>				
<i>Passed through Humboldt State University Sponsored Programs Foundation:</i>				
Small Business Development Centers	59.037	F0332, F0432	-	110,010
Total Federal Programs			\$ 180,302	\$ 24,722,842

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF STATE FINANCIAL AWARDS  
For the Year Ended June 30, 2020

	Program Revenues				Total Program Expenditures
	Cash Received*	Accounts Receivable	Deferred Revenue	Total Revenue	
<u>General Fund</u>					
AB 77/DSPS	\$ 2,160,838	\$ -	\$ 21,562	\$ 2,139,276	\$ 2,139,276
Extended Opportunity Program	1,761,974	-	44,886	1,717,088	1,717,088
CARE/EOPS	168,524	-	13,264	155,260	155,260
Foster Parent Training	48,494	-	11,119	37,375	37,375
IEPI CCC Leadership Development	19,297	-	19,297	-	-
AB602 FA Admin Allowance	771,431	-	-	771,431	771,431
T-Com and Technology	3,654	-	3,654	-	-
CalWORKs	400,889	-	49,428	351,461	351,461
AB1725 Staff Diversity	96,039	-	52,231	43,808	43,809
Faculty and Staff Development	108,368	-	108,368	-	-
MESA CCCP/FSS	46,213	86,395	-	132,608	132,607
Feather River CCD IDRC	5,000	-	5,000	-	-
Lottery -- Prop 20 -- Instr Matrls	495,298	484,079	-	979,377	776,031
YEP	(15,000)	15,000	-	-	-
UC Regents Puente Program-Canada	1,500	-	-	1,500	1,500
CCCCO 1819 Strong Workforce Local	2,347,784	-	1,188,806	1,158,978	1,158,978
Umoja Program	26,000	-	6,100	19,900	19,900
RSCCD CTE Data Unlocked Initiative	83,859	-	50,000	33,859	33,859
SBDC-HSUSPF GO-Biz	2,118	-	-	2,118	2,118
VeteranRes Center Grant Prog	38,067	2,182	-	40,249	40,249
Incarcerated StudentsvReentry Prog	45,454	58,369	-	103,823	103,823
SEAP carry-over	1,217,351	-	-	1,217,351	1,217,351
SMUHSD - ACCEL AEBG 12/31/21	517,505	-	513,467	4,038	4,038
Cabrillo CCD Strong Workforce Reg	475,575	8,449	-	484,024	484,024
FHDA CCD, CCCO Online CTE Pathway	376,598	199,571	-	576,169	576,169
RSCCD DSN Global Trade	100,000	51,034	-	151,034	151,034
SMUHSD - ACCEL AEBG 12/31/19	110,722	-	-	110,722	110,722
RSCCD DSN Health	-	13,884	-	13,884	13,884
Veteran Resource Center 1920 Approp	224,588	-	224,588	-	-
Guided Pathways Grant CCCCCO	1,043,764	-	366,433	677,331	677,331
CCCCO Strong Workforce 60% 17-18	1,031,539	-	18,474	1,013,065	1,013,065
California College Promise 1920	1,495,599	-	154,721	1,340,878	1,340,878
UWBA - Census Bay Area Counts 2020	15,000	-	-	15,000	15,000
SBDC-HSUSPF GO-Biz -CIP	9,060	-	-	9,060	9,060
SBDC-HSUSPF GO-Biz TAEP 1920	19,180	-	-	19,180	19,180
Veteran Resource Center 1718 approp	18,202	-	-	18,202	18,202
CAI - Pre-Apprenticeship OJT Grant	(86,101)	250,503	-	164,402	164,402
CCC Mental Health Services Grant	(106,636)	288,665	-	182,029	182,028
Cabrillo CCD Strong Workforce 40%	153,143	848,950	-	1,002,093	1,002,093
CCCCO Campus Safety 1718 Allocation	22,799	-	-	22,799	22,799
RSCCD DSN Energy Constr & Util 1920	98,272	-	-	98,272	98,272
Hunger Free Campus Support 2019-21	70,997	-	33,710	37,287	37,287
Innovation in Higher Education	2,569,769	-	1,246,681	1,323,088	1,323,088
AB 19 California College Promise	584,500	-	-	584,500	584,500
Student Equity and Achievement Prog	6,478,212	-	865,323	5,612,889	5,612,890
Nursing Education Program Support	189,039	-	19,204	169,835	169,835
SMUHSD - ACCEL AEBG	448,698	-	150,014	298,684	298,683
Student Success Completion Grant	1,354,880	-	13,463	1,341,417	1,341,417
CCCCO Financial Aid Technology	416,092	-	272,533	143,559	143,560
CCCCO CA Apprenticeship Initiative	7,047	(1)	-	7,046	7,046
SCCCD IEPI Equity Institute	200,000	-	200,000	-	-
Capital Outlay projects	447,275	908,515	-	1,355,790	1,355,790

(Continued)

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF STATE FINANCIAL AWARDS  
For the Year Ended June 30, 2020

	Program Revenues				Total Program Expenditures
	Cash Received*	Accounts Receivable	Deferred Revenue	Total Revenue	
UC Regents Puente Program CSM	\$ 1,500	\$ -	\$ 1,294	\$ 206	\$ 206
Cabrillo CCD Strong Workforce, RJV	80,081	10,000	-	90,081	90,081
SBDC-HSUSPF GO-Biz TAEP	12,036	20	-	12,056	12,056
Hunger Free Campus Support 2018-20	81,700	-	-	81,700	81,700
Mental Health Support 2018-20	84,690	-	25,171	59,519	59,519
Veteran Resource Center 1819 approp	119,662	-	63,775	55,887	55,887
CCCCO 1920 Strong Workforce Local	2,462,161	-	2,393,494	68,667	68,667
RSCCD DSN Energy Constr & Util	-	121,360	-	121,360	121,360
WHCCD ZTC Degree Champion Grant	2,000	-	-	2,000	2,000
Scheduled Maintenance	185,549	-	-	185,549	185,549
CDE Child Development	241,281	1,346	412	242,215	242,215
Cal Grant	<u>1,342,885</u>	<u>13,461</u>	<u>1,828</u>	<u>1,354,518</u>	<u>1,354,518</u>
<b>Total</b>	<b><u>\$ 32,732,015</u></b>	<b><u>\$ 3,361,782</u></b>	<b><u>\$ 8,138,300</u></b>	<b><u>\$ 27,955,497</u></b>	<b><u>\$ 27,752,151</u></b>

\*Cash received includes funds received in prior years.

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF WORKLOAD MEASURES FOR STATE  
 GENERAL APPORTIONMENT ANNUAL ATTENDANCE  
 Annual Attendance as of June 30, 2020

<u>Categories</u>	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Revised Data</u>
A. Summer Intersession (Summer 2019 only)			
1. Noncredit	6	-	6
2. Credit	1,848	-	1,848
B. Summer Intersession (Summer 2020 - Prior to July 1, 2020)			
1. Noncredit	-	-	-
2. Credit	-	-	-
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	8,640	-	8,640
b. Daily Census Contact Hours	430	-	430
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	35	-	35
b. Credit	564	-	564
3. Alternative Attendance Accounting Procedure			
a. Weekly Census Procedure Courses	2,578	-	2,578
b. Daily Census Procedure Courses	472	-	472
c. Noncredit Independent Study/Distance Ed	-	-	-
D. Total FTES	<u>14,573</u>	<u>-</u>	<u>14,573</u>
Supplementary Information:			
E. In-Service Training Courses (FTES)	-	-	-
H. Basic Skills Courses and Immigrant Education			
a. Noncredit	44	-	44
b. Credit	225	-	225
<u>CCFS 320 Addendum</u>			
CDCP	-	-	-
Center FTES			
a. Noncredit	-	-	-
b. Credit	-	-	-

See accompanying note to supplementary information.

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2020.

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See accompanying note to supplementary information.

General fund	\$ 78,131,199
Debt service fund	68,406,930
Special revenue funds	-
Capital projects funds	304,693,993
Internal service fund	24,545,006
Auxiliary funds	<u>10,151,669</u>
Total fund balances - business-type activity funds	485,928,797

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net assets.

Total District capital assets	\$ 776,797,520	
less Auxiliary fund capital assets	<u>(143,909)</u>	776,653,611

In government funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows of resources relating to pensions	\$ 55,104,900	
Deferred outflows of resources relating to OPEB	9,483,032	
Deferred inflows of resources relating to pensions	(12,322,000)	
Deferred inflows of resources relating to OPEB	(11,946,750)	
		40,319,182

Unmatured interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.

(8,766,925)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2020 consisted of:

General obligation bonds	\$ (766,683,502)	
Unamortized bond premiums	(60,856,092)	
Accreted interest	(246,399,373)	
Net pension liability	(209,103,000)	
Net OPEB asset	10,538,993	
Compensated absences	<u>(7,225,542)</u>	(1,279,728,516)

(Continued)

Gains or losses on refundings of debt are categorized as deferred inflows or outflows and are amortized over the shortened life of the refunded or refunding of the debt.

Deferred outflows of resources relating to debt refundings - losses	\$ 9,997,917	
Deferred inflows of resources relating to debt refundings - gains	(4,596,838)	<u>5,401,079</u>
Total net position - business-type activities		<u>\$ 19,807,228</u>

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See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION  
For the Year Ended June 30, 2020

	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional salaries:							
Contract or regular	1100	\$ 26,524,363	\$ -	\$ 26,524,363	\$ 26,524,363	\$ -	\$ 26,524,363
Other	1300	<u>17,969,301</u>	<u>-</u>	<u>17,969,301</u>	<u>17,969,301</u>	<u>-</u>	<u>17,969,301</u>
Total instructional salaries		<u>44,493,664</u>	<u>-</u>	<u>44,493,664</u>	<u>44,493,664</u>	<u>-</u>	<u>44,493,664</u>
Non-instructional salaries:							
Contract or regular	1200	-	-	-	16,933,630	-	16,933,630
Other	1400	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,022,973</u>	<u>-</u>	<u>2,022,973</u>
Total non-instructional salaries		<u>-</u>	<u>-</u>	<u>-</u>	<u>18,956,603</u>	<u>-</u>	<u>18,956,603</u>
Total academic salaries		<u>44,493,664</u>	<u>-</u>	<u>44,493,664</u>	<u>63,450,267</u>	<u>-</u>	<u>63,450,267</u>
<u>Classified Salaries</u>							
Non-instructional salaries:							
Regular status	2100	-	-	-	35,277,171	-	35,277,171
Other	2300	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,601,586</u>	<u>-</u>	<u>2,601,586</u>
Total non-instructional salaries		<u>-</u>	<u>-</u>	<u>-</u>	<u>37,878,757</u>	<u>-</u>	<u>37,878,757</u>
Instructional aides:							
Regular status	2200	2,482,637	-	2,482,637	2,523,521	-	2,523,521
Other	2400	<u>898,071</u>	<u>-</u>	<u>898,071</u>	<u>913,386</u>	<u>-</u>	<u>913,386</u>
Total instructional aides		<u>3,380,708</u>	<u>-</u>	<u>3,380,708</u>	<u>3,436,907</u>	<u>-</u>	<u>3,436,907</u>
Total classified salaries		<u>3,380,708</u>	<u>-</u>	<u>3,380,708</u>	<u>41,315,664</u>	<u>-</u>	<u>41,315,664</u>
Employee benefits	3000	23,116,343	-	23,116,343	48,183,398	-	48,183,398
Supplies and materials	4000	-	-	-	1,897,030	-	1,897,030
Other operating expenses	5000	10,438	-	10,438	14,625,643	-	14,625,643
Equipment replacement	6420	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures prior to exclusions		<u>\$ 71,001,153</u>	<u>\$ -</u>	<u>\$ 71,001,153</u>	<u>\$169,472,002</u>	<u>\$ -</u>	<u>\$169,472,002</u>

(Continued)

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION  
 For the Year Ended June 30, 2020

	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>							
Activities to exclude:							
Instructional staff-retirees' benefits and retirement incentives	5900	\$ 2,244,938	\$ -	\$ 2,244,938	\$ 2,244,938	\$ -	\$ 2,244,938
Student health services above amount collected	6441	-	-	-	604,959	-	604,959
Student transportation	6491	-	-	-	166,953	-	166,953
Noninstructional staff-retirees' benefits and retirement incentives	6740	-	-	-	1,864,388	-	1,864,388
Objects to exclude:							
Rents and leases	5060	-	-	-	115,956	-	115,956
Lottery expenditures		-	-	-	-	-	-
Academic salaries	1000	-	-	-	2,541,010	-	2,541,010
Classified salaries	2000	-	-	-	-	-	-
Employee benefits	3000	-	-	-	-	-	-
Supplies and materials:							
Software	4100	-	-	-	-	-	-
Books, magazines and periodicals	4200	-	-	-	-	-	-
Instructional supplies and materials	4300	-	-	-	-	-	-
Noninstructional supplies and materials	4400	-	-	-	-	-	-
Total supplies and materials		-	-	-	-	-	-
Other operating expenses and services	5000	-	-	-	-	-	-
Capital outlay	6000	-	-	-	-	-	-
Library books	6300	-	-	-	-	-	-
Equipment:							
Equipment - additional	6410	-	-	-	-	-	-
Equipment - replacement	6420	-	-	-	-	-	-
Total equipment		-	-	-	-	-	-
Total capital outlay		-	-	-	-	-	-
Other outgo	7000	-	-	-	-	-	-
Total exclusions		<u>2,244,938</u>	<u>-</u>	<u>2,244,938</u>	<u>7,538,204</u>	<u>-</u>	<u>7,538,204</u>
Total for ECS 84362, 50% Law		<u>\$ 68,756,215</u>	<u>\$ -</u>	<u>\$ 68,756,215</u>	<u>\$ 161,933,798</u>	<u>\$ -</u>	<u>\$ 161,933,798</u>
Percent of CEE (instructional salary cost /Total CEE)		<u>42.46 %</u>	<u>-</u>	<u>42.46 %</u>	<u>100.00%</u>	<u>-</u>	<u>100.00%</u>
50% of current expense of education		-	-	-	<u>\$ 80,966,899</u>	-	<u>\$ 80,966,899</u>

See accompanying note to supplementary information.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 PROPOSITION 55 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT  
 For the Year Ended June 30, 2020

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EPA Proceeds: \$ 1,459,739

<u>Activity Classification</u>	<u>Activity Code (0100-5900)</u>	<u>Salaries and Benefits (1000-3000)</u>	<u>Operating Expenses (4000-5000)</u>	<u>Capital Outlay (6000)</u>	<u>Total</u>
Instructional Activities	0100-5900	\$ 1,139,180	\$ -	\$ -	\$ 1,139,180
Media	6130	114,316	-	-	114,316
Management Information Systems	6780	69,319	-	-	69,319
Custodial services	<u>6530</u>	<u>136,924</u>	<u>-</u>	<u>-</u>	<u>136,924</u>
Total expenditures		<u>\$ 1,459,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,459,739</u>
Revenues less expenditures					<u>\$ -</u>

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See accompanying note to supplementary information.

## **NOTE 1 - PURPOSE OF SCHEDULES**

### **A - Schedule of Expenditure of Federal Awards**

The Schedule of Expenditure of Federal Awards includes the federal award activity of San Mateo Community College District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, Cost Principles for Educational Institutions or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### **B - Schedule of State Financial Awards**

The accompanying Schedule of State Financial Awards includes State grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented to comply with reporting requirements of the California Community College Chancellor's Office.

### **C - Schedule of Workload Measures for State General Apportionment**

Full-time equivalent students is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

### **D - Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the CCFS-311 to the audited financial statements.

### **E - Reconciliation of Governmental Funds to the Statement of Net Position**

This schedule provides the information necessary to reconcile the fund balances to the audited financial statements.

### **F - Reconciliation of ECS 84362 (50 Percent Law) Calculation**

ECS 84362 requires the District to expend a minimum of 50 percent of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

### **G - Proposition 55 Education Protection Account (EPA) Expenditure Report**

This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

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**Crowe LLP**  
Independent Member Crowe Global

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Board of Trustees  
San Mateo County Community College District  
San Mateo, California

### **Report on Compliance with State Laws and Regulations**

We have audited the compliance of San Mateo County Community College District with the types of compliance requirements described in Section 400 of the *California State Chancellor's Office's California Community College Contracted District Audit Manual (CDAM)* that are applicable to community colleges in the State of California for the year ended June 30, 2020:

- SCFF Data Management Control Environment
- Salaries of Classroom Instructors (50 Percent Law)
- Apportionment for Activities Funded from Other Sources
- Student Centered Funding Formula Base Allocations: FTES
- Residency Determination for Credit Courses
- Students Actively Enrolled
- Dual Enrollment (CCAP and Non-CCAP)
- Scheduled Maintenance Program
- Gann Limit Calculation
- Open Enrollment
- Proposition 39 Clean Energy Fund
- Apprenticeship Related and Supplemental Instruction (RSI) Funds
- Disabled Student Programs and Services (DSPS)
- To Be Arranged Hours (TBA)
- Propositions 1D and 51 State Bond Funded Projects
- Education Protection Account Funds

### **Management's Responsibility**

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on San Mateo County Community College District's compliance with state laws and regulations as listed above based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *California State Chancellor's Office's California Community College Contracted District Audit Manual* (Audit Manual). Those standards and the Audit Manual require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on San Mateo County Community College District's compliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about San Mateo County Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion in compliance with state laws and regulations. However, our audit does not provide legal determination of San Mateo County Community College District's compliance with those requirements.

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(Continued)

**Basis for Qualified Opinion on Compliance with State Laws and Regulations**

As described in Finding 2020-001 in the accompanying Schedule of Audit Findings and Questioned Costs, San Mateo County Community College District did not comply with the requirements regarding Salaries of Classroom Instructors (50 Percent Law). Compliance with such requirements is necessary, in our opinion, for San Mateo County Community College District to comply with state laws and regulations referred to above.

**Qualified Opinion on Compliance with State Laws and Regulations**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, San Mateo County Community College District complied, in all material respects, with the compliance requirements referred to above that are applicable to the state laws and regulations for the year ended June 30, 2020.

**Other Matter**

San Mateo County Community College District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Audit Findings and Questioned Costs. San Mateo County Community College District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

**Purpose of this Report**

This report is intended solely to describe the scope of our testing of compliance and the results of that testing based on requirements of the *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Sacramento, California  
December 4, 2020



**Crowe LLP**  
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

Board of Trustees  
San Mateo County Community College District  
San Mateo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the fiduciary activities and the discretely presented component unit of San Mateo County Community College District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise San Mateo County Community College District's basic financial statements, and have issued our report thereon dated December 4, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered San Mateo County Community College District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Mateo County Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of San Mateo County Community College District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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(Continued)

As part of obtaining reasonable assurance about whether San Mateo County Community College District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Crowe LLP

Sacramento, California  
December 4, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees  
San Mateo County Community College District  
San Mateo, California

**Report on Compliance for Each Major Federal Program**

We have audited San Mateo County Community College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of San Mateo County Community College District's major federal programs for the year ended June 30, 2020. San Mateo County Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the Federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of San Mateo County Community College District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about San Mateo County Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of San Mateo County Community College District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, San Mateo County Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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(Continued)

Management of San Mateo County Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered San Mateo County Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of San Mateo County Community College District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Crowe LLP

Sacramento, California  
December 4, 2020

**FINDINGS AND RECOMMENDATIONS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes     X  No

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_\_\_ Yes     X  None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes     X  No

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes     X  No

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_\_\_ Yes     X  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes     X  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.031C and 84.031S	Higher Ed Cluster
84.033, 84.063, 84.007, and 84.268	Student Financial Aid Cluster
84.425E, 84.425F and 84.425L	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  X  Yes    \_\_\_\_\_ No

**STATE AWARDS**

Type of auditor's report issued on compliance for state programs: Qualified - 50 Percent Law

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

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(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

**2020-001 STATE COMPLIANCE - SALARIES OF CLASSROOM INSTRUCTORS (50 PERCENT LAW)  
(30000)**

Criteria

Education Code Section 84362, commonly known as the 50 Percent Law, requires that a minimum of 50 percent of the district's Current Expense of Education (CEE) be expended during each fiscal year for "Salaries of Classroom Instructors."

Condition

The District failed to meet the required 50 percent minimum.

Effect

Less than 50 percent of the District's Current Expense of Education (CEE) was expended for salaries of classroom instructors, thereby the District is not in compliance with Education Code Section 84362.

Cause

The District expended more on non-instructional costs than instructional costs in the Current Expense of Education.

Fiscal Impact

Not determinable.

Recommendation

The District should come into compliance with the 50 Percent Law by expending a higher amount of the District's CEE for salaries of classroom instructors, or by reducing non-instructional costs.

Views of Responsible Officials

The District allocated \$.7 million in on-going funds in 2020-21 Adopted Budget to convert part-time faculty to full-time faculty as follows: four teaching faculty at Skyline College, three teaching faculty at the College of San Mateo, and three teaching faculty at Cañada College. The colleges have begun the process of prioritizing and will fill these new full-time positions as soon as possible. The District will continue monitoring the issue of 50% law compliance as new ongoing funding is identified and approved to bring the District closer to compliance with the law.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2020

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<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>District Explanation If Not Fully Implemented</u>
<b>2019-001</b>	Not implemented.	See current year finding 2020-001
<u>Condition:</u> The District failed to meet the required 50 percent minimum.		
<u>Recommendation:</u> The District should come into compliance with the 50 Percent Law by expending a higher amount of the District's CEE for salaries of classroom instructors, or by reducing non-instructional costs.		

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**BOARD REPORT NO. 21-01-07B**

TO: Members of the Board of Trustees  
FROM: Michael Claire, Chancellor  
PREPARED BY: Bernata Slater, Chief Financial Officer, 358-6755

**RECEIPT AND ACCEPTANCE OF THE 2019-20 KCSM AUDIT REPORT**

Attached are copies of the audits of KCSM-FM financial records, prepared by the Board-approved firm of Crowe LLP. The audits were based upon the fiscal year ending June 30, 2020. A representative of the auditing firm will be present at this meeting to respond to questions about the audit in general and about the firm's findings and recommendations.

**RECOMMENDATION**

It is recommended that the Board of Trustees receive and accept the 2019-20 audit reports for KCSM- FM, which were filed with the Corporation for Public Broadcasting prior to the January 31, 2021 due date.

**KCSM-FM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED AS A PROGRAM OF THE  
SAN MATEO COUNTY  
COMMUNITY COLLEGE DISTRICT**

**FINANCIAL STATEMENTS**

June 30, 2020 and 2019

KCSM-FM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED AS A PROGRAM OF THE  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS  
June 30, 2020 and 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
KCSM-FM  
San Mateo, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of KCSM-FM (a public telecommunications entity operated as a program of the San Mateo County Community College District), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the KCSM-FM's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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(Continued)

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KCSM-FM, as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements of KCSM-FM are intended to present the financial position, the change in financial position, and cash flows of only that portion of the San Mateo County Community College District that is attributable to the transactions of the program. They do not purport to, and do not, present fairly the financial position of San Mateo County Community College District as of June 30, 2020 and 2019, the changes in its financial position, or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2020 on our consideration of the KCSM-FM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KCSM-FM's internal control over financial reporting and compliance.



Crowe LLP

Sacramento, California  
December 4, 2020

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

---

**Introduction**

The San Mateo County Community College District's (the District) Annual Financial Report presents management's discussion and analysis of KCSM-FM financial activities during the fiscal years ended June 30, 2020 and June 30, 2019. The discussion has been prepared by management and is best read in conjunction with the financial statements and the notes following this section.

There are three basic financial statements that provide information KCSM-FM's financial activities as a whole.

These statements are:

- Statement of Net Position
- Statement of Revenues, Expenses and Change in Net Position
- Statement of Cash Flows

**Financial Overview Summary**

Compared with the prior year balance, total net position increased by almost \$178,000, and ended at over \$2.1 million as of June 30, 2020. The increase in net position was primarily due to an increase in CPB Community Service Grants funding.

**Reporting for the District and KCSM-FM as a Whole****Economic position of the District with the State**

The District continues its community-supported status for the tenth consecutive year (2011/12 through 2020/21). When the State sets the District's revenue limit (determining how many students the District is funded to serve) and deducts from that revenue limit the local property taxes and student fees, there is no need for State apportionment to sum to the District's revenue limit. In addition to an increase in property taxes, the District continues to receive funds from the dissolution of Redevelopment Agencies (RDAs). As fewer of the property taxes are being diverted to RDAs, more of these resources are redirected to the District. The former RDAs are also slowly disposing of their assets, which provides additional one-time funds to the District. Given the District's community-supported status and its reliance on property taxes, which is dependent on assessed valuation (an economic lagging indicator), the District is anticipating lower property tax revenue increases over the next couple years due to the ongoing health and economic crisis inflicted by the pandemic. The District has set aside ongoing as well as one-time funds to address the impact of the pandemic.

KCSM-FM is one of a handful of all-Jazz stations remaining in the nation. The station is funded mostly by listener contributions - 80%. In 2019/20, the station continued to increase the number of on-going monthly contributions (sustainers). The efforts to modify and improve the fund-drive process has produced incremental revenue to the station, as KCSM-FM consistently meets or exceeds its pledge-drive goals. This year staff continues to work with the Digital Media Department at the College of San Mateo in support of an alternative on-air stream that allows students to run and operate their own radio station. This is part of a concerted effort to strengthen the link between the radio station and the campus, as well as to be actively supportive of the Digital Media Department and the student body. In spite of the pandemic, KCSM-FM continues to strengthen its partnerships with jazz organizations in the San Francisco Bay Area, providing added exposure to the music genre by delivering live jazz performances to listeners worldwide. KCSM-FM identified its biggest opportunity for audience growth to be outside of KCSM's designated market area, with efforts on the way to cast a wider net through its desktop player and dedicated app, where the station has been able to increasingly reach a newer audience nationally and overseas.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

KCSM - FM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED BY THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
Statement of Net Position  
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2,087,047	\$ 1,797,972
Accounts receivable	9,725	60,253
Prepaid expenses	4,477	
Total current assets	<u>2,101,249</u>	<u>1,858,224</u>
Noncurrent Asset		
Capital Asset	482,537	550,649
Accumulated Depreciation	(378,220)	(427,297)
Total noncurrent assets	<u>104,317</u>	<u>123,352</u>
Total asset	2,205,566	1,981,577
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	<u>83,975</u>	<u>37,756</u>
Total Liabilities	83,975	37,756
<b>Net Position</b>		
Investment in Capital assets	104,317	123,352
Unrestricted	<u>2,017,275</u>	<u>1,820,469</u>
Total net position	<u>\$ 2,121,591</u>	<u>\$ 1,943,821</u>

The Statement of Net Position above includes all assets and liabilities of KCSM-FM using the accrual basis of accounting, which is similar to the accounting basis used by private companies. Net Position, the difference between total assets and total liabilities, is one way to measure the financial condition of KCSM-FM. The following are explanatory remarks for the statement:

- Cash and cash equivalents consist of cash in the Treasury and San Mateo County Pool Investment.
- Accounts receivable primarily consists of revenues from local sources from which KCSM-FM had earnings but which were not received as of the fiscal year's closing date.
- Capital assets, net of depreciation, are the net historical value of equipment less accumulated depreciation.
- Accounts payable consist of payables to the local vendors which KCSM-FM incurred but for which payments were not issued as of the end of the fiscal year.
- According to GASB Statements, equity is reported as Net Position rather than Fund Balance.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

KCSM-FM's net position is classified as follows:

- Invested in Capital Assets: this represents KCSM-FM's total investment in capital assets, net of accumulated depreciation and any liabilities issued to acquire the capital assets.
- Unrestricted Net Position: this includes resources from fees, District support, and other services. These resources are used for transactions relating to the general operations of KCSM-FM and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose.

**Statement of Revenues, Expenses and Change in Net Position**

The Statement of Revenues, Expenses and Change in Net Position shown below consists of operating and non-operating results of KCSM-FM. Operating revenues represent all revenues from exchange transactions, in which each party gives and receives essentially equal value. Non-operating revenue consists of non-exchange transactions including support received from the District.

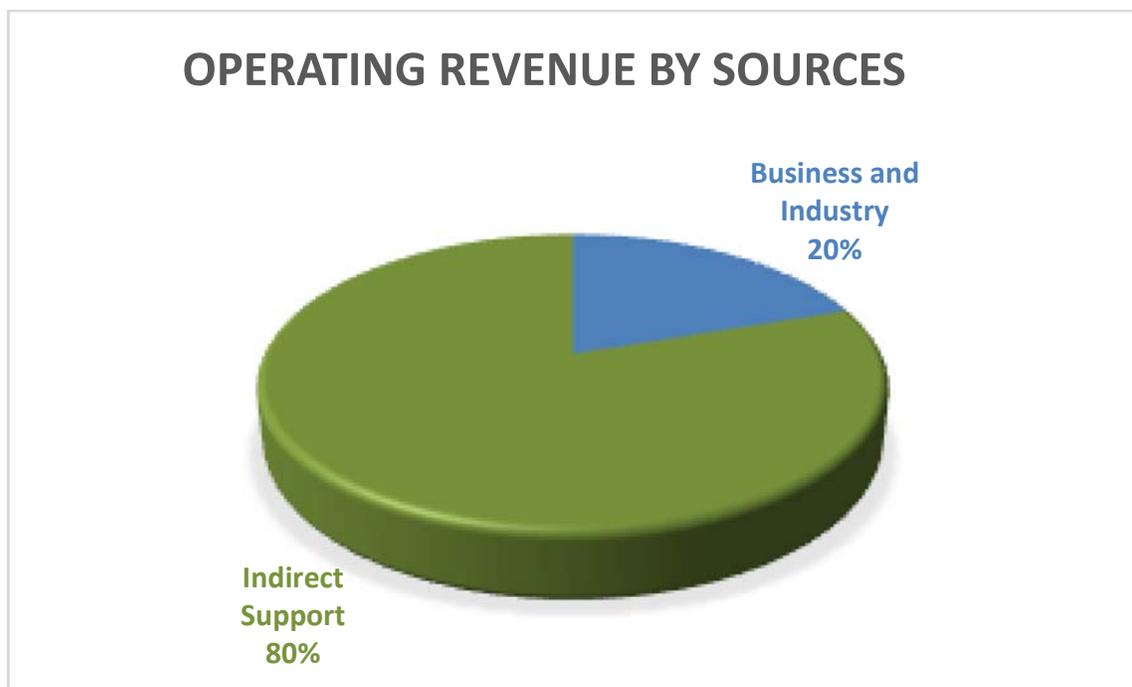
	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>		
Direct Income		
Business and Industry	\$ 64,000	\$ 152,148
Facilities Use	-	12,408
Other Sales	8,474	77
Indirect Support		
San Mateo County Community College District	294,065	334,455
Total Operating Revenues	<u>366,539</u>	<u>499,088</u>
 <b>Operating Expenses</b>		
Programming and Production	816,014	754,537
Broadcasting	320,597	553,056
Program Information and Promotion	203,750	209,332
Management and General	566,737	486,364
Fundraising Support	137,787	146,048
Underwriting and Grant Solicitation	15,551	89,998
Total Operating Expenses	<u>2,060,435</u>	<u>2,239,335</u>
Loss from operation	(1,693,896)	(1,740,247)
 <b>Non-Operating Revenues</b>		
Membership and donations	1,646,201	1,823,771
CPB Community Service Grants	225,465	160,704
Loss on Disposal of Capital Assets	-	(27,251)
Total Non-Operating Revenues	<u>1,871,666</u>	<u>1,957,224</u>
Change in Net Position	177,771	216,978
Net Position at Beginning of Year	<u>1,943,821</u>	<u>1,726,843</u>
Net Position at End of Year	<u>\$ 2,121,591</u>	<u>\$ 1,943,821</u>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

Explanatory information for the statement is as follows:

- CPB Community Service Grants: Payment from Corporation for Public Broadcasting designated to help provide a non-commercial, educational program stream to the community.
- Other Income: Income that does not fit into other categories (e.g., gifts, donations, sales of tapes and videos).
- Business and Industry: Financial support from companies and corporations to support the station's operations.
- Subscriptions and Membership: Financial support from individuals to support the operations of the station.
- Facilities Use: Payment for services provided by KCSM-FM, such as facility rentals.
- Indirect Support: Expenses or facilities paid by the San Mateo County Community College District.

Below is an illustration of KCSM-FM operating revenues by source:

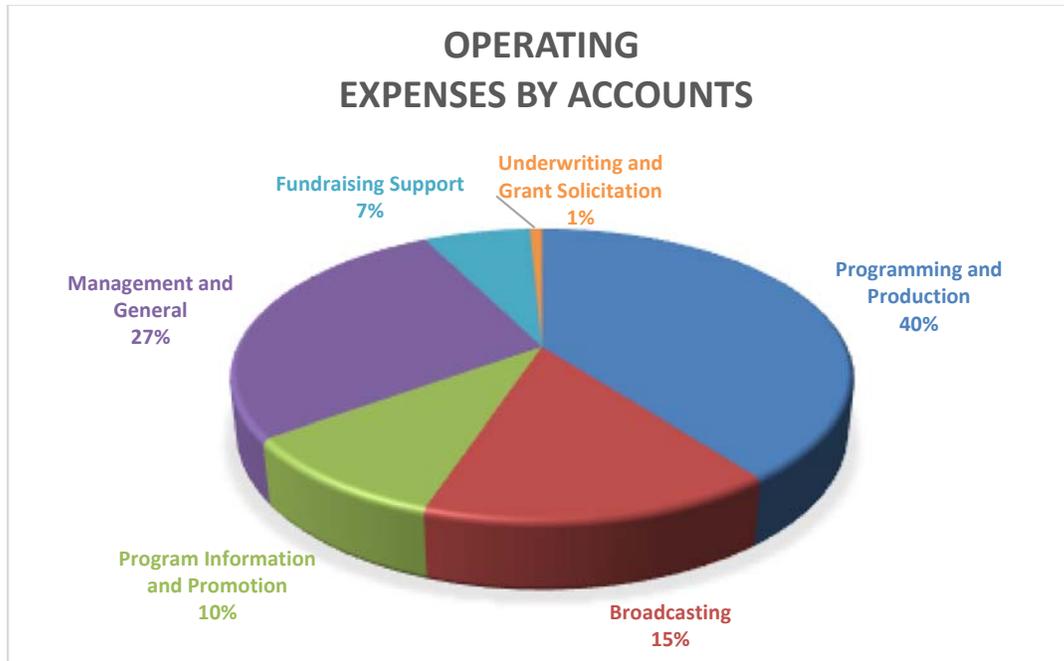


Revenues and expenses changed mainly due to the following:

Revenue decreased mainly due to decrease in membership and donations as well as reduced revenue from facilities rental brought by economic recession associated with pandemic. The health emergency also forced KCSM management to shut down one of the three annual pledge drives, practically reducing membership revenue by 30%. This was slightly offset by an increase in CPB Community Service Grants funding.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

- Expenses decreased mainly due to reduced broadcasting operating costs during shelter-in-place.



KCSM-FM's operating expenses are shown in the chart above. The following are explanatory comments for the Statement of Operating Expenses by Activity:

- Programming and Production: Expenses incurred to purchase, schedule, and produce and prepare programs for broadcast.
- Broadcasting: Expenses incurred to prepare, store, check quality, verify automation asset management, play out, and monitor program streams. Also included in this category is maintenance, repair, design and installation of equipment necessary for technical operations of the station. All costs for transmission such as rent and power are accounted for in this area.
- Program Information and Promotions: Expenses for all labor and costs to maintain the website; and design, outsource production of, and procurement of promotional materials.
- Management and General: Expenses for management services such as station manager(s), accounting, and administrative and legal services. Also included in this area is depreciation.
  - Depreciation of capital assets is computed and recorded by the straight-line method. KCSM-FM maintains a capitalization threshold of \$5,000 for equipment and \$100,000 for building improvements. Useful lives of the assets are estimated as follows:
    - 5 to 10 years for equipment
    - 25 to 50 years for improvements
    - 25 to 50 years for buildings
- Fundraising Support: All costs for pledge premiums, membership administrative services, and database management costs.
- Underwriting and Grant Solicitation: Expenses for costs incurred for underwriting solicitation and other solicitations from organizational support for the station.

***SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM******MANAGEMENT'S DISCUSSION AND ANALYSIS******JUNE 30, 2020***

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**Cash Flows**

The Statement of Cash Flows shown below provides information about cash receipts and cash payments during the fiscal year. The statement also assists readers in understanding KCSM-FM's ability to generate net cash flows, and its ability to meet obligations as they come due or KCSM-FM's need for assistance via external financing. KCSM-FM has adopted the direct method, and under this method, data for cash flow present operating activities by major categories of gross receipts and gross payments as well as the resulting net amount. Additional explanatory information for the statement is as follows:

- The main cash receipts from operating and non-operating activities consist of subscriptions and memberships, District support and CPB grants. Cash outlays include payment of salaries, benefits, supplies, programming, production and operating expenses.
- Cash from investing activities consists of interest from San Mateo County Investment Pool.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

KCSM - FM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED BY THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
Statement of Cash Flows  
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Business and industry	\$ 114,527	\$ 102,900
Facilities use	-	12,408
Other sales	8,474	77
District support	294,065	334,455
Payments to suppliers	(889,579)	(461,641)
Payments to (on behalf of) employees	(1,110,079)	(1,755,781)
	<u>(1,582,591)</u>	<u>(1,767,582)</u>
<b>Net cash used in operating activities</b>		
<b>Cash flows from financing activities</b>		
Memberships and donations	1,646,201	1,823,771
CPB community service grants	225,465	160,704
	<u>1,871,666</u>	<u>1,984,475</u>
<b>Net cash provided by financing activities</b>		
<b>Cash flows from investing activities</b>		
Purchase of capital assets	-	(118,641)
	<u>-</u>	<u>(118,641)</u>
<b>Net change in cash and cash equivalents</b>	289,075	98,252
Cash and cash equivalents at beginning of year	<u>1,797,972</u>	<u>1,699,720</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 2,087,047</u>	<u>\$ 1,797,972</u>

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT KCSM-FM****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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**Economic Factors and the 2020-21 Budget**

Being community supported, the District's revenues primarily consist of property tax revenues and student fees and are relatively predictable. The County Assessor's Office has stated that the property tax base increased 7.02% county-wide as compared to 2019/20, which means the projected property tax revenues in 2020/21 are 7.02% higher than the prior year. This puts the District on very solid financial footing for 2020/21 and beyond. The District is anticipating lower property tax revenue increases over the next couple years and is planning accordingly for three scenarios, setting aside ongoing as well as one-time funding to weather the economic recession inflicted by the pandemic. The District continues to build multi-year financial plans and has planned balanced budgets through 2022/23.

KCSM FM: The station continues to focus on controlling costs and increasing revenue. Because of these efforts, sustainerships continue to grow, this year at a rate of 15% over the previous year. Because of the pandemic, underwriting flattened during the last half of the fiscal year, and practically disappeared in the last quarter of the year. Most of the underwriting revenue this year was generated by accounts that had signed long-term agreements, but because of the pandemic the impact to the underwriting revenue has been deep and long-lasting.

In the face of negative market forces beyond the station's control, KCSM FM continues to explore new technologies and processes to improve productivity, efficiency, and control costs.

**Contacting the Financial Management Office**

This financial report is designed to provide citizens, taxpayers, students, investors and creditors with a general overview of KCSM-FM's finances and to illustrate the District's accountability for funding received. Questions or concerns about this report or requests for additional financial information should be addressed to Bernata Slater, Chief Financial Officer, by phone at 650-358-6755 or by e-mail at slaterb@smccd.edu.

A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED AS OF PROGRAM OF THE  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF NET POSITION  
June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2,087,047	\$ 1,797,972
Accounts receivable	9,725	60,253
Prepaid expenses	<u>4,477</u>	<u>-</u>
Total current assets	<u>2,101,249</u>	<u>1,858,225</u>
Noncurrent assets		
Capital assets	482,537	550,649
Accumulated depreciation	<u>(378,220)</u>	<u>(427,297)</u>
Total noncurrent assets	<u>104,317</u>	<u>123,352</u>
Total assets	<u>2,205,566</u>	<u>1,981,577</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	<u>83,975</u>	<u>37,756</u>
Total liabilities	<u>83,975</u>	<u>37,756</u>
<b>NET POSITION</b>		
Investment in capital assets	104,317	123,352
Unrestricted	<u>2,017,274</u>	<u>1,820,469</u>
Total net position	<u>\$ 2,121,591</u>	<u>\$ 1,943,821</u>

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

A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED AS A PROGRAM OF THE  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION  
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Operating revenues</b>		
Direct income		
Business and industry	\$ 64,000	\$ 152,148
Facilities use	-	12,408
Other sales	8,474	77
Indirect support		
San Mateo County Community College District	<u>294,065</u>	<u>334,455</u>
Total operating revenues	<u>366,539</u>	<u>499,088</u>
<b>Operating expenses</b>		
Programming and production	816,014	754,537
Broadcasting	320,597	553,056
Program information and promotion	203,750	209,332
Management and general	566,736	486,364
Fundraising support	137,787	146,048
Underwriting and grant solicitation	<u>15,551</u>	<u>89,997</u>
Total operating expenses	<u>2,060,435</u>	<u>2,239,334</u>
Loss from operations	<u>(1,693,896)</u>	<u>(1,740,246)</u>
<b>Non-operating revenue (expense)</b>		
Memberships and donations	1,646,201	1,823,771
CPB community service grants	225,465	160,704
Loss on disposal of capital assets	<u>-</u>	<u>(27,251)</u>
Total non-operating revenue (expense)	<u>1,871,666</u>	<u>1,957,224</u>
Change in net position	177,770	216,978
Net position, beginning of year	<u>1,943,821</u>	<u>1,726,843</u>
<b>Net position, end of year</b>	<u>\$ 2,121,591</u>	<u>\$ 1,943,821</u>

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

A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED AS A PROGRAM OF THE  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Business and industry	\$ 114,527	\$ 102,900
Facilities use	-	12,408
Other sales	8,474	77
District support	294,065	334,455
Payments to suppliers	(889,579)	(461,641)
Payments to (on behalf of) employees	<u>(1,110,079)</u>	<u>(1,755,781)</u>
Net cash used in operating activities	<u>(1,582,591)</u>	<u>(1,767,582)</u>
<b>Cash flows from financing activities</b>		
Memberships and donations	1,646,201	1,823,771
CPB community service grants	<u>225,465</u>	<u>160,704</u>
Net cash provided by financing activities	<u>1,871,666</u>	<u>1,984,475</u>
<b>Cash flows from investing activities</b>		
Purchase of capital assets	<u>-</u>	<u>(118,641)</u>
Net change in cash and cash equivalents	289,075	98,252
Cash and cash equivalents at beginning of year	<u>1,797,972</u>	<u>1,699,720</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 2,087,047</u>	<u>\$ 1,797,972</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (1,693,896)	\$ (1,740,246)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	19,035	19,493
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	50,528	(49,248)
(Increase) in prepaid expenses	(4,477)	-
Increase in accounts payable	<u>46,219</u>	<u>2,419</u>
Net cash used in operating activities	<u>\$ (1,582,591)</u>	<u>\$ (1,767,582)</u>

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

A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED AS A PROGRAM OF THE  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

---

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity: KCSM-FM is a public telecommunications radio station operated as a program of the San Mateo County Community College District. KCSM-FM is a program of San Mateo County Community College District general fund, and all activities are also reported within the financial statements of the District.

These financial statements are not intended to, and do not purport to, present fairly the financial position and changes in the financial position of the San Mateo County Community College District in compliance with accounting principles generally accepted in the United States of America.

Basis of Accounting: The KCSM-FM financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

For financial reporting purposes, San Mateo County Community College District is considered a special-purpose government engagement only in business-type activities. Accordingly, KCSM-FM's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Net Position: KCSM-FM's net position is classified as follows:

*Net investment in capital assets* – this represents KCSM-FM's total investment in capital assets, net of accumulated depreciation and any liabilities issued to acquire the capital assets.

*Unrestricted net position* – this includes resources from fees, District support, and other services. These resources are used for transactions relating to the general operations of KCSM-FM and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose.

Classifications of Revenues and Expenses: Operating revenue includes activities that have the characteristics of exchange transactions, such as sales and services of auxiliary enterprises, and District Support. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as local grants, and gifts and contributions. Operating expenses are those expenses directly attributable to the operations of KCSM-FM.

Capital Assets: KCSM-FM records assets purchased at cost. The value of donated goods is recorded when there is an objective basis available to measure their value. Donated materials and equipment are reflected as contributions in the accompanying statements at their acquisition value at the date of donation. KCSM-FM maintains a capitalization threshold of \$5,000. KCSM-FM depreciates all equipment using the straight-line method of depreciation over the estimated useful life of the related assets, ranging from 5 to 20 years.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

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(Continued)

A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED AS A PROGRAM OF THE  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash Flows: For the purposes of the statement of cash flows, KCSM-FM considers all investments with a maturity of three months or less to be cash equivalents.

Income Taxes: KCSM-FM is a program of San Mateo County Community College District. San Mateo County Community College District is a public educational institution and is considered to be a political subdivision of the State of California and is therefore tax exempt and not subject to filing information returns.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Summary of Deposits and Investments: Deposits and investments as of June 30, 2020 and 2019, are classified in the accompanying financial statements in the amount of \$2,087,047 and \$1,797,972, respectively. Cash accounts maintained by KCSM-FM are held by San Mateo County Community College District in pooled amounts at the County Treasury.

Policies and Practices: KCSM - FM is authorized through the District under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury: KCSM – FM and the District are considered to be involuntary participants in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the entity's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

The District's deposits in the fund are considered to be highly liquid. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County Treasurer has indicated that there are no derivatives in the pool as of June 30, 2020.

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(Continued)

A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED AS A PROGRAM OF THE  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

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**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

**General Authorizations:** Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

<u>Authorized Investment Type Issuer</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	7 years	None	None
U.S Agency Securities	7 years	None	40%
Banker's Acceptance	180 days	30%	10%
Commercial Paper	270 days	40%	5%
Collateralized Time Deposits	270 days	40%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	92 days	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Mortgage Backed Securities/CMO's	5 years	20%	10%
Medium-Term Notes	5 years	30%	5%
Mutual Funds	N/A	10%	5%
Money Market Mutual Funds	N/A	20%	10%
CA Municipal Obligations	5 years	30%	5%
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Government Investments (LGIPs)	N/A	10%	5%

**Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. KCSM-FM and the District manage exposure to interest rate risk by depositing funds with the San Mateo County Treasury. KCSM-FM's share of deposits with the County Treasury was \$2,087,047 as of June 30, 2020 and \$1,797,972 as of June 30, 2019. The fair value of this investment at June 30, 2020 and June 30, 2019 is approximately \$2,126,800 and \$1,801,458, respectively, with a weighted average maturity of approximately 1.75 years and 0.84 years respectively.

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(Continued)

A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED AS A PROGRAM OF THE  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

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**NOTE 3 – CAPITAL ASSETS**

Changes in equipment are summarized as follows as of June 30, 2020:

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Equipment	\$ 550,649	\$ -	\$ (68,112)	\$ 482,537
Less accumulated depreciation	<u>(427,297)</u>	<u>(19,035)</u>	<u>68,112</u>	<u>(378,220)</u>
Net equipment	<u>\$ 123,352</u>	<u>\$ (19,035)</u>	<u>\$ -</u>	<u>\$ 104,317</u>

Changes in equipment are summarized as follows as of June 30, 2019:

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Equipment	\$ 531,296	\$ 118,641	\$ (99,288)	\$ 550,649
Less accumulated depreciation	<u>(479,841)</u>	<u>(19,493)</u>	<u>72,037</u>	<u>(427,297)</u>
Net equipment	<u>\$ 51,455</u>	<u>\$ 99,148</u>	<u>\$ (27,251)</u>	<u>\$ 123,352</u>

Depreciation expense for the years ended June 30, 2020, and June 30, 2019 were \$19,035 and \$19,493 respectively, and is included in management and general expenses.

**NOTE 4 – DONATED SERVICES**

During the year, many KCSM-FM individuals donate significant amounts of time and services in an effort to advance the programs and objectives of the station. These services have not been recorded in the financial statements because no objective basis is available to measure the value of such services.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

During the year, KCSM-FM received indirect administrative support from the College District totaling \$294,065 for the year ended June 30, 2020 and \$334,455 for the year ended June 30, 2019. This consisted of licensee indirect costs as agreed upon under the terms of a signed memorandum of understanding.

**NOTE 6 – COVID-19 IMPACTS**

In December 2019, a novel strain of coronavirus surfaced (COVID-19) and spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The extent to which the coronavirus may impact business activity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

KCSM-FM  
San Mateo County Community College District  
San Mateo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of KCSM-FM a resource of the San Mateo County Community College District as of and for the year ended June 30 2020, and the related notes to the financial statements, which collectively comprise KCSM-FM's financial statements, and have issued our report thereon dated December 4, 2020. The financial statement of KCSM-FM do not purport to present fairly the financial position of San Mateo County Community College District as of June 30, 2020, the changes in its position, or its cash flows, thereof for the year then ended.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered KCSM-FM's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KCSM-FM's internal control. Accordingly, we do not express an opinion on the effectiveness of KCSM-FM's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether KCSM-FM's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Sacramento, California  
December 4, 2020

**BOARD REPORT NO. 21-01-08B**

TO: Members of the Board of Trustees  
FROM: Michael Claire, Chancellor  
PREPARED BY: Bernata Slater, Chief Financial Officer, 358-6755

**RECEIPT AND ACCEPTANCE OF THE 2019-20  
GENERAL OBLIGATION BOND FINANCIAL AND PERFORMANCE AUDITS**

Attached is a copy of the General Obligation Bond financial and performance audits for the San Mateo County Community College District, prepared by the Board-approved firm of Crowe LLP. The audits were based upon the fiscal year ending June 30, 2020. A representative of the auditing firm will be present at this meeting to respond to questions about the audits in general and about the firm's findings and recommendations. Representatives of the Bond Oversight Committee will receive copies of the audit reports at their next meeting.

**RECOMMENDATION**

It is recommended that the Board of Trustees receive and accept the 2019-20 audit reports for the General Obligation Bond funds.

**SAN MATEO COUNTY  
COMMUNITY COLLEGE DISTRICT  
MEASURE H  
2014 ELECTION GENERAL OBLIGATION BONDS  
  
FINANCIAL STATEMENTS  
June 30, 2020 and 2019**

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
MEASURE H - 2014 ELECTION GENERAL OBLIGATION BONDS

FINANCIAL STATEMENTS  
June 30, 2020 and 2019

CONTENT

INDEPENDENT AUDITOR'S REPORT ..... 1

FINANCIAL STATEMENTS:

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of San Mateo County Community College District (the "District") Measure H General Obligation Bond Activity included in the Measure H Bond Fund of the District (the "Measure H Bond Fund") as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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(Continued)

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure H General Obligation Bond Activity of the San Mateo County Community College District as of June 30, 2020 and 2019, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the District's Measure H Bond Fund, and do not purport to, and do not, present fairly the financial position of the San Mateo County Community College District as of June 30, 2020 and 2019, the changes in its financial position, or, where applicable, its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters for the Measure H Bond Fund. The purpose of that report is to describe the scope of our testing of internal control over financial reporting, and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance for the Measure H Bond Fund. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the San Mateo County Community College District's internal control over financial reporting and compliance for the Measure H Bond Fund.



Crowe LLP

Sacramento, California  
December 4, 2020

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 MEASURE H – 2014 ELECTION GENERAL OBLIGATION BONDS  
 BALANCE SHEETS  
 June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 156,659,932	\$ 234,304,668
Accounts receivable	1,007,332	1,833,341
Due from the District	134,597	-
Prepaid expenditures	<u>375,081</u>	<u>1,564,505</u>
Total assets	<u>\$ 158,176,942</u>	<u>\$ 237,702,514</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 10,751,643	\$ 12,919,842
Due to the District	-	78,713
Total liabilities	<u>10,751,643</u>	<u>12,998,555</u>
Fund balance:		
Nonspendable	375,081	1,564,505
Restricted – capital projects	<u>147,050,218</u>	<u>223,139,454</u>
Total fund balance	<u>147,425,299</u>	<u>224,703,959</u>
Total liabilities and fund balance	<u>\$ 158,176,942</u>	<u>\$ 237,702,514</u>

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See accompanying notes to financial statements.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 MEASURE H – 2014 ELECTION GENERAL OBLIGATION BONDS  
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
 For the Years Ended June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Interest income	\$ 6,272,684	\$ 4,651,611
<b>Expenditures</b>		
Current:		
Salaries and benefits	3,760,035	4,129,468
Supplies and materials	2,137,882	1,868,624
Capital construction and improvements	<u>77,653,427</u>	<u>88,605,159</u>
Total expenditures	<u>83,551,344</u>	<u>94,603,251</u>
<b>Deficiencies of revenues under expenditures</b>	(77,278,660)	(89,951,640)
<b>Other financing sources</b>		
Bond proceeds	-	261,000,000
Bond premium	<u>-</u>	<u>3,983,845</u>
Total other financing sources	-	264,983,845
Change in fund balance	(77,278,660)	175,032,205
Restricted & Nonspendable fund balance, beginning of year	<u>224,703,959</u>	<u>49,671,754</u>
Restricted & Nonspendable fund balance, end of year	<u>\$ 147,425,299</u>	<u>\$ 224,703,959</u>

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See accompanying notes to financial statements.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the San Mateo County Community College District's (the "District") Measure H Bond Fund (the "Measure H Bond Fund") conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Measure H Bond Fund accounts for financial transactions in accordance with the policies and procedures of the California College Budget and Accounting Manual.

Financial Reporting Entity: The financial statements include only the Measure H Bond Fund of the District used to account for Measure H projects. This Measure H Bond Fund was established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds Election of 2014. These financial statements are not intended to present fairly the financial position and results of operations of the San Mateo County Community College District in compliance with accounting principles generally accepted in the United States of America.

Basis of Accounting: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements represent the Measure H Bond Fund of the District and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Due to/from District: At June 30, 2020, the balance due from the District was \$134,597. The balance due to the District at June 30, 2019 was \$78,713.

Fund Balance: Restricted fund balance includes resources which are legally or contractually restricted by external third parties. Fund balance is restricted for capital projects of the Measure H Bond Fund in accordance with the Bond Project List for Measure H General Obligation Bonds.

Accounting Estimates: The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Encumbrances: Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

Reclassifications: Certain reclassification have been made to conform to the current year presentation. The reclassifications have no effect on the previously reported fund balance or change in fund balance.

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(Continued)

**NOTE 2 – CASH**

Policies and Practices: The Measure H Bond Fund is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State: U.S. Treasury instrument; registered State warrants or treasury notes: securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreement; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security, and collateralized mortgage obligations.

Investment in County Treasury: The Measure H Bond Fund is considered to be an involuntary participant in an external investment pool as the Measure H Bond Fund is required to deposit all receipts and collections of monies with San Mateo County Treasurer (“County Treasurer”) (Education Code Section 41001). The Measure H Bond Fund’s investment in the pool is reported in the accounting financial statement at amounts based upon the Measure H Bond Fund’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer.

General Authorizations: Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
County Pooled Investment Funds	N/A	None	None

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Measure H Bond Fund manages its exposure to interest rate risk by depositing substantially all of its funds in the County Treasury Pool. The fair value of the Measure H Bond Fund’s deposits at the County Treasury, at June 30, 2020 and 2019, was \$156,659,932 and \$234,304,668, respectively, and the weighted average maturity of the pool was 639 and 306 days, respectively.

Credit Risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Measure H Bond Fund only invests in county pooled investments which are not required to be rated.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2020 and 2019 consisted of \$1,007,332 and \$1,833,341, respectively, due from the County for interest income.

(Continued)

#### **NOTE 4 – ACCOUNTS PAYABLE**

Accounts payable at June 30, 2020 and 2019 consisted of \$10,751,643 and \$12,919,842, respectively, in vendor payables.

#### **NOTE 5 – FUND BALANCE CLASSIFICATION**

Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications are nonspendable, restricted, committed, assigned and unassigned. The nonspendable fund balance reflects amounts that are not in a spendable form, such as prepaid expenditures in the Bond Fund. The remaining fund balance of the Measure H General Obligation Bonds is restricted, as described below.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

#### **NOTE 6 – PURPOSE OF BOND ISSUANCE**

Bond Authorization: The general obligation bonds associated with Measure H Bonds were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The Bonds are authorized to be issued by a resolution adopted by the Board of Trustees of the District on July 23, 2014 (the “Bond Resolution”).

The District received authorization at an election held on November 4, 2014, to issue bonds of the District in an aggregate principal amount not to exceed \$388,000,000 to provide financing for the specific school facilities projects listed in the Bond Project List approved by the voters. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District.

Purpose of Bonds: The proceeds of the Bonds may be used to prepare College of San Mateo, Cañada College and Skyline College students for universities and high- demand jobs; modernize math and science classrooms and labs; upgrade computer, biotechnology and job training facilities; upgrade access for disabled students; ensure classrooms meet earthquake, fire and safety requirements; and replace aging infrastructure with energy efficient systems.

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(Continued)

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 MEASURE H – 2014 ELECTION GENERAL OBLIGATION BONDS  
 NOTES TO FINANCIAL STATEMENTS  
 For the Years Ended June 30, 2020 and 2019

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**NOTE 7 – GENERAL OBLIGATION BOND ISSUANCES**

The Bonds are general obligations of the District, and San Mateo County is obligated to levy ad valorem taxes for the payment of and interest on, the principal of the Bonds. The Bond Interest and Redemption Fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the payment of interest and redemption of principal of the bonds issued by the District.

In May 2015, the District issued Measure H General Obligation Bonds, Series A, in the amount of \$127,000,000.

In November 2018, the District Issued Measure H General Obligation Bonds, Series B, in the amount of \$261,000,000.

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

As of June 30, 2020 and 2019, the Measure H Bond Fund had the following commitments with respect to unfinished capital projects:

	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
<u>2020</u>		
Districtwide projects	\$ 1,003,746	Within 1 year
Skyline projects	2,579,601	Within 2 years
CSM projects	5,316,797	Within 1 year
Cañada projects	<u>32,605,830</u>	Within 2 years
	<u>\$ 41,505,974</u>	
<u>2019</u>		
Districtwide projects	\$ 831,555	Within 2 years
Skyline projects	8,174,655	Within 2 years
CSM projects	2,326,221	Within 1 year
Cañada projects	<u>32,752,213</u>	Within 2 years
	<u>\$ 44,084,654</u>	

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(Continued)

**NOTE 9 – COVID-19 IMPACT**

In December 2019, a novel strain of coronavirus surfaced (COVID-19) and spread around the world, with resulting business and social disruption. In response to the pandemic and in compliance with various state and local ordinances, the District closed physical campuses and transitioned to a distance learning model.

The operations and business results of the District could be materially adversely affected in the future including a reduction in the level of funding and impact to the timing of cash flows. In addition, significant estimates may be materially adversely impacted by national, state and local events designed to contain the coronavirus. Debt ratings for outstanding issuances may further be impacted. For the 2021 school year, the District is offering instruction in formats consistent with local health guidelines. Throughout the pandemic the District has put into practice a number of safety measures to protect students and employees and will continue to revise them as needed.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of San Mateo County Community College District (the "District") Measure H General Obligation Bond Activity included in the Measure H Bond Fund of the District (the "Measure H Bond Fund") as of and for the year ended June 30, 2020, and the related notes to the financial statements and have issued our report thereon dated December 4, 2020. The financial statements present only the District's Measure H Bond Fund and do not purport to and do not, present fairly the financial position of the District as of June 30, 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over Measure H Bond Fund financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over Measure H Bond Fund financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting for the Measure H Bond Fund.

*A deficiency in internal control exists* when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's Measure H Bond Fund financial statements are free from material misstatement, we performed tests of the Measure H Bond Fund's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit; and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance for the Measure H Bond Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance for the Measure H Bond Fund. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Sacramento, California  
December 4, 2020

**SAN MATEO COUNTY  
COMMUNITY COLLEGE DISTRICT  
MEASURE H  
2014 GENERAL OBLIGATION BONDS**

**PERFORMANCE AUDIT**

June 30, 2020

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
MEASURE H - 2014 GENERAL OBLIGATION BONDS

PERFORMANCE AUDIT  
June 30, 2020

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Crowe LLP  
Independent Member Crowe Global

## INDEPENDENT AUDITOR'S REPORT

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

We have conducted a performance audit of the San Mateo County Community College District (the "District"), Measure H General Obligation Bond funds for the year ended June 30, 2020.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Our audit was limited to the objectives listed on page 3 of this report which includes determining the compliance with the performance requirements for the Proposition 39 Measure H General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for San Mateo County Community College District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of San Mateo County Community College District to determine the audit procedures that are appropriate for the purpose of providing a conclusion on the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express any assurance on the internal controls.

The results of our tests indicated that, in all significant respects, San Mateo County Community College District expended Measure H General Obligation Bond funds for the year ended June 30, 2020 only for the specific projects developed by the District's Governing Board and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

A handwritten signature in black ink that reads "Crowe LLP".

Crowe LLP

Sacramento, California  
December 4, 2020

## LEGISLATIVE HISTORY

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, "for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities", upon approval by 55 percent of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establishes and appoints members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT MEASURE H GENERAL OBLIGATION BONDS

The San Mateo County Community College District Measure H General Obligation Bonds are issued pursuant to the Constitution and laws of the State of California, including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The Bonds are authorized to be issued by a resolution adopted by the Board of Trustees of the District on July 23, 2014.

The District received authorization for the Measure H Bonds at an election held on November 4, 2014, to issue bonds of the District in an aggregate principal amount not to exceed \$388,000,000. The proposition required approval by at least 55 percent of the votes cast by eligible voters within the District (the 2014 Authorization).

The Bonds were issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. A summary of the text of the ballot language was as follows:

*"To prepare College of San Mateo, Cañada College, and Skyline College students for universities and high demand jobs; modernize math and science classrooms and labs; upgrade computer, biotechnology and job training facilities; upgrade access for disabled students; ensure classrooms meet earthquake, fire and safety requirements; and replace aging infrastructure with energy efficient systems, shall San Mateo County Community College District be authorized to issue \$388,000,000 in bonds at interest rates within legal limits, with annual independent audits, Citizens' Oversight and all proceeds benefiting your local community colleges?"*

In May 2015, the District issued Measure H General Obligation Bonds, Series A, in the amount of \$127,000,000. In November 2018, the District Issued Measure H General Obligation Bonds, Series B, in the amount of \$261,000,000.

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(Continued)

## **OBJECTIVES OF THE AUDIT**

The objective of our performance audit was to determine that the District expended Measure H General Obligation Bond funds for the year ended June 30, 2020 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

## **SCOPE OF THE AUDIT**

The District provided to us a list of all Measure H General Obligation Bond project expenditures for the year ended June 30, 2020 (the "List"). An approximate total of 2,150 transactions were identified, representing \$83,551,344 in expenditures from July 1, 2019 through June 30, 2020.

## **PROCEDURES PERFORMED**

We performed the following procedures to the List of Measure H General Obligation Bond project expenditures for the year ended June 30, 2020:

- Verified the mathematical accuracy of the expenditures list.
- Reconciled the List to total bond expenditures as reported by the District in Measure H Bond Fund's audited financial statements for the year ended June 30, 2020.
- Selected a sample of 34 expenditures totaling \$39,335,936. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. Verified that the expenditures were for authorized projects, and were to repair, upgrade and construct facilities and expand college education centers.

## **CONCLUSION**

The results of our tests indicated that, in all significant respects, the San Mateo County Community College District expended Measure H General Obligation Bond funds for the year ended June 30, 2020 only for the specific projects developed by the District's Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

**BOARD REPORT NO. 21-01-09B**

TO: Members of the Board of Trustees  
FROM: Michael Claire, Chancellor  
PREPARED BY: Bernata Slater, Chief Financial Officer, 358-6755

**RECEIPT AND ACCEPTANCE OF THE 2019-20 RETIREMENT FUTURIS PUBLIC ENTITY  
INVESTMENT TRUST AUDIT REPORT**

Attached is a copy of the audit of the Retirement Futuris Public Entity Investment Trust for the San Mateo County Community College District, prepared by the Board-approved firm of Crowe LLP. The audit was based upon the fiscal year ending June 30, 2020. A representative of the auditing firm will be present at this meeting to respond to questions about the audit in general and about the firm's findings and recommendations.

**RECOMMENDATION**

It is recommended that the Board of Trustees receive and accept the 2019-20 audit report for the Retirement Futuris Public Entity Investment Trust.

**SAN MATEO COUNTY  
COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS  
PUBLIC ENTITY INVESTMENT TRUST**

**FINANCIAL STATEMENTS**

June 30, 2020 and 2019

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST

FINANCIAL STATEMENTS  
June 30, 2020 and 2019

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## INDEPENDENT AUDITOR'S REPORT

The Retirement Board of Authority of the  
San Mateo County Community College District  
Retirement Futuris Public Entity Investment Trust  
San Mateo, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of San Mateo County Community College District Retirement Futuris Public Entity Investment Trust (the "Trust"), a fiduciary fund of San Mateo County Community College District (the "District") as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Trust's financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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(Continued)

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Mateo County Community College District Retirement Futuris Public Entity Investment Trust, a fiduciary fund of San Mateo County Community College District as of June 30, 2020 and 2019, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the District's Trust, and do not purport to, and do not, present fairly the financial position of the San Mateo County Community College District, as of June 30, 2020 and 2019, the changes in its financial position, or where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of Money-Weighted Rate of Return of OPEB Plan Investments on pages 12 - 14 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2020 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the Trust. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance for the Trust. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Mateo County Community College District's internal control over financial reporting and compliance for the Trust.

  
Crowe LLP

Sacramento, California  
December 4, 2020

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
 STATEMENTS OF TRUST NET POSITION  
 As of June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Investments:		
Mutual funds – fixed income	\$ 71,241,803	\$ 67,705,583
Mutual funds – equity	49,780,432	49,691,829
Mutual funds – real estate	<u>7,859,063</u>	<u>5,996,783</u>
Total assets	128,881,298	123,394,195
<b>LIABILITIES</b>		
Accounts payable	<u>359,439</u>	<u>352,225</u>
<b>NET POSITION</b>		
Net position restricted for OPEB	<u>\$ 128,521,859</u>	<u>\$ 123,041,970</u>

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

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
 STATEMENTS OF CHANGE IN TRUST NET POSITION  
 For the years ended June 30, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>Additions</b>		
Employer contributions	\$ 7,409,326	\$ 10,032,730
Net investment income:		
Dividends and other income	4,919,681	5,046,666
Realized and unrealized gains, net	1,010,576	901,597
Administrative expense	<u>(450,368)</u>	<u>(419,134)</u>
Total additions	12,889,215	15,561,859
<b>Deductions</b>		
Retiree benefits	<u>7,409,326</u>	<u>7,432,730</u>
Net increase in net position	5,479,889	8,129,129
<b>Net position restricted for OPEB</b>		
Net position, beginning of the year	<u>123,041,970</u>	<u>114,912,841</u>
Net position, end of the year	<u>\$ 128,521,859</u>	<u>\$ 123,041,970</u>

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

## **NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following information of the San Mateo County Community College District Retirement Futuris Public Entity Investment Trust (the "Trust"), a fiduciary fund of the San Mateo County Community College District (the "District"), provides only general information of the Trust's provisions. Readers should refer to the Trust agreement for a more complete description. These financial statements include only the resources of the Trust and are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

Organization: The Trust is a contributory single-employer defined benefit healthcare plan trust administered by the San Mateo County Community College District through a third party. The Trust provides medical insurance benefits to eligible retirees and their spouses. Membership consists of 675 retirees and beneficiaries currently receiving benefits and 1,015 active plan members. The Trust is a governmental plan that is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Basis of Accounting: The accompanying financial statements are presented on the accrual basis of accounting. Contributions are recognized as revenue in the period in which contributions are due, pursuant to formal commitments as well as statutory or contractual commitments. Benefits and refunds of contributions are recognized when due and payable under the provisions of the Trust.

The financial statements of the Trust have been prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America. In the U.S. the Governmental Accounting Standards Board (GASB) is the established and recognized standard-setting body for governmental accounting and financial reporting. The financial statements have been prepared consistent with GASB Codification Po50, *Postemployment Benefit Plans Other than Pension Plans*.

Funded Status and Funding Progress: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the Trust and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Plan Description: The District provides postemployment health care benefits (OPEB) for retired employees in accordance with negotiated contracts with the various bargaining units of the District. The Other Postemployment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan. During the year ended June 30, 2010 the District signed an irrevocable trust (the "Trust") agreement. The District appointed a Retirement Board of Authority with authority to make decisions on behalf of the District with respect to the Futuris Public Entity Investment Trust Program. The Benefit Trust Company was appointed as the custodian and trustee to administer the Futuris Public Entity Investment Trust. OPEB provisions are established and amended per contractual agreement with employee groups. Management of the Plan is vested in the Retirement Board of Authority, which consists of five members. The following is a description of the current retiree benefit plan.

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(Continued)

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020 and 2019

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

	<i>AFSCME</i>	<i>Certificated Management</i>	<i>Certificated</i>	<i>Classified</i>	<i>Classified Management</i>
Benefit types provided*	Medical, Part B				
Duration of Benefits	Lifetime	Lifetime	Lifetime	Lifetime	Lifetime
Minimum Age Required Service	Retirement from Applicable Retirement System				
Dependent Coverage	Yes	Yes	Yes	Yes	Yes
District Contribution %	100%	100%	100%	100%	100%
District Cap**	Active Single Cap	\$450 per month	\$450 per month	Active Single Cap	Active Single Cap

\* Some grandfathered employees and retirees are eligible for employer paid dental benefits

\*\* The District contribution is changed periodically. Grandfathered employees and retirees receive benefits that may exceed this cap.

Plan membership: At June 30, 2020 and 2019, Plan membership consisted of the following:

	<u>Number of Participants</u>	
	<u>2020</u>	<u>2019</u>
Inactive Employees/Dependents Receiving Benefits	675	675
Active Employees	<u>1,015</u>	<u>1,015</u>
	<u><u>1,690</u></u>	<u><u>1,690</u></u>

Academic Employees: Employees of the San Mateo County Community College District, upon meeting the years of District service requirement and the "Magic 75" which is employee's Age plus Years of District service, will qualify for retiree benefits as indicated in their Collective Bargaining agreement. Retiree Benefits package may differ depending on hire date. The years of District service required are 10 years if hired prior to September 8, 1993 and 20 years if hired on or after September 8, 1993.

CSEA, AFCSME, and All Non-represented Employees: Employees of the San Mateo County Community College District, upon meeting the years of District service requirement and the "Magic 75" which is employee's Age plus Years of District service, will qualify for retiree benefits as indicated in their Collective Bargaining agreement. Retiree Benefits package may differ depending on hire date. The years of District service required are 10 years if hired prior to July 1, 1992 and 20 years if hired on or after July 1, 1992.

Benefit Payments: The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. The Plan is included in the District's financial report and separately presented as a fiduciary fund.

(Continued)

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Contributions: Eligible employees are not permitted to make contributions to the Trust. The Plan administrator shall, on behalf of the employer, make all contributions to the Trustee. All contributions shall be paid to the Trustee for investment and reinvestment pursuant to the terms of the trust agreement. The District does not have contractually required contributions rates, but contributes in an amount sufficient to fully fund the Net OPEB obligation over a period not to exceed 30 years. Contributions to the Trust from the District was \$7,409,326 and \$10,032,730 for the years ended June 30, 2020 and 2019, respectively.

Investment Options: Benefit Trust Company (“BTC”), the Asset Custodian, maintains the Trust’s investments in various mutual funds, and is the record keeper. BTC contracted with Morgan Stanley Smith Barney as the investment advisor. Funds allocated to the Asset Custodian are invested according to the investment policy statement (IPS) developed and approved by the Retirement Board of Authority in a combination of equity and fixed income investments.

Investment Valuation: Investments are reported at fair value based upon market prices, when available, or estimates of fair value, and unrealized and realized gains and losses are included in the Statement of Change in Trust Net Position.

Net OPEB (Asset) Liability of the Trust: The components of the net OPEB (asset) liability of the Trust at June 30, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Total OPEB liability	\$ 117,982,866	\$ 109,579,641
Fiduciary Net Position	<u>128,521,859</u>	<u>123,041,970</u>
Net OPEB (asset) liability	<u>\$ (10,538,993)</u>	<u>\$ (13,462,329)</u>
Fiduciary Net Position as a percentage of the Total OPEB liability	109%	112%

Actuarial Assumptions: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimations are made about the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation

In the June 30, 2020 actuarial measurement date, the entry age actuarial cost method was used. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses), based on assumed long return on plan assets assuming 100% funding through the Trust. Healthcare cost trend rates were 4%. An inflation rate of 2.75% and an expected payroll increase of 2.75% were utilized. The average hire age for eligible employees is 37 and the average retirement is 61. The actuarial present value of projected benefit payments is added for all employees to get the actuarial present value of total projected benefits and estimates present value of all future retiree health benefits for all employees and retirees. Participation rates were noted at 100% for certificated and classified employees. Mortality rates for certificated employees were based on the 2009 CalSTRS mortality tables. Mortality rates for classified employees were based on the 2014 CalPERS active mortality for miscellaneous employees.

(Continued)

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All actuarial assumptions above were the same as those used for the June 30, 2019 valuation with the exception of the discount rate. The discount rate was 7% as of the June 30, 2019 measurement date.

Plan Investments: The plan discount rate of 6.5% as of June 30, 2020 and 7% as of June 30, 2019 was determined using the following asset allocation and assumed rate of return:

<u>Asset Class</u>	<u>Percentage of Portfolio</u>		<u>Rate of Return*</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Fixed Income	50%	25%	5%	4%
Equities	50%	75%	8%	8%

\*Geometric average

Rolling periods of time for all asset classes in combination we used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. Additionally, the historic 28 year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points. It was further assumed that contributions to the plan would be sufficient to fully fund the obligation over a period not to exceed 28 years.

Money-weighted rate of return on OPEB plan investments for the years ending June 30, 2020 and 2019 was 4.6% and 5.2%, respectively.

Sensitivity of the Net OPEB (Asset) Liability to Assumptions: The following presents the net OPEB (asset) liability calculated using the discount rate of 6.5% for June 30, 2020 and 7% for June 30, 2019. The schedule also shows what the net OPEB (asset) liability would be if it were calculated using a discount rate that is 1% lower and 1% higher:

	<u>Discount Rate 1% Lower (5.5%)</u>	<u>Valuation Discount Rate (6.5%)</u>	<u>Discount Rate 1% Higher (7.5%)</u>
<u>June 30, 2020</u> Net OPEB (asset) liability	<u>\$ 2,940,263</u>	<u>\$ (10,538,993)</u>	<u>\$ (21,132,621)</u>
	<u>Discount Rate 1% Lower (6%)</u>	<u>Valuation Discount Rate (7%)</u>	<u>Discount Rate 1% Higher (8%)</u>
<u>June 30, 2019</u> Net OPEB (asset) liability	<u>\$ (1,861,664)</u>	<u>\$ (13,462,329)</u>	<u>\$ (23,243,401)</u>

(Continued)

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The following table presents the net OPEB (asset) liability calculated using the health care cost trend rate of 4.0%. The schedule also shows what the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1% lower and 1% higher:

	Health Care Trend Rate 1% <u>Lower (3.0%)</u>	Valuation Health Care Trend Rate (4.0%)	Discount Trend Rate 1% <u>Higher (5.0%)</u>
<u>June 30, 2020</u>			
Net OPEB (asset) liability	<u>\$ (22,509,668)</u>	<u>\$ (10,538,993)</u>	<u>\$ \$4,395,606</u>
<u>June 30, 2019</u>			
Net OPEB (asset) liability	<u>\$ (23,443,874)</u>	<u>\$ (13,462,329)</u>	<u>\$ (1,900,228)</u>

Plan Termination: In the event of Plan termination, the net position of the Trust would be allocated as prescribed in the Trust documents, generally to pay in the order indicated below:

- District's remaining retiree medical benefit liabilities.
- Reasonable expenses of administering the Trust.

Any assets remaining in the Trust after paying off the above liabilities shall revert back to the District.

**NOTE 2 – INVESTMENTS**

The Trust has adopted an internally developed investment policy that is governed by the standards established in the California Constitution. In addition, the Trust has written investment policies regarding the type of investments that may be made specifically for the Trust and the amount, which may be invested in any one financial institution or amounts that may be invested in long-term instruments. Management believes the Trust has complied with the provisions of statutes pertaining to the types of investments held, institutions in which deposits were made, and security requirements.

The fair values of the Trust's individual investments at June 30, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Mutual funds – fixed income	\$ 71,241,803	\$ 67,705,583
Mutual funds – equity	49,780,432	49,691,829
Mutual funds – real estate	<u>7,859,063</u>	<u>5,996,783</u>
Total investments	<u>\$ 128,881,298</u>	<u>\$ 123,394,195</u>

(Continued)

**NOTE 2 – INVESTMENTS** (Continued)

During the fiscal years ended June 30, 2020 and 2019, the Trust's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated as follows:

	<u>2020</u>	<u>2019</u>
Dividend and other	\$ 4,919,681	\$ 5,046,666
Realized gains, net	361,609	176,006
Unrealized gains, net	648,967	725,591
Administrative expense	<u>(450,368)</u>	<u>(419,134)</u>
Total investment income	<u>\$ 5,479,889</u>	<u>\$ 5,529,129</u>

**Custodial Credit Risk:** The California Government Code requires California banks and savings and loan associations to secure the Trust's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits and collateral is considered to be held in the name of the Trust.

**Credit Risk:** The Trust's investment policy requires all fixed income investments to be of investment grade quality or higher at purchase; that is, at the time of purchases, rated no lower than "BBB" by Standard and Poor's. The Retirement Board of Authority, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. At June 30, 2020 and 2019, the Trust investments consisted of open-end mutual funds, therefore there are no credit ratings to disclose.

The OPEB Trust investments consisted of open and closed-end mutual funds, therefore, there are no significant interest rate risk related to the investments held, as there are no maturities related to the mutual funds held.

**Fair Value of Financial Instruments:** The following methods and assumptions were used by the Trust to estimate the fair value of its financial instruments at June 30, 2020 and 2019.

**Fair Value Hierarchy:** Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

**Level 1:** Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

**Level 2:** Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

**Level 3:** Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

(Continued)

**NOTE 2 – INVESTMENTS** (Continued)

Assets Recorded at Fair Value: The following table presents information about the District's assets measured at fair value on a recurring basis as of June 30, 2020 and 2019:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2020</u>				
Investments:				
Mutual funds - fixed income	\$ 71,241,803	\$ 71,241,803	\$ -	\$ -
Mutual funds - equity	49,780,432	49,780,432	-	-
Mutual funds – real estate	<u>7,859,063</u>	<u>7,859,063</u>	-	-
Total	<u>\$ 128,881,298</u>	<u>\$ 128,881,298</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2019</u>				
Investments:				
Mutual funds - fixed income	\$ 67,705,583	\$ 67,705,583	\$ -	\$ -
Mutual funds - equity	49,691,829	49,691,829	-	-
Mutual funds – real estate	<u>5,996,783</u>	<u>5,996,783</u>	-	-
Total	<u>\$ 123,394,195</u>	<u>\$ 123,394,195</u>	<u>\$ -</u>	<u>\$ -</u>

Mutual funds were valued at closing prices from securities exchanges and are classified as Level 1 investments.

During the years ended June 30, 2020 and 2019, there were no significant transfers in or out of Level 1.

There were no assets or liabilities measured at fair value on a non-recurring basis at June 30, 2020 and 2019.

**NOTE 3 – COVID-19 IMPACT**

In December 2019, a novel strain of coronavirus surfaced and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Trust may be materially affected by this global pandemic. The extent to which the coronavirus may impact future investment income, and other business activity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

**REQUIRED SUPPLEMENTARY INFORMATION**

**I. SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

For the Last Ten Fiscal Years

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability				
Service cost	\$ 3,269,290	\$ 3,359,195	\$ 3,414,487	\$ 2,593,072
Interest	7,305,828	7,957,577	8,335,093	7,015,191
Experience gains/losses	-	-	(15,800,542)	293,734
Change in assumptions	-	-	-	5,910,554
Benefit payments	<u>(7,230,215)</u>	<u>(7,222,945)</u>	<u>(7,432,730)</u>	<u>(7,409,326)</u>
Net change in Total OPEB liability	3,344,903	4,093,827	(11,483,692)	8,403,225
Total OPEB liability, beginning of year	<u>113,624,603</u>	<u>116,969,506</u>	<u>121,063,333</u>	<u>109,579,641</u>
Total OPEB liability, end of year (a)	<u>\$ 116,969,506</u>	<u>\$ 121,063,333</u>	<u>\$ 109,579,641</u>	<u>\$ 117,982,866</u>
Plan fiduciary net position				
Employer contributions	15,230,215	19,422,945	10,032,730	7,409,326
Actual investment income	9,043,304	6,028,034	5,948,263	5,930,257
Administrative expense	(337,684)	(376,812)	(419,134)	(450,368)
Benefits payment	<u>(7,230,215)</u>	<u>(7,222,945)</u>	<u>(7,432,730)</u>	<u>(7,409,326)</u>
Change in plan fiduciary net position	16,705,620	17,851,222	8,129,129	5,479,889
Fiduciary trust net position, beginning of year	<u>80,355,999</u>	<u>97,061,619</u>	<u>114,912,841</u>	<u>123,041,970</u>
Fiduciary trust net position, end of year (b)	<u>\$ 97,061,619</u>	<u>\$ 114,912,841</u>	<u>\$ 123,041,970</u>	<u>\$ 128,521,859</u>
Net OPEB (asset) liability, ending (a) - (b)	<u>\$ 19,907,887</u>	<u>\$ 6,150,492</u>	<u>\$ (13,462,329)</u>	<u>\$ (10,538,993)</u>
Covered payroll	\$ 83,799,966	\$ 91,765,187	\$ 98,883,699	\$ 102,312,968
Plan fiduciary net position as a percentage of the total OPEB liability	83%	95%	112%	109%
Net OPEB (asset) liability as a percentage of covered payroll	24%	7%	(14%)	(10%)

*This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.*

(Continued)

**I. SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (Continued)**

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Census data	The census was provided by the District as of June 30, 2019
Actuarial cost method	Entry age actuarial cost method
Inflation rate	2.75%
Investment rate of return / discount rate	6.50%
Health care cost trend rate	4.00%
Payroll increase	2.75%
Participation rates	100% for certificated and classified employees.
Mortality	For certificated employees the 2009 CalSTRS mortality tables were used.  For classified employees the 2014 CalPERS active mortality for miscellaneous employees were used.
Spouse relevance	To the extent not provided and when needed to calculate benefit liabilities, 80% of retirees assumed to be married at retirement. After retirement, the percentage married is adjusted to reflect mortality.
Spouse ages	To the extent spouse dates of birth are not provided and when needed to calculate benefit liabilities, female spouse assumed to be three years younger than male.
Turnover	For certificated employees the 2009 CalSTRS termination rates were used.  For classified employees the 2009 CalPERS termination rates for school employees were used.
Retirement rates	For certificated employees the 2009 CalSTRS retirement rates were used.  For classified employees the 2009 CalPERS retirement rates for school employees were used.

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(Continued)

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
RETIREMENT FUTURIS PUBLIC ENTITY INVESTMENT TRUST  
REQUIRED SUPPLEMENTARY INFORMATION  
For the years ended June 30, 2020 and 2019

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**II. SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN OF OPEB PLAN INVESTMENTS**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Money-weighted rate of return on OPEB plan investments	10.8%	6.1%	5.2%	4.6%

*This is a 10 year schedule, however the information in this schedule is not required to be presented retrospectively.*



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of San Mateo County Community College Retirement Futuris Public Entity Investment Trust (the "Trust"), a fiduciary fund of San Mateo County Community College District as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over the Trust's financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over the Trust's financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting for the Trust.

*A deficiency in internal control exists* when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's Trust financial statements are free of material misstatement, we performed tests of the Trust's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit; and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance for the Trust. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance for the Trust. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Sacramento, California  
December 4, 2020

**BOARD REPORT NO. 21-01-10B**

TO: Members of the Board of Trustees  
FROM: Michael Claire, Chancellor  
PREPARED BY: Barbara Christensen, Consultant/Advisor

**APPROVAL OF COMPENSATION AGREEMENT WITH CITY OF SAN MATEO,  
PURSUANT TO HEALTH AND SAFETY CODE SECTION 34180(F)**

The City of San Mateo is requesting that the San Mateo County Community College District enter into a Compensation Agreement (included as Attachment 1) with the City regarding the disposition of two former Redevelopment Agency properties in Downtown San Mateo at 480 E. 4th Avenue and 400 E. 5th Avenue. SMCCCD is one of 10 taxing entities that receives a share of the property tax revenue from the former Redevelopment Agency of the City of San Mateo.

As way of background information, in 2012, the State of California enacted legislation that required the dissolution of approximately 400 Redevelopment Agencies (AB 26, AB1484). Pursuant to the Dissolution Law and the Health and Safety Code Section 34173, the Redevelopment Agency of the City of San Mateo (RDA) was dissolved and the City elected to serve as the Successor Agency. The Successor Agency became responsible for paying the enforceable obligations, disposing of the properties and other assets, and unwinding the affairs of the Former RDA. Accordingly, ownership of the Former RDA's Properties that had been acquired to implement the Redevelopment Plan transferred to the Successor Agency for disposition in accordance with the Redevelopment Dissolution Statutes.

Pursuant to the Dissolution Law, the Successor Agency prepared a Long Range Property Management Plan (LRPMP) to address the disposition of the former redevelopment properties and the final version was approved by the Oversight Board in September 2014, and the California Department of Finance (DOF) subsequently approved it in December 2014. The LRPMP calls for the properties at 480 East Fourth Avenue and 400 East Fifth Avenue, which are currently used as surface parking lots containing 235 public parking spaces, to be transferred by the Successor Agency to the City for future development to implement projects identified in the Redevelopment Plan. The DOF reviewed and approved the LRPMP on December 17, 2014.

The approved LRPMP states that the City will enter into a Compensation Agreement with the affected taxing entities prior to the City's disposition of the properties and provide for any net proceeds of sale to be distributed as property taxes to the affected taxing entities and that the purchase price to be paid for the properties will be not less than the fair reuse value of the properties. Per the LRPMP, Oversight Board and DOF approval of the compensation agreement is not required.

In September 2017, the City issued a Request for Proposal to select a developer for the purpose of constructing housing and a public parking garage on the properties located at 480 East 4th Avenue and 400 East 5th Avenue. MidPen Housing Corporation (the "Developer"), a local non-profit affordable housing developer, was selected through the competitive process.

The proposed project, which is a public-private partnership between the Developer and the City, includes the development of 225 units of multi-family rental housing for low income households on 480 East 4th Avenue and a parking garage on 400 East 5th Avenue containing roughly 696 parking spaces, including 164 spaces for exclusive use of the housing development, 235 replacement public parking spaces, and up to 297 additional public parking spaces for Downtown San Mateo. The public parking garage will be operated by the City once completed. Since the housing project provides less than one dedicated space of parking for each unit, the residents of the housing development will be able to use the public parking spaces during nights and weekends.

The residential development will provide much needed affordable housing for San Mateo County. The housing will serve a range of affordable income levels with the maximum allowed income being for households earning up to 80% of Area Median Income. Additionally, 25% of the housing units will have a preference for public employees, including employees from all the taxing entities.

In order to achieve the maximum number of housing units, the City is allowing for a density transfer so that the housing development potential from the parking garage site is transferred to the housing site. In order to maximize the number of units, the residential parking will be located in the parking garage on a separate parcel that will be permanently dedicated to the housing through an easement. Furthermore, to get the maximum number of affordable housing units possible, the City is using a newly passed revision to the State Density Bonus law to obtain a 2-story increase over local height limits since it is a 100% affordable housing project adjacent to public transit.

The City and the Developer entered into a Disposition, Development, and Loan Agreement (DDLA) to govern the development of the project. Under the terms of the DDLA, the City will ground lease 480 East 4th Avenue to the Developer for one dollar per year for a term of 99-years for the construction of the low-income housing; will retain ownership of 400 East 5th Avenue for the garage; and will enter into an easement dedicating no less than 164 spaces in the parking garage for the term of the ground lease, to the Developer for use by the housing development.

The timing of the disposition of the Properties under the DDLA is at the time when the Developer obtains building permits and closes escrow on construction financing. Additionally, the Developer's construction and operation of the development is not financially feasible without the City's financial assistance. The DDLA will require the City to contribute \$7.5 million in direct financial assistance to the housing project; \$5 million to the garage; and to waive the City's internal development review and plan check fees, which total roughly \$1.8 million. The City is also using Measure K funds, the City commissioned a Reuse Appraisal of the Properties in June 2020 (included as Attachment 2) in accordance with California Health and Safety Code Section 33433 to estimate the fair reuse value of the Properties that are to be conveyed to the Developer. The Reuse Appraisal concluded that the reuse value of the properties is zero and that, without the City's financial contribution to the project, the project would have a significant funding gap and the reuse value would be negative. Given this, there will be no net disposition proceeds from the disposition of the properties to distribute among the taxing entities. If there had been proceeds to distribute, it would have been done based on the percentage share of the property tax from the former Redevelopment Area that each entity receives. SMCCD's share is 5.75%.

The City agreed to split net operating revenue from the parking garage with the taxing entities after the City's contribution of \$5 million has been repaid. However, if after ten years of operations, the City has not been reimbursed \$1 million of its investment, this provision will terminate.

On August 17, 2020, the City Council approved the entitlement application and the DDLA. The City sent out a letter requesting that the taxing entities approve the Compensation Agreement on August 30, 2020. Since then, the Compensation Agreement has been reviewed and approved by the taxing entities: San

Mateo County Office of Education, San Mateo County Mosquito and Vector Control District, Peninsula Health Care District, San Mateo County Harbor District, and the Bay Area Air Quality Management District. The remaining taxing entities are still reviewing the agreement. If the Taxing Entities do not agree to the terms of the compensation agreement, the City will be in default of our obligations and the project will not be able to move forward.

Staff from the City of San Mateo will be present at the SMCCD Board meeting and will be available to answer any questions about the project and the Compensation Agreement.

### **RECOMMENDATION**

It is recommended that the Board of Trustees approve the Compensation Agreement as presented.

**BOARD REPORT NO. 21-01-11B**

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Bernata Slater, Chief Financial Officer, 358-6869  
Yanely Pulido, Director, General Services, 358-6863

**APPROVAL OF CONTRACT AWARD FOR DISTRICT AUDIT SERVICES  
TO CWDL, CERTIFIED PUBLIC ACCOUNTANTS**

Education Code Section 84040 states the governing board of each community college district shall provide for an annual audit of all funds, books, and accounts of the district in accordance with regulations of the California Community Colleges Board of Governors. The audit shall be made by certified public accountants licensed by the California Board of Accountancy. The District has contracted with the Certified Public Accountant (CPA) firm, Crowe LLP, for the past five years. Currently, there are no legal requirements to alternate accounting firms that conduct the District's annual audit.

In compliance with District board policy and keeping with good business practices of periodically soliciting for auditing services to gain a new perspective from another firm using a different audit approach, the District engages in a Request for Proposals (RFP) every five years. On November 4, 2020, staff issued RFP #86828 for a new multi-year independent audit services contract. An announcement for this business opportunity was released through the District's online bid portal to a list of fourteen (14) firms. On December 2, 2020 the District received five (5) proposals from the following firms which were reviewed and evaluated using the following criteria: cover letter/description of services, qualifications and experience, staffing, work plan and schedule, fees, and small local or other business enterprise certification(s):

<b>Firm</b>	<b>Total Proposal Fee</b>
Clifton Larson Allen	\$602,500
Crowe LLP	\$561,920
CWDL, Certified Public Accountants	\$517,500
Eide Bailly LLP	\$759,000
Moss Adams LLP	\$570,100

An evaluation committee consisting of District Financial Services staff and college representatives evaluated the five proposals and invited three firms to present to the committee. At the conclusion of the evaluation process, it was determined that CWDL, Certified Public Accountants can provide the most comprehensive audit services that best match the needs of the District at very competitive pricing. The cost of services for each audit year is estimated not to exceed \$103,500 for each fiscal year beginning 2020-2021 through 2024-25, totaling \$517,500 over the five-year period. This cost is an all-inclusive fee and includes all costs necessary to conduct the audit. Lastly, CWDL, Certified Public Accountants is a minority owned small business.

**RECOMMENDATION**

It is recommended that the Board of Trustees authorize the Chancellor, or his designee, to execute a five year contract with CWDL, Certified Public Accountants for independent audit services, RFP #86828, in an amount not to exceed \$517,500.

**BOARD REPORT NO. 21-01-12B**

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: José D. Nuñez, Vice Chancellor, Facilities Planning, Maintenance and Operations, 358-6836  
Chris Strugar-Fritsch, Director of Capital Projects, 378-7342

**APPROVAL OF CONTRACT AWARD FOR COLLEGE RIDGE HOUSING  
LEASE-LEASEBACK PROJECT, PHASE 2 AT SKYLINE COLLEGE**

On March 13, 2018, the San Bruno City Council gave final approval for the District's Faculty and Staff Housing development project at Skyline College. This development, the third for the District, will include 30 apartments for faculty and staff housing. The development is being constructed in two phases; Phase I which consists of the horizontal improvements recently completed by another contractor, and Phase II, which consists of the construction of the 30-unit complex. On March 28, 2018, the Board authorized (Board Report 18-3-104B) the utilization of the Lease-Leaseback project delivery method for Phase II.

The Facilities Planning Department bid this project twice on August 22, 2019 and April 13, 2020. The first bid was canceled due to delay in the completion of Phase I improvements. The bid results of the second bid were rejected due to budget constraints (Board Report 20-5-100B). Additionally, staff requested authorization to rebid the project at a later date to allow for stabilization of the construction market to COVID-19 impacts and conduct outreach to garner a larger pool of available bidders to foster more competition.

The Facilities Planning Department, with support from Swinerton Management & Consulting, advertised this construction opportunity (RFP #86829) to B licensed General Building contractors through the District's online bid portal and a formal Advertisement to Bid was published in three local newspapers for two consecutive weeks on September 28 and October 5, 2020. A total of three general contractors attended the optional virtual pre-proposal conference held on October 8, 2020.

On October 30, 2020, the District received four proposals for this project. The District's RFP Selection Committee was comprised of representatives from the Chancellor's Office, Facilities Planning and Operations, General Services, and Swinerton Management & Consulting. The four proposers were formally interviewed on November 12, 2020. The selection committee scored the proposals using the following criteria and matrix:

Evaluation Criteria	Maximum Possible Points	Points Awarded			
		Build Group	Guzman Construction	Rodan Builders	W.E. Lyons
<b>Technical Proposal</b>					
a. Cover Letter Certification/ Exhibit D Pass/Fail Requirements	<b>Pass/Fail</b>	PASS	PASS	PASS	PASS
b. General Information	<b>5</b>	5	5	5	5
c. History of Disputes and Performance History	<b>10</b>	9	10	10	10
d. Safety Record	<b>10</b>	9	10	10	7
e. Key Personnel	<b>10</b>	10	10	9	9
f. Experience with Public Works Construction Projects	<b>10</b>	9	7	10	9
g. Approach and Methods of Construction Services	<b>15</b>	13	13	12	13
h. Project Schedule and Plan	<b>10</b>	9	9	9	8
i. Interviews	<b>25</b>	16	25	22	17
<b>Cost Proposal</b>	<b>30</b>	21	23	23	30
<b>Total Points:</b>	<b>125</b>	<b>100</b>	<b>111</b>	<b>109</b>	<b>108</b>

Cost Proposal Summary	Build Group	Guzman Construction	Rodan Builders	W.E. Lyons
Price Proposal Amount	\$19,397,000	\$18,998,152	\$18,884,017	\$18,071,682

Under the terms of the RFP, the contract award is based on the best value selection process in which the proposals are scored for both technical criteria as well as cost. The combined scores for each category contribute to the total score for each vendor. The selection is not based solely on price. Guzman Construction Group, Inc. was the highest scoring team with 111 points. Upon review of the information provided and an excellent reference check, staff recommends Guzman Construction Group, Inc. for this project. Guzman Construction Group, Inc. specializes in multi-family, healthcare and education projects, has experience with inclusionary affordable housing for low- and moderate-income households, and is a local minority-owned small business enterprise.

This project will be funded by proceeds from the sale of the six-acre segment of Parcel B and other local sources.

## RECOMMENDATION

It is recommended that the Board of Trustees authorize the Chancellor, or his designee, to execute a contract with Guzman Construction Group, Inc. for Lease Lease-back construction of the Skyline College Ridge Project, RFP #86829, in an amount not-to-exceed \$19,948,060, which includes an owner contingency of 5% of the contract award.

**BOARD REPORT NO. 21-01-14A**

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: José D. Nuñez, Vice Chancellor, Facilities Planning, Maintenance & Operations, 358-6836  
Chris Strugar-Fritsch, Director of Capital Projects, 378-7342

**ADOPTION OF RESOLUTION NO. 21-01 AUTHORIZING USE OF DESIGN-BUILD PROJECT DELIVERY METHOD FOR COLLEGE OF SAN MATEO BUILDING 36 MECHANICAL ENGINEERING PROJECT**

The project consists of design and construction to replace the existing evaporative cooling system for College of San Mateo Building 36. The project includes new rooftop heating, ventilation, and air conditioning equipment (HVAC), electrical system modifications to support the new HVAC equipment, building management controls system modifications, underground site utilities to provide chilled water from the campus chiller facility, and other miscellaneous work to facilitate the HVAC system replacement. The existing HVAC system was part of the original building construction in 2004. It has not been a very effective or efficient cooling system and is nearing the end of its useful life. The new system will improve indoor thermal comfort levels for students and faculty while improving operational efficiencies for the facilities maintenance and operations team.

When considering what delivery method would work best for the College of San Mateo Building 36 Mechanical Engineering Project, staff evaluated both design-bid-build and the design-build method and concluded that design-build was the best method for the following reasons:

- It establishes a single point of contact for both design and construction because the architects and engineering consultants work for the design-build entity.
- It shifts risk to the design-build entity for errors and omissions in drawings and for associated construction costs.
- It allows early involvement during the design phase by the builder, i.e., it “adds construction practicality to design imagination.”
- It produces a compressed design and construction time schedule as a result of phased permitting approvals.
- The design-build entity negotiates subcontracts and, because it has a continuing relationship with the subcontractors, the subcontractors are often more reliable.
- It allows the District to negotiate a guaranteed maximum price for the finished project early in the process, and produces lower project costs and faster construction time for the District.

Education Code §81700 (AB 1000) requires that the Board adopt a resolution authorizing use of the design-build project delivery. Further, Education Code Section §81702 states, “that use of the design-build process on the specific project under consideration will accomplish one of the following objectives: reduce comparable project costs, expedite the project's completion, or provide features not achievable through the traditional design-bid-build method.”

The Facilities Planning Department has determined that design-build will meet two of the three objectives by reducing comparable project cost and expediting the schedule. The project cost is \$5.5 million and meets the Education Code §81700 requirement that project cost exceeds \$2.5 million. As such, the District is seeking authorization from the Board for using the design-build delivery method for this modernization project.

**RECOMMENDATION**

It is recommended that the Board adopt Resolution No. 21-01 authorizing the use of design-build delivery for the College of San Mateo Building 36 Mechanical Engineering project.

**RESOLUTION NO. 21-01**  
**BY THE GOVERNING BOARD OF**  
**THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**  
**STATE OF CALIFORNIA**

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**RESOLUTION AUTHORIZING THE UTILIZATION OF DESIGN-BUILD DELIVERY**

**WHEREAS**, Education Code §81700 authorizes community college districts to use the design-build construction method on projects costing in excess of \$2.5 million; and

**WHEREAS**, San Mateo County Community College District conducted an evaluation of the traditional design-bid-build delivery method for the College of San Mateo Building 36 Mechanical Engineering Project; and

**WHEREAS**, the Governing Board of the San Mateo County Community College District finds that use of the design-build delivery method for the facilities described above for College of San Mateo will either (1) reduce comparable costs of the projects, or (2) expedite completion of the projects, or (3) provide features unavailable through traditional design-bid-build process;

**NOW, THEREFORE, BE IT RESOLVED** that the San Mateo County Community College District Board of Trustees authorizes utilization of the design-build construction delivery method, as provided for under Education Code §81700, for the College of San Mateo Building 36 Mechanical Engineering Project.

**REGULARLY PASSED AND ADOPTED** this 27<sup>th</sup> day of January 2021.

Ayes:

Noes:

Abstentions:

Attest:

\_\_\_\_\_  
Richard Holober, Vice President-Clerk  
Board of Trustees

**BOARD REPORT NO. 21-01-14A**

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: José D. Nuñez, Vice Chancellor, Facilities Planning, Maintenance & Operations, 358-6836  
Yanely Pulido, Director, General Services, 358-6863

**APPROVAL OF EXTENSION TO CONTRACT WITH SWINERTON MANAGEMENT & CONSULTING FOR CAPITAL IMPROVEMENT PROGRAM CONSTRUCTION MANAGEMENT SERVICES**

On September 30, 2015 (Board Report No. 15-9-101B), the Board approved a contract with Swinerton Management & Consulting (Swinerton) for Construction Management (CM) services to support the implementation and successful execution of the Capital Improvement Program Phase 3 (CIP3). The Construction Management (CM) Services Agreement executed in March 2016 provided for management services for an initial term of five (5) years. As anticipated in Board Report No. 15-9-101B, the proposed contract period was to be seven years. The contract stipulates that both parties may extend the term of the agreement by mutual written agreement.

The CIP3 program is still underway. Swinerton and the District wish to continue the relationship to allow Swinerton to complete all assigned CIP3 construction management tasks and projects. District staff have reviewed the current contract and in addition to extending the contract time, the construction manager staffing plan, project assignment list, and construction manager fee schedule will be updated in accordance with the terms and conditions of the original contract.

The District is seeking Board authorization to extend the CM Services Agreement with Swinerton through the period ending March 31, 2023. There is no change to the approved contract amount.

**RECOMMENDATION**

It is recommended that the Board of Trustees authorize the Chancellor, or his designee, to execute an amendment to the contract with Swinerton Management & Consulting for Construction Management services extending the term of the contract through March 31, 2023.

**BOARD REPORT NO. 21-01-05C**

TO: Members of the Board of Trustees

FROM: Michael Claire, Chancellor

PREPARED BY: Kim Lopez, Interim President, College of San Mateo  
Hilary Goodkind, Accreditation Liaison Officer & Dean of Planning, Research,  
Innovation and Effectiveness (PRIE), College of San Mateo

**UPDATE ON THE ACCREDITING COMMISSION FOR COMMUNITY AND JUNIOR COLLEGES (ACCJC) FOLLOW-UP REPORT FOR COLLEGE OF SAN MATEO**

In the fall of 2019, the San Mateo Community College District (SMCCD) and its colleges hosted a comprehensive external evaluation visit as part of the regular cycle of assessment by the ACCJC. Every seven years, ACCJC member institutions undergo a comprehensive review for reaffirmation of accreditation to improve education quality and effectiveness. College of San Mateo (CSM) received the following three commendations and one recommendation for compliance from the visit.

**Commendations:**

1. The commission commends the College on its significant and effective variety of learning support for students, including the Learning Center, discipline-specific labs, and library
2. The commission commends the College for its progressive and collaborative governance and planning processes leading to a culture of trust
3. The commission commends the College for its collaboration between its Career Technical Education (CTE) programs and local industry partners. The networking, communication, and cooperation for the purpose of curriculum development, and program enhancement is impressive

**ACCJC Recommendation:**

In accordance with federal regulations, compliance requirements must be addressed and the institution must demonstrate that it aligns with the standards within 2 years.

- In order to meet the standard, the Commission requires that the college establish a policy defining regular and substantive instructor-initiated contact with students for Distance Education courses. The Commission requires that the college provide professional development opportunities for faculty to ensure Distance Education courses include regular and substantive instructor-student interaction

Recommendations for compliance require a follow up report and visit. The College has finalized its follow up report in anticipation of a March 2021 follow up visit. A copy of the report is attached and will be presented to the Board of Trustees for final approval on February 24, 2021.

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**FOLLOW-UP  
REPORT**

College of San Mateo  
1700 West Hillsdale Blvd  
San Mateo 94402

Submitted to the Accrediting  
Commission for Community  
and Junior Colleges

Date of Submission: March 1, 2021

College of San Mateo

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## Follow-Up Report

### I. Certification

To: Accrediting Commission for Community and Junior Colleges Western Association of Schools and Colleges

From: Kim Lopez  
Interim President  
College of San Mateo  
1700 West Hillsdale Blvd  
San Mateo 94402

Date: December 17, 2020

I certify there was broad participation/review by the campus community and believe this report accurately reflects the nature and substance of this institution.

#### Signatures:

**Thomas A. Nuris**, President, Board of Trustees, San Mateo Community College District

**Michael E. Claire**, Chancellor, San Mateo Community College District

**Kim Lopez**, Interim President, College of San Mateo

**Arielle Smith**, President, Academic Senate

**Fauzi Hamedeh**, President, Classified Senate

**Joseph Nguyen**, President, Associated Students of College of San Mateo

**Hilary Goodkind**, Accreditation Liaison Officer

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## II. Follow-Up Report Preparation

On January 17, 2020 College of San Mateo received the action letter from the Accrediting Commission for Community and Junior Colleges (ACCJC) to confirm the outcome of the college's Fall 2019 evaluation and to reaffirm accreditation for 18 months. The action letter contained one recommendation for compliance.

“In order to meet the standard, the Commission requires that the college establish a policy defining regular and substantive instructor-initiated contact with students for Distance Education courses. The Commission requires that the college provide professional development opportunities for faculty to ensure Distance Education courses include regular and substantive instructor-student interaction.”

College of San Mateo is required to address this recommendation in a follow-up report and visit. The follow-up report is due by March 1, 2021 to ACCJC. The Follow-Up report will address the recommendation for compliance.

Upon receipt of the ACCJC action letter, the president shared the news with the President's Cabinet on January 27, 2020 (R1) to prepare for college-wide communication. A college-wide email was sent on February 4, 2020 (R2). The Faculty Senate President sent an email to all faculty (full-time and adjunct) informing them of the ACCJC action (R3). The email provided guidance about expectations for faculty-student contact for distance education (DE) courses as well as a plan for professional development opportunities for faculty to ensure DE courses include regular and substantive instructor-student interaction. A CSM Accreditation Follow up Committee met to begin drafting the report (R4, R5, R6, R7, R8). An initial meeting was called of the Distance Education Advisory Committee (DEAC) on February 4, 2020 (R8) to draft a plan and timeline (R9) to address the recommendation. The college ALO shared the ACCJC recommendation for compliance and commendations at the Institutional Planning Council (R10) meeting on February 5, 2020. Subsequent conversations and plans were discussed at length with the DEAC (R11), Academic Senate (R12), and Curriculum Committee (R13).

In March 2020, the COVID-19 pandemic broke out and our Board of Trustees made the decision to close campus and move all classes online. Faculty were asked to immediately transition all classes online and faced two major challenges: 1) Convert all classes to distance education immediately; and 2) Complete a substantive training on Distance Education. The 5-hour online course, which initially was intended for our faculty who teach online and hybrid sections, was mandated for all faculty. The online course outlines the new standards around regular and substantive contact and helps faculty develop a strategy for meaningful interactions with their online students. It is required for compliance and mandates all faculty complete the training in order to teach online in the Spring 2021 semester. Given the extraordinary circumstances, all of our faculty heroically persevered and completed the 5-hour training by Fall 2020.

A plan and timeline (R6) were immediately put forth to address the compliance recommendation with expected deliverables.

### Accreditation Follow-Up Report Timeline

Action	Timeline
Receipt of Letter of Reaffirmation	January 27, 2020
Share/review letter, compliance recommendation, external evaluation report	January-February 2020
Identify actions and areas to be addressed	January-February 2020
Implement corrective actions	March-August 2020
Follow Up Report first draft	September 30, 2020
Follow Up Report second draft	October 31, 2020
DEAC Review and Approval	November 10, 2020
Approval by Classified Senate	November 12, 2020
Approval by Student Senate	November 16, 2020
First review by IPC	November 18, 2020
Approval by Academic Senate	November 24, 2020
Final approval by IPC	December 2, 2020
Final Follow Up report complete	December 9, 2020
Submission for Board Review	January 2021 <b>TBD</b>
Submission to ACCJC	March 1 2021 for June 2021 Commission meeting

### Evidence

- [R1](#) Cabinet Agenda 1/27/20
- [R2](#) College-wide email on ACCJC Action
- [R3](#) Faculty Senate President email to all faculty
- [R4](#) Accreditation Follow up Committee Minutes 2/4/20
- [R5](#) Accreditation Follow up Committee Minutes 4/7/20
- [R6](#) Accreditation Follow up Committee Minutes 9/16/20
- [R7](#) Accreditation Follow up Committee Minutes 10/5/20
- [R8](#) Accreditation Follow up Committee Minutes 10/23/20
- [R9](#) Distance Education Oversight Committee 2/4/20
- [R10](#) Timeline for Follow Up Action/Report
- [R11](#) IPC Agenda 2/5/20
- [R12](#) DEAC Committee Meeting Minutes
- [R13](#) Academic Senate Minutes
- [R14](#) Curriculum Committee Minutes

### III. Response to Recommendation (Compliance)

Recommendation (Compliance): **Policy on Distance Education and Correspondence Education; Standard 11.A.2 (College Requirement 1):** In order to meet the standard, the Commission requires that the college establish a policy defining regular and substantive instructor-initiated contact with students for Distance Education courses. The Commission requires that the college provide professional development opportunities for faculty to ensure Distance Education courses include regular and substantive instructor-student interaction.

#### Policies and Practices

The college began work immediately to address all aspects of the compliance recommendation. College of San Mateo maintains that policies and practices pertaining to regular and substantive interaction with students are in place. The SMCCCD policy administrative procedure (6.12.1) on distance education ([E-14](#)) mandates “regular and effective contact between instructor and students,” and the CSM Policy related to regular and substantive interaction with students stipulates a “minimum of at least once a week-initiated contact with students in the online classroom.” The College of San Mateo regular and substantive contact policy was revised ([E-15](#)) by the Distance Education Committee at throughout the Spring 2020 semester to further address the ACCJC standard for regular and substantive contact ([E-16](#), [E-17](#), [E-18](#), [E-19](#), [E-20](#)). The revised policy provided additional guidance for instructor-initiated contact for DE courses.

Specifically, instructors in fully-online courses are required at a minimum to do one of the following ([E-15](#)):

- Minimum of once a week of substantive contact with each of your students is required.
- Minimum of once a week an opportunity of student-to-student contact.
- The minimum regular and substantive contacts need to be met with separate contacts.

All courses designated as Partially Online (PO) and Online with Flexible In-person component (OFI) at College of San Mateo will include:

- Minimum of once a week regular contact for the portion of the class that is not delivered online.
- Minimum of once a week of substantive contact with each student is required.
- Minimum of once a week an opportunity of student-to-student contact.

Faculty teaching online courses must use the District Required Learning Management System (LMS) and its native tools as their primary course management system to ensure that evidence of regular and substantive contact with students is documentable. Faculty using any third-party or publisher tools are responsible for providing documentation, evidence and access (peer review evaluators and accreditation reviewers) to these tools that demonstrate compliance with the CSM policy for regular and substantive contact.

Faculty must indicate at least one method of contact whereby a student inquiry is answered within 1-2 working days in their syllabus at minimum.

The expectation is that all regular communication with students should take place in the LMS or documented in the LMS (for ex. Canvas Conversations tool) in order to ensure transparency and to document regular and substantive interaction

**Evidence:**

- [E-14](#) Board policy 6.12.1
- [E-15](#) CSM Regular & Substantive Contact policy
- [E-16](#) DEAC Minutes 12/3/2019
- [E-17](#) DEAC Meeting Agenda 2/4/2020
- [E-18](#) DEAC Meeting Agenda 3/3/2020
- [E-19](#) DEAC Meeting Agenda 5/5/2020
- [E-20](#) DEAC Meeting Agenda 5/11/2020

**Compliance Check**

To confirm compliance with regular and substantive contact between faculty and students, the academic and administrative leadership have agreed that the college's Instructional Designer, two Instructional Technologists, and Dean of Academic Support and Learning Technologies review and evaluate courses coded as DE to ensure they are coming into alignment with the Regular and Substantive Contact policy ([CO 1](#), [CO 2](#)). Courses will be evaluated against the CSM Regular and Substantive Contact Course Review Checklist that is based on the Online Education Initiative (OEI) Course Design Rubric and the Peralta Online Equity Rubric ([CO 3](#)). Courses are marked as “Aligned or Exemplary” or “Incomplete” on the checklist in how well they meet the Regular and Substantive Contact policy. Both the instructional dean and faculty member will receive a notification once the review is complete ([CO 4](#), [CO 5](#)). Courses that are incomplete will be provided with suggestions to improve their regular and substantive contact, and all updates should be completed by the end of the current semester or incorporated into the next time the course is offered.

**Evidence:**

- [CO 1](#) Course Review Email from AS President to DE Faculty
- [CO 2](#) Course Review Email from VPI to DE Faculty
- [CO 3](#) CSM Regular and Substantive Contact Course Review Checklist
- [CO 4](#) Aligned/Exemplary Notification Message
- [CO 5](#) Incomplete Notification Message

## Professional Development

To ensure that all faculty (full time and adjunct) are aware and understand the new policy on regular and substantive contact, the college developed a 5-hour training that all faculty were required to take regardless of teaching modality ([PD 1](#), [PD 2](#)). The objective of the online course was to help faculty identify the new standards around regular and substantive contact as well as apply a strategy for fostering more meaningful interactions with their online students ([PD 3](#)). A DE Training dashboard was created to track and monitor the completion of this course by faculty for the college administration, instructional deans, and DE team ([PD 4](#)).

Additionally, the Instructional Designer has identified RASCAL (Regular And Substantive Contact Active Learning) as the theme for the 2020-2021 academic year ([PD 5](#)). She has developed a series of workshops for college division meetings, and/or small groups of faculty on the topics below ([PD 6](#)):

- Active Learning and Student Engagement with Zoom
- Active Learning and Student Engagement with Canvas
- Develop a Robust Communication, Interaction and Feedback Plan
- Design a More Inclusive and Engaging Course Syllabus
- Create Course Goals and Objectives for Significant Learning
- Address Course Wicked Problems with UDL Guidelines
- Use Principles for Multimedia Learning to Inform Student Engagement
- Visioning Session: Teaching from a Social, Emotional, and Cultural Lens

College of San Mateo promotes academic excellence through professional development for all members of our academic community. In pursuit of this goal, the college offers Flex-Day workshops to introduce and reinforce tools and practices that are critical for quality DE instruction, such as “RASCAL Dialogue - Regular and Substantive Contact During a Pandemic” ([PD 7](#)). Additionally, we host a variety of resources and information for DE faculty on our Distance Education webpage and Course Design Canvas shell ([PD 8](#), [PD 9](#)). These sites include information pertaining to:

- Distance Education Standards: Policies, procedures, online teaching handbook, including information about regular and substantive contact.
- Contact information for course design and instructional technology support
- Canvas and other instructional technology help guides
- Strategies for making online offerings more student-centered, flexible, and pedagogically innovative
- Information about emerging technologies and resources to support the enhancement of teaching and delivery of distance education courses
- Professional Development opportunities

**Evidence:**

- [PD 1](#) AS President Email to Faculty on required Regular and Substantive Contact Training
- [PD 2](#) CSM Regular and Substantive Contact Canvas Course
- [PD 3](#) CSM Regular and Substantive Contact Overview and Objectives Page pdf
- [PD 4](#) DE Training Dashboard
- [PD 5](#) Screenshot of ID Theme RASCAL webpage
- [PD 6](#) Screenshot of ID Workshops webpage
- [PD 7](#) October 15, 2020 Flex Day Agenda
- [PD 8](#) CSM DE Webpage
- [PD 9](#) CSM Course Design Center Canvas Shell

**Communication**

To support distance education, the college uses various avenues to communicate information regarding policies, practices, and resources to faculty. Specifically:

1. Distance Education webpage: This page contains information pertaining to distance education policies and practices, standards including regular and substantive contact, professional development, and faculty resources ([E-1](#)).
2. Emails: The instructional designer engages faculty in the CSM Course Design Corner Canvas page ([E-2](#)). The Academic Senate president also sends regular communications with DE updates, reminders, and policies throughout the year ([E-3](#)). The VP of Instruction has also sent communications to faculty ([E-4](#)).
3. Division Visits: Instructional Designer presentations were made to all instructional and student support divisions in September and October and include DE information and training on how to access course design materials ([E-5](#)). The Instructional Technologist also conducted division visits with information on DE requirements and upcoming training ([E-6](#)).
4. Committees: Through the DEAC (The DEAC committee meets regularly to review DE policies and practices, and reports to Academic Senate in all regular meetings with updates) ([E-7](#)), Academic Senate ([E-8](#)), Curriculum Committee ([E-9](#)), and IPC ([E-10](#)), the college discusses and shares information pertaining to policies, issues, and practices concerning distance education ([E-11](#)).
5. Our initial Regular and Substantive Contact policy was communicated to faculty in a discussion and vote on Nov 21, 2019 in Curriculum Committee ([E-12](#)), and was also communicated by Acting President Kim Lopez in an email on February 4th ([E-13](#)).

**Evidence:**

- [E-1](#) Screenshot of DE website
- [E-2](#) Screenshots Canvas Welcome Page, Modules
- [E-3](#) Academic Senate President Communications (emails) on R&S Contact Policy
- [E-4](#) VPI Communication 10/8/2020
- [E-5](#) Division meeting dates/agenda, and Presentation
- [E-6](#) Instructional Technologist PPT presentation to ASLT division 8/17/2020
- [E-7](#) DEAC Committee documents
- [E-8](#) Academic Senate Minutes
- [E-9](#) Curriculum Committee Minutes
- [E-10](#) IPC Meeting Minutes
- [E-11](#) Town Halls
- [E-12](#) Curriculum Committee Minutes
- [E-13](#) Acting President Kim Lopez ACCJC Response Communication

**Curriculum**

Distance education has a separate approval process for curriculum. In Fall 2019, the Curriculum committee began discussions about the need to update curricular processes concerning the separate approval process for distance education ([CC-1](#); [CC-2](#)). In April 2020 ([CC-3](#)) and May 2020 ([CC-4](#)), drafts of the proposed *Regular and Substantive Contact Policy* were presented to the Curriculum committee with discussion and recommendations. The Curriculum committee stated it would update the older distance education approval areas of the curriculum management system to implement changes that reflect the requirements of the newly adopted policy ([CC-4](#)).

After the adoption of the final policy, the Curriculum committee used the new policy to revise the curriculum processes related to the separate approval of distance education modality for courses. The changes from the older form ([CC-5](#)) to the new form used Fall 2020 ([CC-6](#)) particularly reflect the importance of regular and substantive contact in any course offered in the distance education mode.

**Evidence:**

- [CC 1](#) 10-10-2019 Curriculum Committee minutes
- [CC-2](#) 10-24-2019 Curriculum Committee minutes
- [CC-3](#) 4-9-2020 Curriculum Committee minutes
- [CC-4](#) 5-14-2020 Curriculum Committee minutes
- [CC-5](#) BIOL102-OLD\_DE\_2019
- [CC-6](#) BIOL110\_NE\_DE\_2020