



## Meeting of the Board of Trustees

November 14, 2019

4:00 p.m. (Closed Session); 5:00 p.m. (Public Meeting)

SBCCD Boardroom

550 E. Hospitality Ln., Suite 200, San Bernardino, CA 92408

## AGENDA

1. **CALL TO ORDER – PLEDGE OF ALLEGIANCE**
2. **ANNOUNCEMENT OF CLOSED SESSION ITEMS**
  - 2.1. Conference with Labor Negotiators  
Government Code 54957.6  
Agency Representative: Bruce Baron – CSEA, CTA, Management/Supervisors, and Confidential Employees
  - 2.2. Public Employee Discipline/Dismissal/Release/Non Re-Employment  
Government Code 54957  
(5 cases)
  - 2.3. Conference with Legal Counsel – Anticipated Litigation  
Government Code 54956.9(d)(2)  
(1 case)
  - 2.4. Conference with Legal Counsel – Existing Litigation  
Government Code 54956.9(e)(3) or (d)(1) (Workers Comp Claim #559027)
  - 2.5. Conference with Real Property Negotiator pursuant to Government Code section 54956.8
    - Properties:
      - Sand Canyon Road, Yucaipa, 18.75 Acre Parcel
      - Pro-Swap-Meet, San Bernardino, 22.79 Total Acres
    - Negotiating Parties: San Bernardino Community College District (Proposed Buyer), Real Property Negotiators Bruce Baron, chancellor; Jose F. Torres, executive vice chancellor
    - Under Negotiation: Instruction to Proposed Buyer's Real Property Negotiators will concern price and terms of payment associated with the possible purchase of the identified Property.
  - 2.6. Public Employee Performance Evaluation  
Government Code 54957(b)(1)  
Title: Chancellor

**3. PUBLIC COMMENTS ON CLOSED SESSION ITEMS**

The San Bernardino Community College Board of Trustees offers an opportunity for the public to address the Board on any agenda item prior to or during the Board's consideration of that item. Matters not appearing on the agenda will be heard after the board has heard all action agenda items. Comments must be limited to five (5) minutes per speaker and twenty (20) minutes per topic if there is more than one speaker. At the conclusion of public comment, the Board may ask staff to review a matter or may ask that a matter be put on a future agenda. As a matter of law, members of the Board may not discuss or take action on matters raised during public comment unless the matters are properly noticed for discussion or action in Open Session. Anyone who requires a disability-related modification or accommodation in order to participate in the public meeting should contact the Chancellor's Office at (909) 388-6902 as far in advance of the Board meeting as possible.

**4. CONVENE CLOSED SESSION**

**5. RECONVENE PUBLIC MEETING**

**6. REPORT OF ACTION IN CLOSED SESSION**

**7. PUBLIC COMMENTS ON AGENDA ITEMS**

This is an opportunity for members of the public to address the Board concerning items on the agenda.

**8. PRESENTATIONS**

8.1. Assemblymember Eloise Gómez Reyes – Presentation of Resolution to Mike Sola

8.2. HACU Presentation

Students: Albert Ramirez, Lisette Villegas, Adrian Rios, Sofiya Herrera, and Jennifer Aquino

**9. REPORTS**

9.1. Board Committee Reports (p5)

9.2. Board Information Requests (p8)

9.3. Key Performance Indicators (p10)

9.4. Good News (p13)

9.5. San Bernardino Valley College Academic Senate

9.6. San Bernardino Valley College Classified Senate

9.7. San Bernardino Valley College Associated Students

9.8. Crafton Hills College Academic Senate

9.9. Crafton Hills College Classified Senate

9.10. Crafton Hills College Associated Students

9.11. CSEA

9.12. CTA

**10. APPROVAL OF MINUTES**

- 10.1. September 26, 2019 (p14)
- 10.2. October 10, 2019 (p16)
- 10.3. October 24, 2019 (p22)

**11. CONSENT AGENDA**

The Consent Agenda is expected to be routine and non-controversial. It will be acted upon by the Board at one time without discussion. Any member of the Board, staff member or citizen may request that an item be removed from this section for discussion.

**Instruction/Student Services**

- 11.1 Approval of Advisory Committees - SBVC (p24)
- 11.2 Approval of Curriculum – SBVC (p46)
- 11.3 Approval of Curriculum – CHC (p75)

**Human Resources**

- 11.4 Adjunct and Substitute Academic Employees (p84)
- 11.5 Appointment of Temporary Academic Employees (p86)
- 11.6 Non-Instructional Pay (p88)
- 11.7 Payment of Stipends (p93)
- 11.8 Management Job Descriptions (p95)
- 11.9 Appointment of Interim Managers (p96)
- 11.10 Appointment of District Employees (p98)
- 11.11 Employee Promotions (p101)

**Business & Fiscal Services**

- 11.12 Contracts at or Above \$92,600 (p103)
- 11.13 Surplus Property for Private Sale or Disposal (p105)
- 11.14 Interfund Borrowing Transactions (p107)
- 11.15 Revised Authorized Signature List (p108)
- 11.16 Vacation Payout (p111)
- 11.17 Establish an Investment Account for Crafton Hills Colleges FCC Auction Proceeds (p112)
- 11.18 2020-21 Budget Calendar (p113)
- 11.19 District & College Expenses (p117)
- 11.20 Resolution to Grant Absence and Pay Trustee (p122)

**Facilities**

None

**12. ACTION AGENDA**

- 12.1 Board Orientation Handbook – Second Reading (p124)
- 12.2 Board Policies – First Reading (p159)
- 12.3 Board Policies – Second Reading (p194)
- 12.4 Community Benefits Agreement – Second Reading (p199)
- 12.5 Resolution #2019-11-14-FPC01 Authorizing Issuance of 2019 General Obligation Refunding Bonds (p237)
- 12.6 Resolution #2019-11-14-FPC02 Authorizing Issuance of Election of 2018 General Obligation Bonds, Series A and Series A-1 (p406)
- 12.7 Employment Contract for Chancellor (p566)

**13. INFORMATION ITEMS**

- 13.1. Appendix CCAP Agreement - CHC (p567)
- 13.2. Applause Cards (p574)
- 13.3. Budget Report (p579)
- 13.4. Clery Report (p599)
- 13.5. Contracts Below \$92,600 (p601)
- 13.6. General Fund Cash Flow Analysis (p609)
- 13.7. MOUs between SBCCD and the SBCCDTA (p611)
- 13.8. Professional Expert, Short-Term, and Substitute Employees (p614)
- 13.9. Purchase Orders (p620)
- 13.10. Resignations and Retirements (p632)
- 13.11. Sabbatical Report (p634)
- 13.12. SBCCD Advocacy Update (p638)
- 13.13. Volunteers (p648)

**14. PUBLIC COMMENT ON NON-AGENDA ITEMS**

This is an opportunity for members of the public to address the Board concerning non-agenda items.

**15. ADJOURN**

The next meeting of the Board: Business Meeting – December 12, 2019 at 4pm.

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Bruce Baron, Chancellor

**PREPARED BY:** Stacey K. Nikac, Administrative Officer

**DATE:** November 14, 2019

**SUBJECT:** Board Committee Reports

### **RECOMMENDATION**

This item is for information only.

### **OVERVIEW**

Per Board Policy 2220, the Board may, by action, establish committees that it determines are necessary to assist the Board in its responsibilities. Any committee established by Board action shall comply with the requirements of the California Public Meetings Act (Brown Act) and with these policies regarding open meetings.

Board committees that are composed solely of less than a quorum of members of the Board that are advisory are not required to comply with the Brown Act, or with these policies regarding open meetings, unless they are standing committees.

Board committees that are only advisory have no authority or power to act on behalf of the Board. Findings or recommendations shall be reported to the Board for consideration.

Standing committees of the Board can be found on the Board of Trustees page of the District Website [http://www.sbccd.org/Board\\_of\\_Trustees](http://www.sbccd.org/Board_of_Trustees)

### **ANALYSIS**

The purpose of the reports is for BOT Committee Chairs to communicate information to the full Board, leading to more engagement and interaction at upcoming board meetings. Updates are provided orally by the BOT Committee Chairs, as needed. The Board may ask staff to review a matter or may ask that a matter be put on a future agenda.

### **INSTITUTIONAL VALUES**

- I. Institutional Effectiveness
- II. Learning Centered Institution for Student Access, Retention, and Success
- III. Resource Management for Efficiency, Effectiveness, and Excellence
- IV. Enhanced and Informed Governance and Leadership

### **FINANCIAL IMPLICATIONS**

No impact to the budget.



## Committees of the Board

BOT COMMITTEES (with committee charge)	2019 BOARD MEMBERS (chairs are bold)
<p><b>Finance Committee</b></p> <p>The committee is charged with:</p> <ul style="list-style-type: none"> <li>• Increasing the efficiency of the Board of Trustees by performing time-consuming research on its behalf.</li> <li>• Improving clarity by providing a platform for detailed questions not conducive to the flow of monthly business meetings.</li> <li>• Promoting transparency of the SBCCD budgeting process and fiscal matters through detailed discussion of these topics in an open forum.</li> <li>• Fostering an environment of understanding by communicating findings and formulating final recommendations to the Board of Trustees.</li> <li>• Increasing the efficiency of the Board of Trustees by performing time-consuming research on its behalf regarding the implementation and operation of bond measures.</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>Gloria Harrison</b></li> <li>2. Donald Singer</li> <li>3. Anne Viricel</li> <li>4. Elijah Gerard (Student Trustee is not included in quorum)</li> </ol>
<p><b>Legislative Committee</b></p> <p>The committee is charged with:</p> <ul style="list-style-type: none"> <li>• To develop and enhance relationships with legislators and legislative groups that represent the communities served by the district.</li> <li>• To advocate for legislative change that can positively impact SBCCD and its mission to serve students.</li> <li>• To examine proposed legislation and determine what legislation should be supported through Board resolutions.</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>Frank Reyes</b></li> <li>2. Anne Viricel</li> <li>3. John Longville</li> </ol>

<b>BOT COMMITTEES</b> <b>(with committee charge)</b>	<b>2019 BOARD MEMBERS</b> <b>(chairs are bold)</b>
<p><b>Executive Committee</b></p> <p>The committee is charged with:</p> <ul style="list-style-type: none"> <li>• Reviewing the board agenda with the Chancellor, prior to and after printing, and to offer guidance and initial direction to the Chancellor in items of board importance, prior to them coming to the Board for further discussion and/or action.</li> <li>• Reviewing current board policies and administrative procedures in accordance with the requirements for accreditation and to stay current with any statutory or legal changes.</li> <li>• It may also develop new policies at the direction of the Board of Trustees.</li> </ul>	<ol style="list-style-type: none"> <li><b>1. John Longville, President</b></li> <li>2. Dr. Anne L. Viricel, VP</li> <li>3. Joseph Williams, Clerk</li> </ol>

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Bruce Baron, Chancellor

**PREPARED BY:** Stacey K. Nikac, Administrative Officer

**DATE:** November 14, 2019

**SUBJECT:** Board Information Requests

### **RECOMMENDATION**

This item is for information only. The Board may ask staff to review a matter or may ask that a matter be put on a future agenda.

### **OVERVIEW**

The Board of Trustees requested a form be developed to track requests made by the board and updates be provided at board meetings.

### **INSTITUTIONAL VALUES**

- I. Institutional Effectiveness
- II. Learning Centered Institution for Student Access, Retention, and Success
- III. Resource Management for Efficiency, Effectiveness, and Excellence
- IV. Enhanced and Informed Governance and Leadership

### **FINANCIAL IMPLICATIONS**

No impact to the budget.





## **BOT Information Requests**

Updated as of October 31, 2019

**Date of Request:** 7/11/2019

**Requested by:** Williams

**Request:** Update on measure CC and the groundbreaking of the CTE building.

**Planned Completion Date:** 12/12/19

**Comments:** The BOT Finance Committee will discuss at their 12/12/19 meeting.

**Date of Request:** 6/20/2019

**Requested by:** Williams

**Request:** Make certain we publicize the policy for student stipends so our students are aware it is available to them.

**Planned Completion Date:** 12/31/19

**Comments:** The policy has to go through the collegial consultation process and is expected to come to the Board for approval by December 2019. The Chancellor will ensure the approved policy is communicated district-wide and to the students through the Offices of Student Life.

**Date of Request:** 4/11/2019

**Requested by:** Houston

**Request:** Would like to see updates on the progress of diversity in hiring.

**Planned Completion Date:** Completed

**Comments:** The Chancellor will have updates under Reports every six months, beginning at October's meeting. The presentation is included in the 10/10/19 Board agenda.

**Date of Request:** 5/16/2019

**Requested by:** Williams

**Request:** Move KPI report to the front of the agenda (with Board Information Requests).

**Planned Completion Date:** Completed

**Comments:** The Chancellor will move the KPI report as requested. The next KPI report will follow at the September/October meeting when the new data is available.

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Bruce Baron, Chancellor

**PREPARED BY:** Jeremiah Gilbert, Executive Director, Research & Planning

**DATE:** November 14, 2019

**SUBJECT:** Key Performance Indicator (KPI) Dashboard Updates

**RECOMMENDATION**

This item is for information only. No action is required.

**OVERVIEW**

The attached data sheets provide updates to the KPIs that have been revised with 2018-19 data.

**ANALYSIS**

2018-19 data is now available for KPI 2.1 (Number of Full-Time Equivalent Students) and KPI 2.6 (Participation Rate in Service Area). Once all KPIs have been updated with 2018-19 data, the full dashboard will be revised and updated online.

**INSTITUTIONAL VALUES**

I. Institutional Effectiveness

**FINANCIAL IMPLICATIONS**

None.



**Office of Research, Planning & Institutional Effectiveness  
Key Performance Indicator (KPI) Dashboard**

Goal 2 – Enrollment and Access

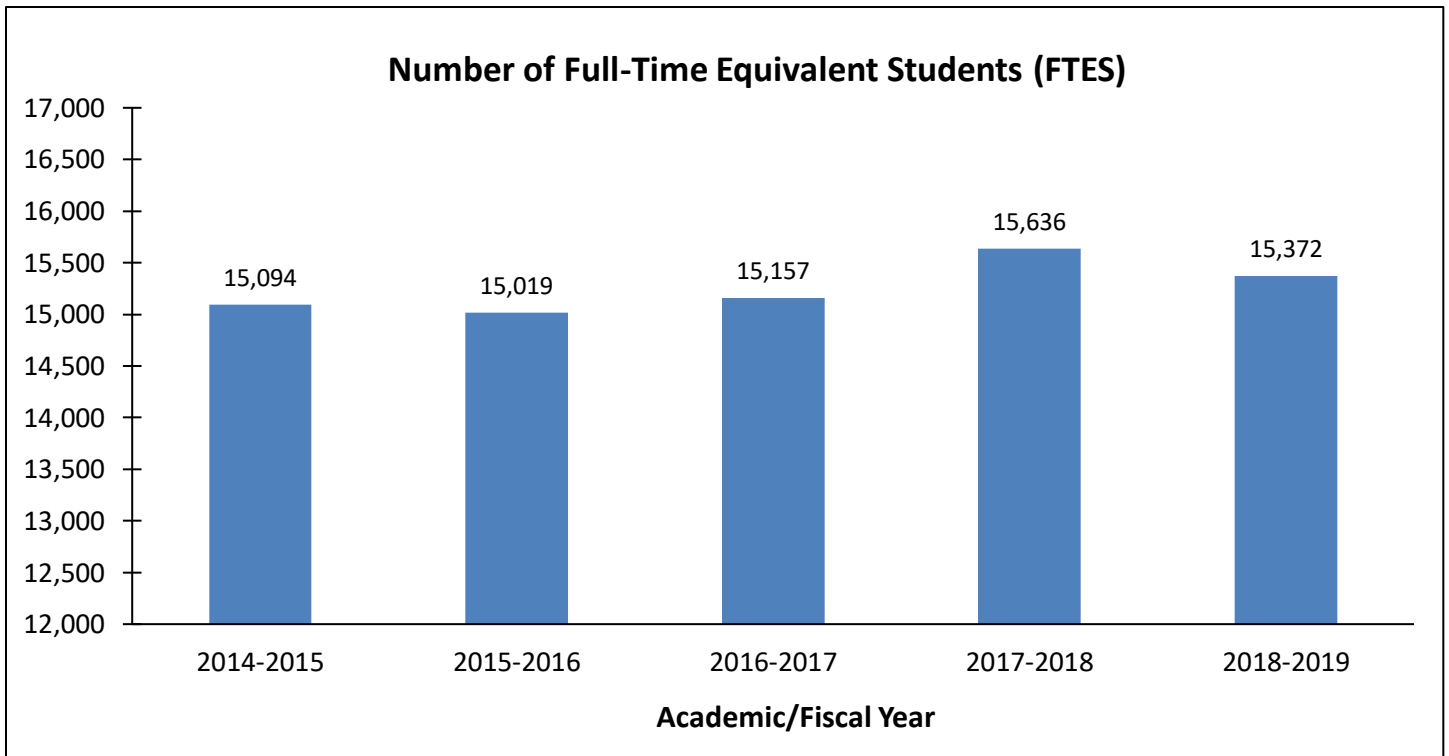
**KPI 2.1 – Number of Full-Time Equivalent Students (FTES)**

**Objective:** Increase our student population to improve the higher education participation rate and supply a well-equipped, educated workforce for our communities.

**Definition:** FTES stands for Full-Time Equivalent Student and is the equivalent of one student taking courses totaling 15 units each semester for two semesters.

**Measurement Frequency:** Annual

<b>KPI 2.1: Number of Full-Time Equivalent Students (FTES)</b>	<b>2014-2015 Total</b>	<b>2015-2016 Total</b>	<b>2016-2017 Total</b>	<b>2017-2018 Total</b>	<b>2018-2019 Total</b>
Crafton Hills College (CHC)	4,720	4,614	4,566	4,590	4,898
San Bernardino Valley College (SBVC)	10,374	10,405	10,591	11,046	10,474
<b>SBCCD (Total)</b>	<b>15,094</b>	<b>15,019</b>	<b>15,157</b>	<b>15,636</b>	<b>15,372</b>



**Overall:** The number of Full-Time Equivalent Students (FTES) has experienced a slight stable increase over this five-year period. There was a **decrease** of 264 FTES from the 2017-2018 academic year to the 2018-2019 academic year. However, there was a **net increase** of 278 (4.22%) FTES from the 2014-2015 academic year to the 2018-2019 academic year.



Office of Research, Planning & Institutional Effectiveness  
Key Performance Indicator (KPI) Dashboard

Goal 2 – Enrollment and Access  
KPI 2.6 – Participation Rate in Service Area

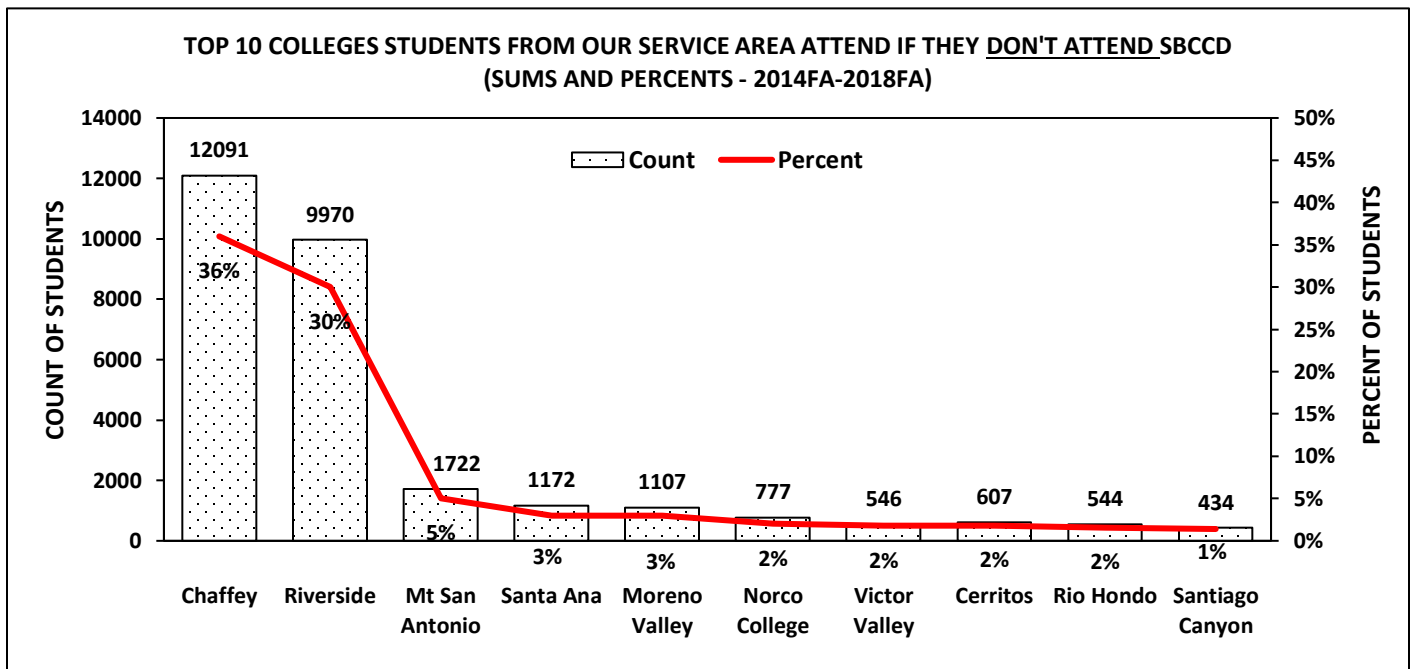
**Objective:** Increase our student population to improve the higher education participation rate and supply a well-equipped, educated workforce for our communities.

**Definition:** The rate of matriculating SBCCD students that are residents of cities in our service area. It is measured by taking the total number of SBCCD matriculating students that are residents of our service area divided by the total number of community college students from our service area.

**Measurement Frequency:** Annual

KPI 2.6: Participation Rate in Service Area	2014-2015 Total	2015-2016 Total	2016-2017 Total	2017-2018 Total	2018-2019 Total
Crafton Hills College (CHC)	20.56%	20.04%	19.81%	19.14%	19.78%
San Bernardino Valley College (SBVC)	45.93%	44.68%	42.67%	43.64%	42.94%
SBCCD (Total)	66.49%	64.72%	62.48%	62.78%	62.72%

**EQUITY ANALYSIS:** Please note that current data sources do not provide the race/ethnicity or gender for students in each service area city. Also note that college participation rates are for the entire service area.



**SUMMARY OF THE DATA:**

- Over this five-year period (Fall 2014 to Fall 2018), 33,627 students from our service area chose not to attend SBCCD.
- The majority (76%) of these students attended Chaffey (36%), Riverside CCD (35%) or Mt. San Antonio College (5%).



# GOOD NEWS

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

November 2019 Edition



Crafton Hills College | San Bernardino Valley College | Empire KVCR

## CONGRATS CHANCELLOR'S LEADERSHIP ACADEMY *Lead Change. Foster Innovation. Inspire Motivation.*

Chancellor Baron is pleased to announce the completion of the 3rd class of the Chancellor's Leadership Academy (CLA). This group creates a broadened network of well-informed leaders whose strengthened commitment to SBCCD and community involvement will affect positive change in Inland Southern California. 30 faculty and staff join the graduated cohort of the CLA. President Diana Z. Rodriguez moderated the three day adventure and successfully guided the entire cohort to success.



## SBCCD INVESTS IN THE COMMUNITY AND THE FREE COLLEGE PROMISE

The San Bernardino Community College District has expanded its reach and its investment in the community with a move to a new building on Hospitality Lane.

When guests enter the building, they will find a commemorative plaque on the first floor that reads, "On the eve of the San Bernardino Community College District's first 100 years of public service, this building is dedicated to our community as a bridge to a better tomorrow."

The new district office phone number is (909)388-6400.



## FINALIST SUSTAINABLE & GREEN DEVELOPMENT AWARD

The Inland Empire Economic Partnership's 7th Annual Turning Red Tape into Red Carpet Awards Ceremony has announced SBCCD's Zero Net Energy Project is amongst the finalists to be awarded the Sustainable & Green Development award.

This event recognizes the Inland Empire's outstanding public agencies that are proactively cutting through bureaucratic red tape, opening the door for business growth and success, and who work to eliminate barriers to economic growth and support job creation for our region.

November 14, 2019 at the Mission Inn Hotel & Spa the winner will be announced.

Name	Classification	Department	Site
Carrie Audet	Classified	Resource Development	CHC
Larry Aycock	Management	Registration	CHC
Brandi Bailes	Faculty	Math	CHC
Trinette Barrie	Faculty	Counseling	CHC
Scott Carlson	Management	Inland Futures Foundation	IFF
David Cosme	Classified	Financial Aid	SBVC
Virginia Diggie	Classified	Business Services	District Office
Farrah Farzaneh	Management	Facilities Planning & Construction	District Office
Stacy Garcia	Classified	Economic Development & Corporate Training	EDCT
Jimmy Grabow	Faculty	Counseling	CHC
Kevin Grishow	Management	Maintenance & Grounds	SBVC
Leticia Hector	Faculty	Speech	SBVC
Kristina Heilgeist	Classified	Student Services	CHC
Janae Jacoby	Confidential	Human Resources	District Office
Wallace Johnson	Management	Social Sciences, Human Development & Physical Education	SBVC
Dmitriy Kalantarov	Management	Science Division	SBVC
Myung Koh	Classified	Research and Planning	District Office
Deanna Krehbiel	Management	Economic Development & Corporate Training	EDCT
Mike Layne	Management	Workforce Dev. Advancement & Media Systems	EDCT
Veronica Lehman	Classified	Financial Aid	CHC
Mariana Moreno	Classified	Counseling	CHC
Michael Nguyen	Management	Facilities Planning & Construction	District Office
Melissa Oshman	Management	Administrative Services	CHC
Matthew Robles	Faculty	Geology	SBVC
Maria Del Carmen Rodriguez	Management	Student Services	SBVC
Steve Rush	Classified	Admissions & Records	CHC
Phylicia Sanchez	Classified	Development & Community Relations	SBVC
Sipel Taha	Management	KVCR	EDCT
Yvette Tram	Management	Administrative Application Systems	District Office
Sam Trejo	Classified	Financial Aid	SBVC



Study Session of the Board of Trustees  
September 26, 2019  
12:00 – 2:00 p.m.  
SBCCD Boardroom  
114 S. Del Rosa Dr., San Bernardino, CA 92408

MINUTES

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**MEMBERS PRESENT**

John Longville, President  
Joseph Williams, Clerk  
Gloria Macías Harrison, Trustee  
Dr. Stephanie Houston, Trustee  
Frank Reyes, Trustee  
Dr. Donald L. Singer, Trustee

**ABSENT**

Dr. Anne L. Viricel, Vice President

**ADMINISTRATORS PRESENT**

Jose Torres, Executive Vice Chancellor  
Diana Rodriguez, SBVC President  
Kevin Horan, CHC President

**ADMINISTRATORS ABSENT**

Bruce Baron, Chancellor

1. **CALL TO ORDER – PLEDGE OF ALLEGIANCE**

President Longville called the meeting to order at 12:09pm. Trustee Reyes led the pledge of allegiance.

2. **ANNOUNCEMENT OF CLOSED SESSION ITEMS**

2.1. Public Employee Performance Evaluation  
Government Code 54957(b)(1)  
Title: Chancellor

3. **PUBLIC COMMENTS**

None.

4. **EDUCATIONAL MASTER PLAN UPDATES**

San Bernardino Valley College

President Rodriguez provided an update on SBVC's 2014-2019 Educational Master Plans. Valley stayed true to their mission with every goal, achieving 43 of the 47 objectives with progress made in the other four areas. The stabilization of management at the college has been positive. The California Community College Chancellor's Office (CCCCO) Scorecard results for this year show improvement in 11 of the 17 metrics. Goals and objectives in the plans changed as a result of AB-705, Guided Pathways, and other emerging initiatives.

Crafton Hills College

President Horan gave a brief report of the progress at Crafton Hills College. CHC experienced year-to-year gains in 14 of its 22 measured outcomes and made progress towards achieving all nine of its strategic directions. Crafton showed improvements in all the corresponding outcomes, including serving more students and helping a greater percentage of students earn a living wage. Crafton is committed to developing and implementing Guided Pathways and College Promise program to improve student outcomes through enrollment and viable career pathways.

5. **ADJOURN**

The next meeting of the Board: Business Meeting on October 10, 2019, at 4pm. President Longville adjourned the meeting at 1:42 pm.

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Joseph Williams, Clerk  
SBCCD Board of Trustees



**Meeting of the Board of Trustees**

October 10, 2019

4:00 p.m. (Closed Session); 5:00 p.m. (Public Meeting)

SBCCD Boardroom

114 S. Del Rosa Dr., San Bernardino, CA 92408

**MINUTES**

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**MEMBERS PRESENT**

John Longville, President

Dr. Anne L. Viricel, Vice President

Joseph Williams, Clerk

Gloria Macías Harrison, Trustee

Frank Reyes, Trustee

Dr. Donald L. Singer, Trustee

Elijah Gerard, CHC Student Trustee (arrived at 5:00pm)

**ABSENT**

Dr. Stephanie Houston, Trustee

Maritza Mariscal-Medina, SBVC Student Trustee

**ADMINISTRATORS PRESENT**

Bruce Baron, Chancellor

Jose Torres, Executive Vice Chancellor

Diana Rodriguez, SBVC President

Kevin Horan, CHC President

**1. CALL TO ORDER – PLEDGE OF ALLEGIANCE**

President Longville called the meeting to order at 4:03pm. Trustee Williams led the pledge of allegiance.

**2. ANNOUNCEMENT OF CLOSED SESSION ITEMS**

2.1. Conference with Labor Negotiators

Government Code 54957.6

Agency Representative: Bruce Baron – CSEA, CTA, Management/Supervisors, and Confidential Employees

2.2. Public Employee Discipline/Dismissal/Release/Non Re-Employment

Government Code 54957

(4 cases)

2.3. Conference with Legal Counsel – Anticipated Litigation

Government Code 54956.9(d)(2)

(1 case)

2.4. Conference with Legal Counsel – Existing Litigation

Government Code 54956.9(e)(3) or (d)(1) (Case Name and Number)

2.5. Conference with Real Property Negotiator pursuant to Government Code section 54956.8

• Properties:

○ Sand Canyon Road, Yucaipa, 18.75 Acre Parcel

○ Pro-Swap-Meet, San Bernardino, 22.79 Total Acres



- Negotiating Parties: San Bernardino Community College District (Proposed Buyer), Real Property Negotiators Bruce Baron, Chancellor; Jose F. Torres, Executive Vice Chancellor
- Under Negotiation: Instruction to Proposed Buyer's Real Property Negotiators will concern price and terms of payment associated with the possible purchase of the identified Property.

2.6. Public Employee Performance Evaluation  
Government Code 54957(b)(1)  
Title: Chancellor

3. **PUBLIC COMMENTS ON CLOSED SESSION ITEMS**

Becky Marx - Item 2.2  
Peter Ali - Item 2.2  
Cassandra Thomas - Item 2.2

4. **CONVENE CLOSED SESSION**

Closed session convened at 4:25pm.

5. **RECONVENE PUBLIC MEETING**

Public meeting reconvened at 5:05pm.

6. **REPORT OF ACTION IN CLOSED SESSION**

- In closed session, the Board unanimously took action to approve the release of probationary employee #30023 from the position of college police officer.
- In closed session, the Board unanimously took action to approve a settlement agreement with AMG & Associates, Inc. and authorize the executive vice chancellor to execute the settlement agreement. This litigation relates to disputed extra work and claims for schedule delay and lost productivity by the general contractor AMG on the laboratory/administration renovation project located at Crafton Hills College. Copies of the settlement agreement are available at the District Office.
- In closed session, the Board unanimously took action to approve the release of probationary employee #23339 from the position of food service worker, effective October 11, 2019.

7. **PUBLIC COMMENTS ON AGENDA ITEMS**

Richard Hernandez - Item 11.13  
Bill Perez - Item 12.2  
Louie Lopez - Item 12.2

8. **PRESENTATIONS**

8.1. The Caltrans Project <https://caltrans.empirenetwork.org>  
Robert Levesque introduced the Caltrans Program followed by the video (produced by KVCR).

**Without objection, the Board unanimously agreed to take item 12.2 out of order.**

12.2 **Community Benefits Agreement – First Reading (p159)**

**Trustee Harrison accepted the amended motion made by Trustee Williams to approve the Community Benefits Agreement for first reading with the caveat of board members emailing suggested changes to the chancellor, review the proposed document on October 24, and final approval at the November 11 board meeting. Trustee Viricel seconded the motion.**

**AYES:** Longville, Viricel, Williams, Harrison, Reyes, Singer, Gerard  
**NOES:** None  
**ABSENT:** Houston, Mariscal  
**ABSTENTIONS:** None

- 8.2. Equal Employment Opportunity Bi-Annual Update (p5)  
Kristina Hannon, executive director human resources provided an update on the improvement of faculty diversification and student success, training for screening committees, and efforts to support campus initiatives on implementing equity-minded frameworks.

**9. REPORTS**

- 9.1. Board Committee Reports (p9)
- Trustee Harrison, Finance Committee – Reviewed use of FCC auction proceeds, PARS Trust, Budget, and Measure CC.
  - Trustee Williams announced SCE will award thirty \$40K scholarships to high school students. Interested parties should visit Edisonscholars.com.
- 9.2. Board Information Requests (p12)  
9.3. Key Performance Indicators (p14)  
9.4. Good News (p17)  
9.5. San Bernardino Valley College Academic Senate  
9.6. San Bernardino Valley College Classified Senate  
9.7. San Bernardino Valley College Associated Students  
9.8. Crafton Hills College Academic Senate – Mark McConnell reported on the funding formula, new faculty, Promise Program funding/counselors, and student stipends for serving on committees.  
9.9. Crafton Hills College Classified Senate  
9.10. Crafton Hills College Associated Students  
9.11. CSEA – Kevin Palkki gave a brief report for CSEA.  
9.12. CTA

**10. APPROVAL OF MINUTES**

- 10.1. September 12, 2019 (p18)

Trustee Viricel moved approval of the September 12, 2019 minutes. Trustee Gerard seconded the motion.

**AYES:** Longville, Viricel, Williams, Harrison, Reyes, Singer, Gerard  
**NOES:** None  
**ABSENT:** Houston, Mariscal  
**ABSTENTIONS:** None

**11. CONSENT AGENDA**

The Consent Agenda is expected to be routine and non-controversial. It will be acted upon by the Board at one time without discussion. Any member of the Board, staff member or citizen may request that an item be removed from this section for discussion.

**Instruction/Student Services**

- 11.1 Advisory Committees – CHC (p26)  
11.2 Curriculum – CHC (p34)  
11.3 Advisory Committees – SBVC (p41) - Amended to correct title and number of years on the committee for Rick Dulock.

Dulock, Rick	Radio Producer, KVCR Program Manager, KVCR FM	17-20
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11.4 Curriculum – SBVC (p63)

**Human Resources**

- 11.5 Adjunct and Substitute Academic Employees (p67)
- 11.6 Appointment of Temporary Academic Employees (p69)
- 11.7 Non-Instructional Pay for Academic Employees (p71)
- 11.8 Payment of Stipends (p80)
- 11.9 Appointment of Interim Managers (p82)
- 11.10 Management Job Descriptions (p84)
- 11.11 District Employees (p102)
- 11.12 Employee Promotions (p105)

**Business & Fiscal Services**

- 11.13 Contracts at or Above \$92,600 (p107)
- 11.14 Surplus Property and Donation to San Bernardino Valley Concert Association (p111)
- 11.15 Vacation Payout (p112)
- 11.16 District & College Expenses (p113)
- 11.17 Individual Memberships (p117)
- 11.18 Travel Requests (p119)
- 11.19 Resolution to Grant Excused Absence of Trustee (p121)

**Facilities**

- 11.20 Award RFQP CC03.3640.01 and Contract to Nineteen Six Architects of Santa Barbara CA (p124)
- 11.21 Resolution #2019-10-10-FPC01 Authorizing District's Lease of Real Property (p125)

Trustee Harrison moved approval of the consent agenda as amended. Trustee Viricel seconded the motion.

**AYES:** Longville, Viricel, Williams, Harrison, Reyes, Singer, Gerard

**NOES:** None

**ABSENT:** Houston, Mariscal

**ABSTENTIONS:** None

**12. ACTION AGENDA**

- 12.1 Board Orientation Handbook - First Reading (p127) - Amended to strike the language as it does not apply to current members of the Board.

**2.13 Board Member Health Benefits (Reference: BP 2730)**

Members of the Board of Trustees shall be permitted to participate in the District's health benefit programs. The benefits of members of the Board through the District's health benefits programs shall not be greater than the most generous schedule of benefits being received by any category of non-safety employee of the District. Board members are afforded the opportunity to opt out of receiving health benefits from the District and be reimbursed under the same terms and conditions as other employees of the District.

~~Former members of the Board may continue to participate in the District's health benefits programs upon leaving the Board if the following criteria are met: the member must have begun service on the Board after January 1, 1981; the member must have been first elected to the Board before January 1, 1995; and the member must have served at least 12 years. All other former Board members may continue to participate in the District's health benefits programs on a self-pay basis.~~

Trustee Gerard moved approval of the Board Orientation Handbook for first reading as amended with additional corrections. Trustee Harrison seconded the motion.

**AYES:** Longville, Viricel, Williams, Harrison, Reyes, Singer, Gerard

**NOES:** None

**ABSENT:** Houston, Mariscal

**ABSTENTIONS:** None

12.2 Community Benefits Agreement – First Reading (p159) *Item was pulled for separate action and taken earlier on the agenda.*

12.3 Board Policies – First Reading (p195)

Trustee Harrison moved approval of the Board Policies for first reading. Trustee Gerard seconded the motion.

**AYES:** Longville, Viricel, Williams, Harrison, Reyes, Singer, Gerard

**NOES:** None

**ABSENT:** Houston, Mariscal

**ABSTENTIONS:** None

**13. INFORMATION ITEMS**

13.1. Appendix, College and Career Access Pathways (CCAP) – CHC (p200) - *Amended to add Vincent Adame to the list of resignations.*

<b>Adame, Vincent</b> Custodian CHC Custodial	1.7	10/8/2019
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13.2. Applause Cards (p206)

13.3. Budget Report (p211)

13.4. Clery Report (p231)

13.5. Contracts Below \$92,600 (p233)

13.6. General Fund Cash Flow Analysis (p243)

13.7. MOUs between SBCCD and the SBCCDTA (p245)

13.8. Professional Expert, Short-Term, and Substitute Employees (p247)

13.9. Purchase Orders (p252)

13.10. Resignations and Retirements (p259) - Amended to strike the language as it does not apply to current members of the Board.

13.11. Small Scale Construction Contracts, Change Orders, and Amendments (p261)

13.12. Volunteers (p263)

**14. PUBLIC COMMENT ON NON-AGENDA ITEMS**

None.

15. **ADJOURN**

The next meeting of the Board: Study Session - District Strategic Plan Update (objectives with targets), October 24, 2019 at 12pm. President Longville adjourned the meeting at 6:32 pm.

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Joseph Williams, Clerk  
SBCCD Board of Trustees



**Study Session of the Board of Trustees**  
October 24, 2019  
Closed Session 10:00 a.m.  
Study Session 12:00 – 2:00 p.m.  
SBCCD Boardroom  
550 E. Hospitality Ln., Suite 200, San Bernardino, CA 92408

MINUTES

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**MEMBERS PRESENT**

John Longville, President (arrived at 10:30am)  
Dr. Anne L. Viricel, Vice President  
Joseph Williams, Clerk (departed at 1:10pm)  
Gloria Macias Harrison, Trustee  
Dr. Stephanie Houston, Trustee (departed at 12:17pm)  
Frank Reyes, Trustee  
Dr. Donald L. Singer, Trustee (departed at 12:04pm)  
Elijah Gerard, CHC Student Trustee

**ABSENT**

None

**ADMINISTRATORS PRESENT**

Bruce Baron, Chancellor  
Jose Torres, Executive Vice Chancellor  
Diana Rodriguez, SBVC President  
Kevin Horan, CHC President

**ADMINISTRATORS ABSENT**

None

1. **CALL TO ORDER – PLEDGE OF ALLEGIANCE**  
Vice President Viricel called the meeting to order at 10:07am. Trustee Reyes led the pledge of allegiance.
  
2. **ANNOUNCEMENT OF CLOSED SESSION ITEMS**
  - 2.1. Public Employee Performance Evaluation  
Government Code 54957(b)(1)  
Title: Chancellor
  
3. **PUBLIC COMMENTS**  
Sara Mooney – Item 7
  
4. **CONVENE CLOSED SESSION**  
Closed session convened at 10:13am.
  
5. **RECONVENE PUBLIC MEETING**  
Public meeting reconvened at 12:19pm.
  
6. **REPORT OF ACTION IN CLOSED SESSION**  
None

7. **2017-2022 DISTRICT SUPPORT SERVICES STRATEGIC PLAN: 2019 UPDATE**  
Jeremiah A. Gilbert, Ph.D., Executive Director Research, Planning & Institutional Effectiveness presented the 2017-2022 Districtwide Support Services Strategic Plan that provides the direction for the district in supporting the colleges. The living plan is integrated with the colleges, State Chancellor's Office, and other District planning documents.
  
8. **COMMUNITY BENEFITS AGREEMENT (CBA) DISCUSSION**  
The Board reviewed the CBA and agreed to retain "may" on page one and accepted all other redline changes as presented. Bill Perez will send MC3 language to be included in the final CBA to be approved at the Board meeting on November 14.
  
9. **ADJOURN**  
The next meeting of the Board: Study Session (KVCR Update) on November 7, 2019, at 12pm. President Longville adjourned the meeting at 2:42 pm.

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Joseph Williams, Clerk  
SBCCD Board of Trustees

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Diana Rodriguez President, SBVC  
**PREPARED BY:** Dina Humble, Vice President of Instruction, SBVC *SD for D. Humble*  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration to Approve Advisory Committees

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the Advisory Committee members who serve the various academic programs throughout San Bernardino Valley College, as amended.

**OVERVIEW**

According to Title 5, all Career Technical Education programs must have an Advisory Committee. These committees must be presented and approved by the institution's Board of Trustees.

**ANALYSIS**

Title 5 of the California Code of Regulations explicitly states that Career Technical Education (CTE) programs serving higher educational facilities must have Advisory Committees. These Advisory Committees are composed of SBVC faculty, local business, community and industry leaders along with other experts in the field who have extensive knowledge, and/or education, of the subject matter in which they are serving as committee members. These committee members offer the most up-to-date knowledge, expertise and guidance within their chosen field. The item was previously submitted on October 10, 2019 and is resubmitted as amended.

**INSTITUTIONAL VALUES**

I. Institutional Effectiveness

**FINANCIAL IMPLICATIONS**

None.



<b>Division</b>			
<b>Advisory Committee</b>	<b>Member</b>	<b>Affiliation</b>	<b>Years on Committee</b>
Academic Success			
Library Technology	Carter, George	San Bernardino County Law Library	8
	Erjavek, Ed	Director, San Bernardino Public Library	14
	Evans-Perry, Virginia	San Bernardino Valley College	10
	Gideon, Angie	San Bernardino Valley College	22
	Huston, Celia	San Bernardino Valley College	17
	Wall, Patty	San Bernardino Valley College	15
Applied Technology, Transportation, and Culinary Arts			
Aeronautics	Bonner, David	United Postal Service	3
	Burrows, Michael	Exec. Dir. SBD International Airport	3
	<del>Byars, Chris</del>	<del>SBVC Aeronautics Faculty</del>	<del>4</del>
	Casillas, David	SBVC/United Postal Service	2
	Fenton, Sherrie	SBVC Aeronautics Faculty	1
	Gablin, Theodore	SBVC Aeronautics Faculty	1
	Gibbs, Mark	San Bernardino Airport	3
	<del>Guzman, Edmond</del>	<del>SBVC Aeronautics Faculty</del>	<del>4</del>
	Halabi, Tarif	SBVC Aero Faculty Chair	2
	<del>Hook, Rory</del>	<del>SBVC Aeronautics Faculty</del>	<del>2</del>
	<del>Hoyt, James</del>	<del>SBVC Aeronautics Faculty</del>	<del>4</del>
	Moore, Allen	SBVC Aeronautics Faculty	8
	Orozco, Debbie	SBVC Counseling	1
	Pike, Mark	Jet Zone	2
	Pritchett, Catherine	San Bernardino Airport	1

	Rice, Larry	OldGuys CFI/SBVC Aero Faculty	3
	Siddiqui, Rehan	World Wide Wings	2
	Snyder, Keith	Ontario Airport	2
	Teegarden, Thomas	SBVC Aeronautics Faculty	4
	Wilkerson, Kenneth	SBVC Aeronautics Lab Tech	2
Automotive Technician	Bodnar, William	SBVC Automotive Faculty	5
	Ferguson, Ed	Goodyear Tire	4
	Ferguson, Jim	Goodyear Tire	4
	Hinrichs, Guy	SBVC Automotive Faculty	8
	Jaramillo, Richard	SBVC Automotive Faculty	8
	<del>Torres, Thomas</del>	<del>NAPA</del>	<del>1</del>
	<del>Ramirez, Richard</del>	<del>SBVC Automotive Faculty</del>	<del>6</del>
	<del>Wilson, Don</del>	<del>SBVC Automotive Faculty</del>	<del>8</del>
Automotive Collision	<del>Bodnar, William</del>	<del>SBVC Automotive Faculty</del>	<del>4</del>
	Bonar, Mark	Snap-On Tools	3
	Cruz, Curtis	Redlands High School	4
	Funn, Wayne	Funtastic Collision	5
	Loera, Manuel	SBVC Automotive Faculty	8
	<del>Means, Luis</del>	<del>Caliper Collision</del>	<del>1</del>
	<del>OConnel, Paul</del>	<del>Riverside City College</del>	<del>1</del>
	<del>Molina, Art</del>	<del>SBVC Automotive Faculty</del>	<del>3</del>
	Oliver, Shawn	Thermo Air	3
	Paz, Oscar	Presto Products	4
	Reid, Paul	Pro Spray	4
	Russell, Jeff	SBVC Auto Professional Expert	4
	Scheurer, Mark	Genuine Auto Parts	5
	Sievers, Jerry	SBVC Automotive Faculty	6
	<del>Stone, Wayne</del>	<del>SnapOn Tools</del>	<del>2</del>
	<del>Torres, Thomas</del>	<del>NAPA</del>	<del>1</del>
	Williams, Mark	SBVC Automotive Faculty Chair	8
	Wilson, Randall	Wilson's Towing	5

Culinary Arts/Food and Nutrition	Albaugh, Debby	San Manuel	1
	<del>Ammerman, Drew</del>	<del>SYSCO</del>	<del>4</del>
	Babin, Danny	SBVC Culinary Arts Faculty	2
	Christensen, Val	Sundowners	1
	Constantino, John	Sysco Food	2
	Kotze, Kerry	Nickelodeon Pizza	3
	Kreger, Gary	West Central Food	3
	<del>Brewster, Kimberly</del>	<del>Public Health</del>	<del>3</del>
	<del>Geurds, Michael</del>	<del>Job Corps</del>	<del>4</del>
	<del>Hammond, Brian</del>	<del>Teen Challenge</del>	<del>3</del>
	<del>Martinez, Luis</del>	<del>Marriott Hotels</del>	<del>4</del>
	Meyer, Stacy	SBVC Culinary Arts Faculty Chair	8
	<del>Morgan, Marjorie</del>	<del>Apple Valley High School</del>	<del>3</del>
	Moghaddam, Bobby	Riverside City College	3
	Schlinkert, Tamara	SBVC Culinary Arts Lab Tech	4
	<del>Smith, Glenn</del>	<del>SBVC Culinary Arts Faculty</del>	<del>4</del>
	Tang, Jason	Jo Jo Grill A Dog	1
	Yeager, Terry	SBVC Culinary Arts	1
	<del>Zardkoohi, Sohrab</del>	<del>SBVC Culinary Arts Faculty</del>	<del>4</del>
Electricity/Electronics	Ababat, Anthony	SBVC Electricity Faculty	2
	<del>Bent, Steven</del>	<del>Fibertronics/Garner Holt</del>	<del>3</del>
	<del>Bustami, Lutfi</del>	<del>Cal Builders</del>	<del>3</del>
	Chase, Gerald	SBVC Electricity Faculty	8
	<del>Cerral, Lupe</del>	<del>SBVC OSHA Faculty</del>	<del>2</del>
	Daraei, Khosrow	SBVC Electricity Faculty	4
	Dowlatabadi, Mohammad	SBVC Electricity Faculty	3
	<del>Elominba, Chito</del>	<del>Medline Inc.</del>	<del>1</del>
	Falls, Anthony	SBVC Electricity Faculty	5
	<del>Finazzo, Charles</del>	<del>Boeing</del>	<del>3</del>
	<del>Haeri, Sean</del>	<del>Sirius Microtech</del>	<del>3</del>
	Halabi, Tarif	SBVC Electricity Faculty Chair	4
	Haz, Dik	Mettler Toledo	3
	<del>Kazz, Dikran</del>	<del>BOSE Labs</del>	<del>4</del>
	<del>Hill, Travis</del>	<del>SBVC Student</del>	<del>4</del>

	<del>Monin, Craig</del>	<del>Lons Electric</del>	<del>5</del>
	Montgomery, William	SBVC Electricity Faculty	5
	Panjabi, Raj	RanESCO	4
	Raya, Frank	Brenner Fieldler	3
	Romero, Markazan	SBVC Electricity Faculty	4
	<del>Roumani, Kamal</del>	<del>Toshiba</del>	<del>1</del>
	Salazar, Sal	FedEx	4
	Saouli, Mohamad	DeVry University	5
	<del>Singh, Raja</del>	<del>Sirius Microtech</del>	<del>1</del>
	Trujillo, Albert	Sirius	3
	Valle, Samuel	SBVC Electricity Faculty	4
Machine Trades	Aguirre, David	California Steel	1
	<del>Beal, Bob</del>	<del>MAZAK</del>	<del>2</del>
	<del>Equihau, Jessie</del>	<del>SBVC Faculty</del>	<del>1</del>
	<del>Gonzalez, Procoro</del>	<del>Fontana High School</del>	<del>1</del>
	<del>Harris, Jefferey</del>	<del>Garner Holt</del>	<del>1</del>
	<del>Hoover, Rod</del>	<del>California Steel, Inc.</del>	<del>1</del>
	<del>Knight, Dave</del>	<del>Mori Seiki</del>	<del>1</del>
	<del>Gazelle, Eric</del>	<del>Gazelle Machining</del>	<del>2</del>
	<del>Leung, Paul</del>	<del>Martinez &amp; Turek</del>	<del>1</del>
	<del>Mc Clure, John</del>	<del>Iron Mountain Machining</del>	<del>1</del>
	<del>McClure, Joe</del>	<del>Hi Tec Machining</del>	<del>1</del>
	<del>Arenas, Miguel</del>	<del>Dixie Fabrication</del>	<del>4</del>
	<del>Gazelle, Eric</del>	<del>Gazelle Machining</del>	<del>4</del>
	<del>Hatch, Bill</del>		<del>4</del>
	<del>Hoehn, Taz</del>	<del>Wilden Pump</del>	<del>4</del>
	<del>Jankins, Brent</del>	<del>Dixie Fabrication</del>	<del>4</del>
	<del>Lopez, Judy</del>	<del>Microdyne Plastics, Inc.</del>	<del>4</del>
	<del>Martinez, Jesus</del>	<del>Trademark Plastics</del>	<del>4</del>
	<del>Moran, Chris</del>	<del>Wilden Pump</del>	<del>4</del>
	<del>Munoz, Erick</del>	<del>Precision Hermetic Technology</del>	<del>4</del>
	Ortiz, Miguel	SBVC Machine Faculty	6
	<del>Pettit, Rick</del>	<del>California Steel, Inc.</del>	<del>1</del>
	<del>Ray, Joe</del>	<del>California Steel, Inc.</del>	<del>1</del>
	<del>Waltzer, Eric</del>	<del>MAT</del>	<del>4</del>
	<del>West, Todd</del>	<del>Wilden Pump</del>	<del>4</del>
Heating, Ventilation, Air Conditioning/Refrigeration	Aguilera, Senobio	HVAC Faculty, Riverside City College	2
	<del>Bianco, Al</del>	<del>Danfoss</del>	<del>2</del>

	Bowlin, Brad	SBVC HVAC/R Faculty	1
	<del>Buffum, Bennie</del>		<del>2</del>
	<del>Cortes, Manuel</del>		<del>2</del>
	<del>Duncan, William</del>	<del>Southern California Gas Company, SBVC Adjunct Faculty</del>	<del>1</del>
	Dingman, Joel	West Coast Aire, Inc. SBVC Adjunct Faculty	
	Duwel, Chris	SBVC HVAC/R Faculty	1
	<del>Grable, Jon</del>	<del>Sporlan</del>	<del>2</del>
	Halabi, Tarif	SBVC HVAC/R Faculty Chair	3
	Husein, Aziz	Climatec	5
	Karcher, Les	Carrier	1
	<del>Kelly, Gary</del>	<del>Retired, SBVC</del>	<del>7</del>
	Lawton, Phillip	Kaiser Permanente	6
	Lindeman, Dave	SBVC HVAC/R Faculty	6
	<del>Roberts, John</del>	<del>SBVC HVAC/R Faculty</del>	<del>8</del>
	<del>Salmon, Daryl</del>	<del>HASCO – Riverside</del>	<del>8</del>
	<del>Mitchell, Tom</del>		<del>2</del>
	<del>Quiroz, Jose</del>		<del>2</del>
	<del>Ramirez, Alan</del>		<del>4</del>
	<del>Salvail, Oscar</del>		<del>2</del>
	<del>Shackleford, Rudy</del>		<del>2</del>
	Sherman, Robert	Air-Heat	2
	<del>Stinson, Brian</del>		<del>2</del>
	<del>Szumski, Ed</del>	<del>Retired SBVC HVAC Faculty</del>	<del>2</del>
	Worley, Ed	Wingate	6
Transportation/Diesel	<del>Barba, Manny</del>	<del>Velocity Truck Center</del>	<del>2</del>
	<del>Collins, Kimberly</del>	<del>CSUSB</del>	<del>2</del>
	<del>Barretta, Larry</del>	<del>Operating Engineers Training Trust</del>	<del>5</del>
	<del>Castellanos, Rene</del>	<del>Operating Engineers Training Trust</del>	<del>5</del>
	Diskin, Les	SBVC Diesel Faculty	4
	<del>Engelbrecht, Larry</del>	<del>ASE</del>	<del>1</del>
	Fisher, Bill	TEC Equipment	3
	Fernandez, Robert	RTA	1
	Kay, Alan	Pacific High School	2
	Martinez, Ken	SBCUSD	2
	<del>Gutierrez, Juan</del>	<del>TCI Leasing</del>	<del>5</del>
	<del>Hernandez, Jose</del>	<del>TCI Leasing</del>	<del>5</del>
	<del>Johnson, Jessica</del>	<del>Penske</del>	<del>4</del>

	Melancon, Berchman	SBVC Diesel Faculty Chair	6
	<del>Robinson, Josie</del>	<del>TEC Equipment</del>	<del>1</del>
	<del>Nieuheid, Kurt</del>	<del>Penske</del>	<del>4</del>
	<del>Ramirez, Richard</del>	<del>SBVC Diesel Faculty</del>	<del>2</del>
	Rosvall, Scott	SBVC Diesel Faculty	2
	<del>Stark, Scott</del>	<del>SBVC</del>	<del>4</del>
	Tosti, John	McLane Food Services	5
	Warden, Todd	AQMD	3
	Weber, Peggy	SBVC	3
	<del>Savietta, De</del>	<del>Operating Engineers Training Trust</del>	<del>3</del>
	<del>Torres, Thomas</del>	<del>NAPA</del>	<del>4</del>
	<del>Vasquez, Timothy</del>	<del>SBCCD/EDCT</del>	<del>4</del>
Water Supply Technology	Aguirre, Jennifer	San Bernardino Water Reclamation	2
	Ariza, Ernest	SBVC Water Faculty	5
	Armstead, Moria	SBVC Water Faculty	3
	Arrington, Shyrra	SBVC Water Student	3
	Baxley, Linda	Advanced Envrio. Technology	1
	Blackburn, Berlinda	Coachella Water District	1
	Brandon, Preston	SBVC Water Faculty	1
	Bratulin, Paul	SBVC Public Relations	.5
	Caldwell-Betties, Melita	SBVC Water Faculty Chair	6
	Canello, Nidia	SBVC Water Student	1
	Chan, Juanita	Rialto School District	1
	<del>Childers, Karen</del>	<del>SBVC Foundation Director</del>	<del>4</del>
	Coady, Andy	San Bernardino Water Reclamation	6
	Cruz, Michael	SBVC Water Tutor	5
	Earp, Suzie	CSUSB	2
	Firstenberg, Kathleen	CSUSB	2
	Haley, Craig	SBVC Water Student	1
	Hanford, Joseph	San Bernardino Water Reclamation	1
	Helman, Miki	Santa Ana Watershed Project Authority	1
	Hirano, Ryan	Santa Ana Watershed Project Authority	1
	Holiman, Thomas	SBVC Water Faculty	.5
	<del>Huerta, Cindy</del>	<del>SBVC Outreach</del>	<del>4</del>

	Johnson, Jacob	Cucamonga Water District	1
	Laari, Latif	Victor Valley Water District	1
	Letulle, Chander	Inland Empire Utilities Agency/SBVC Water Faculty	3
	Lopes, Rosa	Cucamonga Water District	3
	Loukeh, Alison	SBVC Water Faculty	6
	Maestas, Michael	SBVC Water Faculty	6
	Martinez, Deborah	West Valley Water District	3
	Majors, Michael	SBVC Water Student	2
	Mansell, Clarence	West Valley Water District	3
	Milroy, Patrick	SBVC Water Faculty	3
	Navarro, Gil	San Bernardino Water Department	2
	Opperman, Amanda	California Water Environment Association	1
	Osborn, Richard	SBVC Water Faculty	2
	Padilla, German	San Bernardino Water Reclamation	1
	Perez, Roberta	Cucamonga Water District	3
	Panjabi, Raj	Uneek Educational Solutions	.5
	Parker, Garry	SBVC Water Faculty	1
	Robertson, Deborah	City of Rialto Mayor	.5
	Reed, Carl	California Employment Development	2
	<del>Rodriguez, Angel</del>	<del>SBVC Marketing</del>	<del>.5</del>
	<del>Schwartz, Rebecca</del>	<del>SBVC Water Faculty</del>	<del>6</del>
	<del>Simmons, Shannon</del>	<del>City of Redlands</del>	<del>4</del>
	Sepulveda, Joe	City of Redlands	3
	Steele, Kathleen	San Bernardino CSS	3
	<del>Sweeney, Michael</del>	<del>City of Hesperia</del>	<del>.5</del>
	<del>Sysawang, Brittany</del>	<del>EDCT Foundation</del>	<del>2</del>
	Torner, Luis	Water Employee Services Agency	6
	Torres, Gisele	SBVC Water Student	.5
	Valladao, Gary	SBVC Water Faculty	6
	Valpone, Michael	Teledyne Batteries	.5
	Verholtz, Gary	SBVC Water Faculty	6
	Witherspoon, Boykin	CSUSB	3

Welding/Inspection	Barta, Christopher	CYR-ROP	3
	Bogner, Ed	Miller Sales	2
	Butris, Nabil	SBVC Welding Faculty	3
	Cacho, Bryce	SBVC Welding Faculty	3
	Campa, Mario	California Steel	2
	Estrada, Gil	SBVC Inspection Faculty	4
	Garcia, Jose	San Bernardino Steel	2
	Grossman, Jeremy	Airgas	3
	Graham, Davis	INICAL Aviation, Inc.	1
	Hernandez, Ramon	SBVC Inspection Faculty	3
	Houts, Robert	SBVC Inspection Faculty	4
	Ito, Dennis	Lyman Engineering	3
	Jacobo, Brock	Door Components, Inc.	1
	Keys, Barry	The Back Yard	1
	Krehbiel, Deanna	SBCCD/EDCT	2
	Milligan, Joshua	SBVC Welding Faculty Chair	3
	Moreno, Robert	Fontana High School	2
	Murphy, April	SBVC Welding Faculty	1
	Narvaez, Rene	SBVC Welding Faculty	4
	Plank, Alexander	SBVC Welding Faculty	1
	Rubio, Eddie	SBCCD/EDCT	2
	Smith, Bryan	UA Local 364 Apprenticeship Program	2
	Wellenstein, Nicholas	SBVC Welding Faculty	3
Arts & Humanities			
Graphic Design/Multimedia	Bartman, Vincent	Designer/Marketing ESRI	3
	Bourbeau, Ron	3D Designer, PlayDek Games Adjunct Instructor, SBVC, CHC RCC – Norco	4
	Butterfield, John	Freelance Designer Adjunct Instructor, SBVC	5



	Caughman, Rick	Art at 5th Alley La Adjunct Instructor La Sierra University and SBVC	3
	Cuny, Lucas	Instructor SBVC, RTF	0
	Fritz, Kathy	Lecturer, Texas University/Instructional Designer/Freelance Designer	0
	Gomez, Ed	Assistant Professor, CSUSB Director, Mexi Cali Biennial	3
	Houlihan, Frank	Lecturer, CSUSB/Freelance Designer	0
	Huntoon, Christopher	Student, SBVC	3
	Jon Kawa	Photographer, Jon & Karlie Photography Adjunct Instructor, SBVC	5
	Kawa, Karlie	Instructor, Platt College Adjunct Instructor, SBVC Freelance Designer	5
	Kates, Phillis	Owner, PK Designs	4
	Oakes, Andrew	Owner, Green Acres Designs Assistant Professor, CSUSB	4
	Ruiz, Xavier	Supplemental Instructor, SBVC	4
	Sasse, Gene	Owner/Photographer Gene Sasse Photography	3
	Zerovnik, Greg	Marketing and Advertising Consultant/Educator California Institute of Advanced Management, CSU Monterey Bay	4
Radio, Television & Film	<del>Arias, Raymond</del>	<del>Lucas Oil</del>	<del>2</del>
	<del>Becerra, GeGe</del>	<del>Camera Operator 66ers and Dodgers, Editor KVCR</del>	<del>2</del>
	Bibo, Kevin	Assistant Principal	17

		Career Technical Education Palm Desert High School	
	Billings, Mark	Pacific High School SBCD	1
	<del>Clark, Daniel</del>	<del>WSA Entertainment Literary Manager</del>	<del>1</del>
	<del>Curtis, Joey</del>	<del>Producer-Director and KVCR</del>	<del>4</del>
	<del>Davis, Sheri</del>	<del>IE Film Commission VP</del>	<del>2</del>
	Dulock, Rick	Program Manager, KVCR	20
	Fisher, Kevin	Citrus Valley High School, Redlands	4
	<del>Gell, Pam</del>	<del>Alumni and Broadcast Professional</del>	<del>4</del>
	Hendrickson, Erick	Cajon High School SBSD	2
	Itskovich, Richard	Sony Distribution	1
	<del>Kagle, Daniel</del>	<del>Grip/Lighting, Special Purpose Lighting</del>	<del>2</del>
	Kendall, Lacey	KCAL DJ and CSUSB Faculty	1
	Landeros, Woodie	Rebecca Blue Media, Director	2
	Lyons, Kevin	RTVF Adjunct prof	3
	<del>Pierce, Pryde</del>	<del>Filmmaker</del>	<del>1</del>
	<del>Rice, Rebecca</del>	<del>Rebecca Blue Media, Producer</del>	<del>2</del>
	<del>Maddix, Ian</del>	<del>NBC</del>	<del>4</del>
	<del>Metts, C. Rod</del>	<del>CSUSB Professor</del>	<del>2</del>
	<del>Michaud, Natalie</del>	<del>Writer/ Producer</del>	<del>2</del>
	<del>Naveda, Nick</del>	<del>Filmmaker</del>	<del>4</del>
	Rippetoe, James	RTVF Adjunct	11
	Stalbert, Malik	SBVC Faculty, OIS/MIS	1
	<del>Rodriguez, Christian</del>	<del>UCR Media Specialist and CSUSB Adjunct</del>	<del>4</del>
	<del>Sandoval, Manny</del>	<del>PR Specialist, San Manuel</del>	<del>4</del>
	<del>Stoil, Guy</del>	<del>CRY-OP Teacher REV</del>	<del>2</del>
	<del>Stowell, Jason</del>	<del>Location Mangers, LMGI</del>	<del>4</del>
	Taylor, Dan	IE Film Commission President	1
	Trewhella, Donna	KVCR Producer	7
	Trotter, James	Producer, CSUSB	2

	Trueba, Matthew	RUSD Teacher RHS	3
	<del>Vanderpoort, Shea</del>	<del>Cinematographer</del>	<del>4</del>
	Vasquez, Lillian	Marketing Coordinator, KVCR	10
Mathematics, Business & Computer Technology			
Accounting	<del>Bowlby, Barb</del>	<del>Certified Public Accountant</del>	<del>9</del>
	<del>Chen, Ron</del>	<del>Professor, California State University, San Bernardino</del>	<del>9</del>
	Courts, Janet	Accounting Professor, San Bernardino Valley College, Certified Public Accountant	13
	<del>Huh, Sung-Kyoo Dr.</del>	<del>Accounting Professor, California State University, San Bernardino</del>	<del>9</del>
	<del>Jin, Jon</del>	<del>Accounting Professor, California State University, San Bernardino</del>	<del>9</del>
	Kritzberg, Joan	Retired Certified Public Accountant	9
	Lillie, Rick Dr.	Certified Public Accountant	9
	Marion, David	Certified Public Accountant	9
	<del>Orejel, Alicia</del>	<del>Certified Public Accountant</del>	<del>9</del>
	<del>Sarwar, Ghulam</del>	<del>Finance Professor, California State University, San Bernardino</del>	<del>9</del>
	<del>Taylor, Colleen</del>	<del>Certified Public Accountant</del>	<del>9</del>
	Wilson, Matt	Certified Public Accountant	9
	<del>Wilson, Matt</del>	<del>Certified Public Accountant</del>	<del>8</del>
Business Administration	Alexander, Todd	Certified Public Accountant	9
	Assumma, Michael	Department Chair – Business, San Bernardino Valley College	13

	Austin, Robert	Vice President, Crawford Investment Company	9
	Collins, Rodney (DDS)	Orange Tree Dental, Redlands CA	9
	Galindo, Michael	District Manager, Firestone Bridgestone Corp	9
	Magness, John	Senior Vice President, Hillwood Investment Properties	9
	Newman, Eric	Department Chair- Marketing, California State University, San Bernardino	9
	Stauble, Vernon	Retired Business Professor, San Bernardino Valley College	11
	Underwood, Bruce	Business/Accounting Professor, San Bernardino Valley College	6
Computer Information Technology/Computer Science	Brady, Jason	Web Developer, San Bernardino Community College District	7
	Brunke, Jeff	Network Engineer, San Manuel Indian Bingo and Casino	3
	Engel, Aline	Independent IT Contractor	3
	Gomez, Raymond	Systems Analyst, Stater Bros.	3
	Hughes, Christopher	Technical Services Manager, Loma Linda University Medical Center	4
	Lugo, Peter	Automated Systems Engineer, Arrowhead Regional Medical Center	3
	Mulcahy, Brandon	IT Manager, Enkosystems	5
	Nunn, Justin	Operations Manager, Dk MTN Enterprises	3
	Orpilla, Paul	Payment poster, Arrowhead Orthopedics	3

	Planscencia, Hector	Automated Systems Technician, Arrowhead Regional Medical Center	3
	Ramos, Cole	Operations Manager, UPS	3
	Shin, Yui	Teacher, Colton Redlands Yucaipa ROP	9
	Stanton, Karen	Coordinator - Western Academy Support & training Center, Networking Academy	9
Real Estate	Chatfield, Walter Dr.	Retired Economics Professor, San Bernardino Valley College	11
	Dulgeroff, James Dr.	Economics Professor, San Bernardino Valley College	11
	Kridle, Lyne	Administrative Executive, Inland Empire Institute of Estate Management (IREM) Certified Property Manager	9
	Luevana, Maria	Tarbell Realty, Manager	9
	Nagy, John	Residential Appraiser, San Bernardino	9
	Nydam, Don	Totally for Kids, Owner Real Estate Investor	9
	Sims, Alan	General Appraiser Expert Witness – Loan Fraud	9
Retail Management	Assumma, Michael	Department Chair, Business – San Bernardino Valley College	13
	Etchinson, Ashley	Norco College	9
	Hall, Kelley	College of the Desert	9
	Ingoglia, Joe	Safeway/Vons Markets	9
	Jones, Laura	Stater Bros. Markets	9
	Kester-Phipps, Cherie	Western Association of Food Chains, Inc.	9

	Thomas , Vanessa	Chaffey College	9
	Van Dine, Barbara	Smart & Final/Henry's Markets	9
	Zubiate, Jennifer	Ralph's and Food 4 Less Markets	9
			<del>13</del>
Science			
Architecture	Anton, Michael	Instructor, SBVC	20
	Jorgensen, Judy Zak	Faculty, SBVC	20
	Sarenana, Chris	Instructor, SBVC	10
Graphic Information Systems (GIS)	Bangasser, Susan	Interim Dean, Science, SBVC	7
	Bjerke, Jennifer	Faculty, SBVC	3
	Burmudez, April	Student, SBVC	2
	Burnham, Lorrie	Former Dean, Science, SBVC	4
	Caldwell-Betties, Melita	Faculty, SBVC	2
	Chapman, Debbie	Cal Fire	6
	Cohen, Mike	UCR Herbarium Consortium	8
	Conrad, Robert	Instructor, SBVC and Riverside MWD	8
	Cruz, Michael	Alumnus, SBVC	6
	Davis, Cynthia (now Parker)	Alumna, SBVC and City of Corona	4
	DiBiase, David	ESRI	4
	Donoghue, John	Instructor, SBVC and Ironwood Consulting	3
	Engstrom, Vanessa	Santiago Canyon College	8
	Estrada, Nadia	Student, SBVC	2
	Gonzalez, Juan	Instructor, SBVC and Riverside MWD	7
	Hamilton, Sheila	Alumnus, SBVC	6
	Heibel, Todd	Faculty Chair, SBVC	8
	Hidalgo, Alma	Instructor, SBVC and Riverside Flood Control District	8
	Hrdlicka, Rick	Director, Technology Service, SBVC	8
	Ingram, Brace	Colton JUSD and CRY-ROP	8
	Johnson, Ben	Aerial Information Systems, Inc.	4
	Johnson, Debbie	Aerial Information Systems, Inc.	4

	Johnson, Wallace	Dean, Social Science, Human Development, and Physical Education, SBVC	4
	Jorgensen, Judy Zak	Faculty, SBVC	5
	Kelsen, Virginia	Chaffey JUSD	4
	King, Melissa	Faculty, SBVC	4
	Krizek, Jeffrey	Instructor, SBVC and City of Ontario	8
	Levesque, Robert	Manager, Workforce Development	7
	Lillard, Sheri	Faculty, SBVC	3
	Maniaol, Albert	Dean, Applied Technology, transportation, and Culinary Arts, SBVC	4
	Mielke, Jessi	ESRI	3
	Mukundan, Ramaa	Instructor, SBVC	7
	Murillo, Joan	Faculty, SBVC	5
	Nimako, Solomon	Instructor, SBVC and Apple Maps	8
	Parrish, Ruth	City of San Bernardino	7
	Pires, Romana	Faculty, SBVC	2
	Puentes, Deidre	CRY-ROP	2
	Robles, Matthew	Faculty, SBVC	3
	Rogers, Clover	Alumna, SBVC	7
	Rosales, Jessica	ESRI	2
	Sterling, Timothy	Student, SBVC	2
	Vasquez, Tatiana	Faculty, SBVC	3
	Weiss, Kay	Dean, Arts and Humanities, SBVC	5
Pharmacy Technology	Amador, Brian	Pharmacist, San Bernardino Community Hospital Pharmacy Instructor, SBVC	6
	Bangasser, Susan	Dean, Science (Retired) and SBVC Foundation	10
	Burnham, Lorrie	Interim Dean, Science, SBVC	4
	Chota-Ontiveros, Doris	Pharmacy Technician, Loma Linda Children's Hospital Pharmacy Instructor, SBVC	7

	DeCoursey, Ryan	Pharmacy Technician, Sales Manager	4
	Gascon, Mary	Pharmacy Technician Instructor, UEI	10
	Glenny, Scott	Pharmacist, Loma Linda Children's Hospital	10
	Halcon, John	Manager, Walgreens	10
	Hatter, James	Program Manager, CRY ROP Pharmacy Instructor, SBVC	15
	Lopez, Kim	Pharmacy Technician, Loma Linda Children's Hospital Pharmacy Instructor, SBVC	20
	Miles, Justin	Pharmacist Director at RCH	20
	Pooja, Mujumdar	Pharmacist CVS Pharmacy	10
	Seraj, Majid	Pharmacist, LLUMC	25
	Seraj, Robyn	Ascend Pharmaceutical, Pharmacy Technician Pharmacy Instructor, SBVC	25
	<del>Wells, Carol</del>	<del>Director/Associate Dean, Nursing Program, SBVC</del>	<del>3</del>
	<del>Williams, Sandra</del>	<del>Manager, CVS Pharmacy</del>	<del>20</del>
Registered Nursing	<del>Alfano-Wyatt, Marcia</del>	<del>SBVC Psych Tech</del>	<del>20</del>
	Ankerman, Katheryn	Dignity/St. Bernardine's Med Ctr.	1
	<del>Adair, Crystal</del>	<del>Adjunct</del>	<del>3</del>
	<del>Bangasser, Susan</del>	<del>Private</del>	<del>10</del>
	Baze, Sue	Redlands Community Hospital	7
	Benart, Nancy	Redlands Community Hospital	1
	Booth, Kim	Arrowhead Regional Med Ctr.	2
	Brown, Pat	San Geronio Memorial Hospital	1
	Castillo, Yubitza	Adjunct	1
	Chitrathorn, Puttachart	Adjunct	7
	Cozart, Barbara	Community Hospital SB	20



	Cruze, Joan	Dignity/St. Bernardine's Med Ctr.	7
	D'Jhoanna, Kelley	Adjunct	4
	Davis, Hope	Dignity/St. Bernardine's Med Ctr.	1
	DeMarco, Sandi	Adjunct	15
	Drennan, Rynda	San Gorgonio Memorial Hospital	1
	Dubois-Eastman, Kim	Faculty	4
	Duran, Shirlee	Adjunct	1
	Fender, Rochelle	Faculty	8
	Freude, Gayle	San Gorgonio Memorial Hospital	3
	Hardas, Daisey	Arrowhead Regional Med Ctr.	2
	Henry, Michelle	Adjunct	1
	Hill, June	Faculty	22
	Horn, Jaqueline	Adjunct	2
	Hubbell, Daniel	Adjunct	1
	Huddell, Ravanzo	Adjunct	1
	Jackson, Beverlyn	Adjunct	4
	Kappattil, Reshmi	Adjunct	3
	Lola, Tawnia	Jerry L. Pettis Memorial VA Hosp.	1
	Lopez-Flores, Doris	Adjunct	1
	Mahoe, Shyla	Adjunct	2
	Massad, Sana	Faculty	1
	Maurizi, Tamara	Faculty	21
	Morkas, Mona	Dignity/St. Bernardine's Med Ctr.	1
	Nelson, Kim	San Gorgonio Memorial Hospital	7
	Nolan, Rosilyn	Community Hospital SB	21
	Obra, Violeta	Faculty	14
	Ornelas, Carmelita	Adjunct	4
	Ortiz, Grace	Adjunct	8
	Padgett, Desiree	Adjunct	4
	Pascale, Melody	Adjunct	1
	Puerto, Sofia	Jerry L. Pettis Memorial VA Hosp.	15
	Schroder, Geoff	Adjunct	10
	Simental, Yolanda	Faculty	7
	Sumar, Shahla	Adjunct	2
	Tran, Bao	Adjunct	8
	Tumang, Mimi	Adjunct	1
	Valdez, Maria	SBVC Psych Tech	6
	Vara, Richard	Adjunct	6

	Weaver, Teresa	Faculty	2
	Williams, Sandra	Manager, CVS Pharmacy	1
	Wells, Carol	Asst. Dean	4
	Wysocki, Gwen	Loma Linda University Med Ctr.	15
	Young, Cora	Dignity/St. Bernardine's Med Ctr.	1
Psychiatric Technology	Aguilar-Kitibutr, Ailsa	SBVC	5
	Ahaiwe, Linda	RPAC	1
	Akers, Elaine R	SBVC	8
	Alfano-Wyatt, Marcia	SBVC	20
	Allen, Charles	Patton	1
	Asif, Obed	Patton	15
	Beasley, Larry	Canyon Springs	18
	Brown, Cinde	Patton	2
	Cretarola, Scott	ARMC	5
	Dana Lozano, Heather	SBCUSD Cajon	1
	Dietz, Sarah	SBVC	5
	Dubois-Eastman, Kim L.	SBVC	8
	Escamilla, Micah	SBVC	1
	Estrada, Laura	SBVC	2
	Giese, Eric	Patton	2
	Gonzales, Manuel	SBCUSD Cajon	1
	Goul, Kim	SBVC/ARMC	1
	Gutierrez, Nereida	SBCUSD Anderson	8
	Hardas, Daisey	ARMC	2
	Harris, Christine	SBVC	3
	Hayes, Edward	Patton	10
	Khan, Naveen	SBVC	1
	Klingstrand, Marianne	SBVC	20
	Malone, Candice	Patton	10
	Martinez, Isabelle	Patton	15
	Massad, Sana	SBVC	2
	Maurizi, Tamara L.	SBVC	20
	Molle, Laura	SBVC	6
	Okonkwo, Bernadette	SBVC	1
	Penniman, Walter	SBVC	4
	Puentes, Deidra	CRY-ROP	1
	Ravanzo, Hudel	SBVC	6
	Reeves-Maxey, La Tanya	SBCUSD Anderson	8

	Reyes, Jun	Patton	15
	Reynolds, Avuse	Canyon Springs	18
	Richard, Rose	Patton	5
	Scates, Cheryl	Canyon Springs	2
	Seraj, Robyn	SBVC	2
	Shaw, Marvin	SBCUSD Cajon	1
	Stowell, Jeni	Canyon Springs	18
	Trusheim, Deb	SBVC	1
	Valkenburg, Jean	CRY-ROP	1
	Wagner, Carol	Del Rosa Villas	1
	Weaver, Teresa	SBVC	5
	Weber, Peggy	SBVC	1
Social Sciences, Human Development & Physical Education			
Child Development	Adams, Kathryn	SBVC Child Development, Contract Faculty Co-Chair	21
	Arth, Patty	Redlands Day Nursery, Site Director	2
	Barnett, Kellie	SBVC Child Development, Contract Faculty	14
	Bogarin, Alex	Rialto Unified School District, Early Education Administrator	2
	Castaneda, Delia	SBCUSD Child Development Coordinator, Child Development Program-San Bernardino	2
	Drew, Linda	San Bernardino Teddy Bear Tymes Child Development Center, Director	9
	Knight, Denise	SBVC Child Development, Contract Faculty Co-Chair	23
	Krause, Judy	ULV LaVerne Regional Academic Coordinator	2
	Krizek, Pat	Rialto Unified School District, Director Early Education	3

	McLaren, Meridyth	CHC Child Development, Faculty Chair	11
	Price, Brandi	SBVC Child Development, Adjunct Faculty	5
	Thompson, Melissa	Moreno Valley College Child Development, Contract Faculty	4
	Wagner, Tamera	Yucaipa Inland Preschool Director, SBVC Child Development Adjunct Faculty	0
	Wallick, Amber	SBVC Child Development, Adjunct Faculty	3
	Wasbotten, Deborah	CHC, Child Development Center Director	6
	Wilcox-Herzog, Amanda	CSUSB Human Development, Contract Faculty	6
Criminal Justice	Cervantes, Brian	San Manuel Department Public Safety Training Manager	2
	Chencharick, John	Police Academy Faculty	10
	Croy, Jeremy	Administration of Justice Department Chair	0
	Dennis, Paul	SBVC Police Academy Director	2
	Dorough, Jeremy	Beaumont Police Department Lieutenant	4
	Gonzales, Amelia	Criminal Justice Secretary	4
	Green, Kenneth	San Bernardino Administration of Justice Adjunct	2
	Gutierrez, John	San Bernardino City Unified School District Sergeant	2
	Jackson, Alvin	San Bernardino Community College District Chief	1

	Johnson, Wallace	San Bernardino Valley College Dean	3
	Lewis, Rosalind	SBVC Police Academy Coordinator	0
	Moore, Robert	San Manuel Department Public Safety Training Manager	1
	Paulino, Joseph	San Bernardino County Unified School District Chief	10
	Zour, Brett	San Bernardino Sheriff's Training Facility Captain	2
Human Services	Bolter, Richard	Riverside County DUI Coordinator	2
	Chagolla, Daniel	Cedar House Life Change Center Director/CEO	2
	Degnan, Russel	New Hope Director of Operations	2
	Honn, Ron	Director of New Origins Recovery, and SBVC Human Services Adjunct Faculty	0
	Hughes, Tina	San Bernardino Recovery Center, Inland Valley Recovery Services, Coordinator	3
	Lozano-Cox, Maria	SBVC Human Services Adjunct Faculty	8
	Moneymaker, Melinda	SBVC Human Services Assistant Professor/Faculty Chair	8
	Nelson, Brandy	SBVC Human Services Contract Faculty	5
	Prewitt, Cynthia	SBVC Human Services Adjunct Faculty	8
	Ruiz, Angelica	San Bernardino County Technical Assistance Department Program Coordinator	2

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Diana Rodriguez, President, SBVC  
**PREPARED BY:** Dina Humble, Vice President, Instruction, SBVC  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval of Curriculum - SBVC

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the SBVC curriculum modifications.

**OVERVIEW**

The courses, certificates, and degrees at SBVC are continually being revised and updated to reflect and meet student needs.

**ANALYSIS**

These courses, certificates, and degrees have been approved for addition, modification, and deletion by the Curriculum Committee of the Academic Senate and will be included in the 2019-2020 addendum, or 2020-2021 or 2021-2022 College Catalogs.

**INSTITUTIONAL VALUES**

II. Learning Centered Institution for Student Access, Retention, and Success.

**FINANCIAL IMPLICATIONS**

None.

**SAN BERNARDINO VALLEY COLLEGE  
SUBMITTED FOR BOARD OF TRUSTEE APPROVAL  
November 14, 2019**

**CONTENT REVIEW**

*No Changes to the College Catalog*

ANTHRO 100	ANTHRO 106	ANTHRO 106L	ANTHRO 108
ANTHRO 109	ARCH 015	ARCH 098	ARCH 111
ARCH 130	ARCH 131	ARCH 133	ARCH 231
ARCH 233			

**Rationale:** Content Review  
**Effective:** Fall 2020

**NEW COURSE**

*Addition to the 2020-2021 College Catalog*

**Course ID:** **ELECTR 600**  
**Course Title:** Preparation for DC Circuit Certification  
**Hours:** 48 - 54  
**Lecture:** 48 - 54 contact hour(s) per semester  
**Prerequisite:** None  
**Catalog Description:** This noncredit electronics technology course prepares students with the specific skills and knowledge in the field of Direct Current (DC) processes and circuits. This course prepares students to take the DC Basics Certification Exam with the Electronics Technicians Association (ETA).  
**Schedule Description:** This noncredit electronics technology course prepares students with the specific skills and knowledge in the field of Direct Current (DC) processes and circuits. This course prepares students to take the DC Basics Certification Exam with the Electronics Technicians Association (ETA).  
**TOP Code:** 0934.20  
**Rationale:** This course will provide a path for the technician leading to the Associate CET credential.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

**NEW COURSE**

*Addition to the 2020-2021 College Catalog*

**Course ID:** **ELECTR 601**  
**Course Title:** Preparation for AC Basics Certification  
**Hours:** 48 - 54  
**Lecture:** 48 - 54 contact hour(s) per semester  
**Prerequisite:** None  
**Catalog Description:** This noncredit electronics technology course prepares students with the specific skills and knowledge in the field of AC circuits. This course prepares students to take the AC Basics Certification Exam with the Electronics Technicians Association (ETA).  
**Schedule Description:** This noncredit electronics technology course prepares students with the specific skills and knowledge in the field of AC circuits. This course prepares students to take the AC Basics Certification Exam with the Electronics Technicians Association (ETA).  
**TOP Code:** 0934.20

**Rationale:** This course will provide a path for the technician leading to the Associate CET credential.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

## NEW COURSE

### *Addition to the 2020-2021 College Catalog*

**Course ID:** **ELECTR 602**  
**Course Title:** Preparation for Analog Electronics Certification  
**Hours:** 96 - 108  
**Lecture:** 96 - 108 contact hour(s) per semester  
**Prerequisite:** None  
**Catalog Description:** This noncredit electronics technology course prepares students with the specific skills and knowledge in the field of analog processes and circuits. This course prepares students to take the Analog Electronics Certification Exam with Electronics Technicians Association (ETA).  
**Schedule Description:** This noncredit electronics technology course prepares students with the specific skills and knowledge in the field of analog processes and circuits. This course prepares students to take the Analog Electronics Certification Exam with Electronics Technicians Association (ETA).  
**TOP Code:** 0934.20  
**Rationale:** This course will provide a path for the technician leading to the Associate CET credential.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

## NEW COURSE

### *Addition to the 2020-2021 College Catalog*

**Course ID:** **ELECTR 603**  
**Course Title:** Preparation for Digital Basics Certification  
**Hours:** 48 - 54  
**Lecture:** 48 - 54 contact hour(s) per semester  
**Prerequisite:** None  
**Catalog Description:** This noncredit electronics technology course prepares students with the specific skills and knowledge in the field of digital processes and circuits. This course prepares students to take the Digital Basics Certification Exam with the Electronics Technicians Association (ETA).  
**Schedule Description:** This noncredit electronics technology course prepares students with the specific skills and knowledge in the field of digital processes and circuits. This course prepares students to take the Digital Basics Certification Exam with the Electronics Technicians Association (ETA).  
**TOP Code:** 0934.20  
**Rationale:** This course will provide a path for the technician leading to the Associate CET credential.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020



## NEW COURSE

### *Addition to the 2020-2021 College Catalog*

<b>Course ID:</b>	<b>ELECTR 604</b>
<b>Course Title:</b>	Preparation for Comprehensive Electronics Certification
<b>Hours:</b>	48 - 54
<b>Lecture:</b>	48 - 54 contact hour(s) per semester
<b>Prerequisite:</b>	None
<b>Catalog Description:</b>	This noncredit electronics technology course prepares students with the specific skills and knowledge in the field of comprehensive knowledge of motors, generators, control circuits, circuit protection, and power distribution. This course prepares students to take the Comprehensive Electronics Certification with the Electronics Technicians Association (ETA).
<b>Schedule Description:</b>	This noncredit electronics technology course prepares students with the specific skills and knowledge in the field of comprehensive knowledge of motors, generators, control circuits, circuit protection, and power distribution. This course prepares students to take the Comprehensive Electronics Certification with the Electronics Technicians Association (ETA).
<b>TOP Code:</b>	0934.20
<b>Rationale:</b>	This course will provide a path for the technician leading to the Associate CET credential.
<b>Equate:</b>	Course not offered at CHC.
<b>Effective:</b>	Fall 2020

## NEW COURSE

### *Addition to the 2020-2021 College Catalog*

<b>Course ID:</b>	<b>HVAC/R 601</b>
<b>Course Title:</b>	HVAC/R Fundamentals
<b>Hours:</b>	96 - 108
<b>Lecture:</b>	48 - 54 contact hour(s) per semester
<b>Laboratory:</b>	48 - 54 contact hour(s) per semester
<b>Prerequisite:</b>	None
<b>Catalog Description:</b>	This noncredit course covers basic principles of refrigeration, refrigerants, refrigeration components and tools; repair and testing of refrigeration units; and basic brazing and soldering.
<b>Schedule Description:</b>	This noncredit course covers basic principles of refrigeration, refrigerants, refrigeration components and tools; repair and testing of refrigeration units; and basic brazing and soldering.
<b>TOP Code:</b>	0946.00
<b>Rationale:</b>	This is a mirrored course of HVAC/R 001 which will allow students to take this course without registration fees.
<b>Equate:</b>	Course not offered at CHC.
<b>Effective:</b>	Fall 2020

## MODIFY COURSE

### *Changes to the 2020-2021 College Catalog*

COURSE ID	COURSE TITLE
ANTHRO 102	CULTURAL ANTHROPOLOGY

<b>Catalog Description:</b>	This course is an introduction to the anthropological study of human diversity and culture. Cultural anthropologists study human organization, expression, subsistence, communication, belief, and identity, in relation to social inequalities and culture change.
<b>Schedule Description:</b>	This course is an introduction to the anthropological study of human diversity and culture. Cultural anthropologists study human organization, expression, subsistence, communication, belief, and identity, in relation to social inequalities and culture change.
<b>Rationale:</b>	Content review, updating course descriptions.
<b>Equate:</b>	ANTHRO 102 at CHC.
<b>Effective:</b>	Fall 2020

COURSE ID	COURSE TITLE
ANTHRO 102H	CULTURAL ANTHROPOLOGY - HONORS

<b>Prerequisite:</b>	ENGL 101 or ENGL 101H
<b>Catalog Description:</b>	This course is an introduction to the anthropological study of human diversity and culture. Cultural anthropologists study human organization, expression, subsistence, communication, belief, and identity, in relation to social inequalities and culture change. <b>This course is intended for students in the Honors Program, but is open to all students who desire more challenging course work.</b>
<b>Schedule Description:</b>	This course is an introduction to the anthropological study of human diversity and culture. Cultural anthropologists study human organization, expression, subsistence, communication, belief, and identity, in relation to social inequalities and culture change. <b>This course is intended for students in the Honors Program, but is open to all students who desire more challenging course work.</b>
<b>Rationale:</b>	Content review, updating course descriptions and removing eligibility wording from prerequisite.
<b>Equate:</b>	ANTHRO 102H at CHC.
<b>Effective:</b>	Fall 2020

COURSE ID	COURSE TITLE
ANTHRO 103	ANTHROPOLOGY OF FOOD

<b>Departmental Advisory:</b>	READ 015 or eligibility for READ 100 as determined by the SBVC assessment process.
<b>Rationale:</b>	Content review, removing ENGL 101 or ENGL 101H departmental advisory and adding READ 015 in its place.
<b>Equate:</b>	Course not offered at CHC.
<b>Effective:</b>	Fall 2020

COURSE ID	COURSE TITLE
ANTHRO 106H	BIOLOGICAL ANTHROPOLOGY - HONORS

**Prerequisite:** ENGL 101 or ENGL 101H  
**Rationale:** Content review, removing departmental advisory and adding ENGL 101 or ENGL 101H as prerequisite.  
**Equate:** ANTHRO 106H at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ANTHRO 110	MAGIC, WITCHCRAFT, AND RELIGION

**Catalog Description:** This course introduces the study of beliefs and practices, past and present, associated with magic, witchcraft, and religion. Topics examined include ritual, symbolism, altered states of consciousness, and healing, as well as syncretism, change, and the social roles of these beliefs and practices.  
**Schedule Description:** This course introduces the study of beliefs and practices, past and present, associated with magic, witchcraft, and religion. Topics examined include ritual, symbolism, altered states of consciousness, and healing, as well as syncretism, change, and the social roles of these beliefs and practices.  
**Rationale:** Content review, updating course descriptions.  
**Equate:** ANTHRO 110 at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ANTHRO 125	LANGUAGE AND CULTURE

**Departmental Advisory:** READ 015 or eligibility for READ 100 as determined by the SBVC assessment process.  
**Rationale:** Content review, removing ENGL 101 or ENGL 101H departmental advisory and adding READ 015 in its place.  
**Equate:** ANTHRO 125 at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ANTHRO 222	INDEPENDENT STUDY IN ANTHROPOLOGY

**Directed Study:** 9 hour(s) per week  
144 - 162 hours per semester  
**Rationale:** Adding directed study hours to course outline.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ANTHRO 223	INDEPENDENT STUDY IN ANTHROPOLOGY – GUIDED RESEARCH

**Catalog Description:** Students with previous coursework in anthropology may do assigned projects involving research and analysis of selected topics. This independent study is for students who are interested in furthering their knowledge of anthropological research and analysis. Prior to registration, a written contract must be prepared jointly by the instructor and the student.

**Rationale:** Updating catalog description.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ARCH 110	INTRODUCTION TO ARCHITECTURE

**Departmental Advisory:** None  
**Rationale:** Content review, removing ENGL 101 as departmental advisory.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ARCH 145	HISTORY OF ARCHITECTURE: EARLY DESIGN THROUGH GOTHIC

**Departmental Advisory:** ENGL 101 or ENGL 101H  
**Catalog Description:** This course is a survey of Western architectural history from the early Egyptians through the Gothic period, in addition to the eastern architecture of India, Japan and China. The course includes a comparative study of architecture and architects with emphasis on the people, locations, structures, materials, and methods of construction and additional influences on the built environment.

**Schedule Description:** This course is a survey of Western architectural history from the early Egyptians through the Gothic period, including a comparative study of architecture and architects with emphasis on the people, locations, structures, materials, and methods of construction and additional influences on the built environment.

**Rationale:** Content review, updating to align with Cal Poly Pomona.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ARCH 145H	HISTORY OF ARCHITECTURE: EARLY DESIGN THROUGH GOTHIC - HONORS

**Prerequisite:** ENGL 101 or ENGL 101H  
**Catalog Description:** This course is a survey of Western architectural history from the early Egyptians through the Gothic period, in addition to the eastern architecture of India, Japan and China. The course includes a comparative study of architecture and architects with emphasis on the people, locations, structures, materials, and methods of construction and additional influences on the built environment. **This course is intended for students in the Honors Program, but is open to all students who desire more challenging course work.**

**Schedule Description:** This course is a survey of Western architectural history from the early Egyptians through the Gothic period, in addition to the eastern architecture of India, Japan

and China. The course includes a comparative study of architecture and architects with emphasis on the people, locations, structures, materials, and methods of construction and additional influences on the built environment. **This course is intended for students in the Honors Program, but is open to all students who desire more challenging course work.**

**Rationale:** Content review, updating to align with Cal Poly Pomona.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ARCH 146	HISTORY OF ARCHITECTURE: RENAISSANCE THROUGH MODERN

**Departmental Advisory:** ENGL 101 or ENGL 101H  
**Catalog Description:** This is a survey course that covers the indigenous architecture in the Pre-Columbian Americas and the Western architectural history Renaissance period to modern times. This course includes a comparative study of architecture and architects with an emphasis on people, locations, structures, materials, and methods of construction.

**Schedule Description:** This is a survey course that covers the indigenous architecture in the Pre-Columbian Americas and the Western architectural history Renaissance period to modern times. This course includes a comparative study of architecture and architects with an emphasis on people, locations, structures, materials, and methods of construction.

**Rationale:** Content review, updating to align with Cal Poly Pomona.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ARCH 146H	HISTORY OF ARCHITECTURE: RENAISSANCE THROUGH MODERN - HONORS

**Prerequisite:** ENGL 101 or ENGL 101H  
**Catalog Description:** This is a survey course that covers the indigenous architecture in the Pre-Columbian Americas and the Western architectural history Renaissance period to modern times. This course includes a comparative study of architecture and architects with an emphasis on people, locations, structures, materials, and methods of construction. **This course is intended for students in the Honors Program, but is open to all students who desire more challenging course work.**

**Schedule Description:** This is a survey course that covers the indigenous architecture in the Pre-Columbian Americas and the Western architectural history Renaissance period to modern times. This course includes a comparative study of architecture and architects with an emphasis on people, locations, structures, materials, and methods of construction. **This course is intended for students in the Honors Program, but is open to all students who desire more challenging course work.**

**Rationale:** Content review, updating to align with Cal Poly Pomona.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
CIT 144	MEDICAL TERMINOLOGY

**Departmental Advisory:** READ 015  
**Rationale:** Content review, updating Departmental Advisory from ENGL 015 to READ 015.  
**Equate:** AH 101 at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ENGL 086	STRATEGIES FOR COLLEGE COMPOSITION

**Catalog Description:** This course provides support for English 101, including strategies for college level reading, writing and critical thinking. This course is taken as pass/no pass only.  
**Schedule Description:** This course provides support for English 101, including strategies for college level reading, writing and critical thinking. This course is taken as pass/no pass only.  
**Rationale:** Updating to Pass/No Pass  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
ENGL 087	FUNDAMENTALS FOR COLLEGE COMPOSITION

**Catalog Description:** This course provides intensive support for English 101, including fundamentals for successful college level reading, writing and critical thinking. This course is offered as pass/no pass only.  
**Schedule Description:** This course provides intensive support for English 101, including fundamentals for successful college level reading, writing and critical thinking. This course is offered as pass/no pass only.  
**Rationale:** Updating to Pass/No Pass  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
HVAC/R 001	HVAC/R FUNDAMENTALS

**Catalog Description:** This course covers basic principles of refrigeration, refrigerants, refrigeration components and tools; repair and testing of refrigeration units; and basic brazing and soldering.  
**Schedule Description:** This course covers basic principles of refrigeration, refrigerants, refrigeration components and tools; repair and testing of refrigeration units; and basic brazing and soldering.  
**Rationale:** Content review, updating textbooks and removing formerly note from course descriptions.  
**Equate:** Course not offered at CHC.  
**Effective:** Fall 2020

COURSE ID	COURSE TITLE
HVAC/R 002	DOMESTIC MECHANICAL REFRIGERATION

**Catalog Description:** This course covers principles of refrigeration compression systems, operations and controls, refrigeration and freezer construction, piping and parts layout. Included in the lab work is troubleshooting and servicing domestic refrigeration units.

**Schedule Description:** This course covers principles of refrigeration compression systems, operations and controls, refrigeration and freezer construction, piping and parts layout. Included in the lab work is troubleshooting and servicing domestic refrigeration units.

**Rationale:** Content review, updating textbooks and removing formerly note from course descriptions.

**Equate:** Course not offered at CHC.

**Effective:** Fall 2020

COURSE ID	COURSE TITLE
HVAC/R 003	COMMERCIAL MECHANICAL REFRIGERATION

**Catalog Description:** This course covers theory of compressor construction and operation, principles of all types of refrigerant controls and multi-stage control devices pertaining to commercial and industrial refrigeration including practical lab work.

**Schedule Description:** This course covers theory of compressor construction and operation, principles of all types of refrigerant controls and multi-stage control devices pertaining to commercial and industrial refrigeration including practical lab work.

**Rationale:** Content review, updating textbooks and removing formerly note from course descriptions.

**Equate:** Course not offered at CHC.

**Effective:** Fall 2020

COURSE ID	COURSE TITLE
HVAC/R 004	ELECTRICAL FUNDAMENTALS FOR HVAC/R

**Catalog Description:** This course covers fundamentals of direct and alternating current circuits, test equipment, most common electric motors, wiring and control devices used in modern refrigeration equipment including practical lab work with electrical refrigeration trainers and projects.

**Schedule Description:** This course covers fundamentals of direct and alternating current circuits, test equipment, most common electric motors, wiring and control devices used in modern refrigeration equipment including practical lab work with electrical refrigeration trainers and projects.

**Rationale:** Content review, updating textbooks and course descriptions.

**Equate:** Course not offered at CHC.

**Effective:** Fall 2020

COURSE ID	COURSE TITLE
HVAC/R 005	COMMERCIAL ELECTRIC FOR HVAC/R

**Catalog Description:** This course covers solid state control systems with emphasis on schematic reading and electrical troubleshooting pertaining to refrigeration equipment including practical lab work with electrical refrigeration trainers and projects.

**Schedule Description:** This course covers solid state control systems with emphasis on schematic reading and electrical troubleshooting pertaining to refrigeration equipment including practical lab work with electrical refrigeration trainers and projects.

**Rationale:** Content review, updating textbooks and removing formerly note from course descriptions.

**Equate:** Course not offered at CHC.

**Effective:** Fall 2020

COURSE ID	COURSE TITLE
HVAC/R 006	HVAC/R AIR DISTRIBUTION SYSTEMS

**Catalog Description:** This course covers theory of multiple-stage systems and multiple-control devices with emphasis on condensing and evaporation equipment, heavy duty piping layout, forced-air heating, ventilation, and air conditioning including lab work with refrigeration trainers and projects.

**Schedule Description:** This course covers theory of multiple-stage systems and multiple-control devices with emphasis on condensing and evaporation equipment, heavy duty piping layout, forced-air heating, ventilation, and air conditioning including lab work with refrigeration trainers and projects.

**Rationale:** Content review, updating textbooks and removing formerly note from course descriptions.

**Equate:** Course not offered at CHC.

**Effective:** Fall 2020

COURSE ID	COURSE TITLE
HVAC/R 007	WELDING FOR HVAC/R

**Catalog Description:** This course covers intensive training in soldering, brazing and welding techniques on copper tubing, steel and dissimilar metals using oxyacetylene and special gas torches as practiced in the refrigeration, HVAC industry including blueprint reading and fabrication.

**Schedule Description:** This course covers intensive training in soldering, brazing and welding techniques on copper tubing, steel and dissimilar metals using oxyacetylene and special gas torches as practiced in the refrigeration, HVAC industry.

**Rationale:** Content review, updating textbooks and removing formerly note from course descriptions.

**Equate:** Course not offered at CHC.

**Effective:** Fall 2020



## COURSE DELETION

ARCH 120  
BUSAD 052

ARCH 220  
BUSCAL 091

ARCH 221  
MATH 093

ARCH 250

**Rationale:** Courses are no longer offered.  
**Effective:** Fall 2020

## DISTANCE EDUCATION

ANTHRO 100  
ANTHRO 106  
ANTHRO 110  
ARCH 015  
ARCH 111  
ARCH 131  
ARCH 146  
ARCH 231  
ENGL 087

ANTHRO 102  
ANTHRO 106H  
ANTHRO 125  
ARCH 070  
ARCH 112  
ARCH 133  
ARCH 146H  
ARCH 233

ANTHRO 102H  
ANTHRO 108  
ANTHRO 222  
ARCH 098  
ARCH 113  
ARCH 145  
ARCH 212  
CIT 144

ANTHRO 103  
ANTHRO 109  
ANTHRO 223  
ARCH 110  
ARCH 130  
ARCH 145H  
ARCH 213  
ENGL 086

**Rationale:** **100% ONLINE**  
One of the planning themes of San Bernardino Valley College (SBVC) is access. For career technical courses, the issue of scheduling is crucial. Students working the night shift can only take class in the morning while those working traditional day schedules can only take evening classes. Given these variables and difficult schedules, students need the flexibility of time that an online class affords. An asynchronous online class allows students to study when their schedules allow and where they have the space and materials to do so effectively. The online delivery method of these courses supports the mission of SBVC by providing access to education to a diverse community of learners who find themselves in a community with complicated lives and difficult and demanding schedules and responsibilities.

**Effective:** Fall 2020

## MODIFY CERTIFICATE

### 3D MODELING AND DESIGN CERTIFICATE

This certificate is designed to prepare students for entry-level employment in the fields of architecture; civil, structural, mechanical, electrical engineering, urban planning, interior design, landscape design, manufacturing, and related fields. Computer Aided Drafting, CAD, Rhino and Grasshopper are the primary tool used to produce and present documents in these fields. Students completing this certificate will most likely find employment with a licensed architect, registered structural engineer, mechanical engineer or for local, state or federal governmental agency or urban planning or municipal utility or home improvement and remodeling specialty business.

**REQUIRED COURSES:**

		<b>Units</b>
ARCH 111	Sketching and Design Visualization	2
ARCH 112	Environmental Design	4
ARCH 130	Computer-Aided Design (CAD) Drafting	2
ARCH 133	Introduction to 3D Modeling and Design	2
ARCH 233	Advanced 3D Modeling and Design	2

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**Total Units** **12**

*This is a Gainful Employment Program*

**Rationale:** Content Review.

Effective:

Fall 2020

## MODIFY CERTIFICATE

### BUILDING INFORMATION AND 3D MODELING CERTIFICATE

This certificate is designed to prepare students for entry-level employment in the fields of architecture; civil, structural, mechanical, electrical engineering, urban planning, interior design, landscape design, manufacturing, construction and related fields. Computer Aided Drafting, CAD, Rhino, Grasshopper, and REVIT are the primary tools used to produce and present documents in these fields. Students completing this certificate will most likely find employment with a licensed architect, registered structural engineer, mechanical engineer or for local, state or federal governmental agency or urban planning or municipal utility or home improvement and remodeling specialty business, construction management firm or field office.

#### REQUIRED COURSES:

	<b>Units</b>	
ARCH 111	Sketching and Design Visualization	2
ARCH 112	Environmental Design	4
ARCH 133	Introduction to 3D Modeling and Design	2
ARCH 233	Advanced 3D Modeling and Design	2
ARCH 131	Introduction to Building Information Modeling (BIM)	2
ARCH 231	Advanced Building Information Modeling (BIM)	2
ARCH 146	History of Architecture: Renaissance through Modern	3
	<b>or</b>	
ARCH 146H	Architecture History: Renaissance to Modern - Honors	3

#### Total Units

**17**

*This is a Gainful Employment Program*

Rationale:

Content Review.

Effective:

Fall 2020

## MODIFY CERTIFICATE

### BUILDING INFORMATION MANAGEMENT (BIM) CERTIFICATE

This certificate is designed to prepare students for entry-level employment in the fields of architecture; civil, structural, mechanical, electrical engineering, urban planning, interior design, landscape design, manufacturing, construction management and related fields. Computer Aided Drafting, CAD, and Building Information Management (BIM) are the primary tools used to produce and present documents in these fields. Students completing this certificate will most likely find employment with a licensed architect, registered structural engineer, mechanical engineer or for local, state or federal governmental agency or urban planning or municipal utility or home improvement and remodeling specialty business or field office of a construction management firm.

#### REQUIRED COURSES:

		<b>Units</b>
ARCH 111	Sketching and Design Visualization	2
ARCH 112	Environmental Design	4
ARCH 130	Computer-Aided Design (CAD) Drafting	2
ARCH 131	Introduction to Building Information Modeling (BIM)	2
ARCH 231	Advanced Building Information Modeling (BIM)	2

#### Total Units

**12**

*This is a Gainful Employment Program*

**Rationale:** Content Review.  
**Effective:** Fall 2020

## MODIFY CERTIFICATE

### HEATING, VENTILATION, AIR CONDITIONING AND REFRIGERATION CERTIFICATE

Students working for certificates must have a basic knowledge of arithmetic, reading and writing in order to learn and work in the occupations they select. This certificate is designed to prepare students with the necessary knowledge and skills to obtain entry-level employment in the field of heating, ventilation, air conditioning and refrigeration, installing, maintaining, and repairing such systems.

<b>REQUIRED COURSES:</b>	<b>Units</b>
HVAC/R 001 HVAC/R Fundamentals	4
HVAC/R 002 Domestic Mechanical Refrigeration	4
HVAC/R 003 Commercial Mechanical Refrigeration	4
HVAC/R 004 Electrical Fundamentals for HVAC/R	4
HVAC/R 005 Commercial Electric for HVAC/R	4
HVAC/R 006 HVAC/R Air Distribution Systems	4
HVAC/R 007 Welding for HVAC/R	3
Environmental Protection Agency (EPA) Universal Certification (608)	0

**Students must be eligible for MATH 102 or higher as determined by the SBVC assessment process, if not, choose one course below:**

	<b>Units</b>
MATH 095 Intermediate Algebra	4
MATH 096 Elementary and Intermediate Algebra	5
TECALC 087 Technical Calculations	4

**RECOMMENDED COURSE:**

**Students are encouraged to take this course to augment their knowledge of air conditioning and heating:**

AUTO 056 Automotive Heating and Air Conditioning	4
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<b>Total Units</b>	<b>27 - 32</b>
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*This is a Gainful Employment Program*

**Rationale:** Content Review.  
**Effective:** Fall 2020

## MODIFY DEGREE

### ARCHITECTURE AND ENVIRONMENTAL DESIGN ASSOCIATE OF SCIENCE DEGREE

To graduate with a specialization in Architecture and Environmental Design, a student must complete the following courses in addition to the general breadth requirements for an Associate's Degree. For transfer students, these courses will provide students with the tools needed to construct a portfolio that will be required to transfer into Architecture Programs at 4-year institutions. Along with a successful portfolio, these courses should also constitute the first two years of an Architecture Program. In addition, these courses should help students interested in transferring to 4-year institutions in Environmental Design fields, and as Landscape Architecture, Interior Design and Urban Planning majors.

		<b>Units</b>
<b>REQUIRED COURSES:</b>		
ARCH 110	Introduction to Architecture	2
ARCH 111	Sketching and Design Visualization	2
ARCH 112	Environmental Design	4
ARCH 113	Environmental Design Communication	4
ARCH 130	Computer-Aided Design (CAD) Drafting	2
ARCH 131	Introduction to Building Information Modeling (BIM)	2
ARCH 133	Introduction to 3D Modeling and Design	2
ARCH 145	History of Architecture: Early Design through Gothic	3
	<b>or</b>	
ARCH 145H	History of Architecture: Early Design through Gothic - Honors	3
ARCH 146	History of Architecture: Renaissance through Modern	3
	<b>or</b>	
ARCH 146H	Architecture History: Renaissance to Modern - Honors	3
ARCH 212	Architectural Design and Theory II	4
ARCH 213	Architectural Design II	4
ARCH 231	Advanced Building Information Modeling (BIM)	2
ARCH 233	Advanced 3D Modeling and Design	2
ENGL 102	Intermediate Composition and Critical Thinking	4
	<b>or</b>	
ENGL 102H	Intermediate Composition and Critical Thinking - Honors	4
MATH 103	Plane Trigonometry	4
PHYSIC 151	General Physics for the Life Sciences I	4
<b>RECOMMENDED COURSES:</b>		
ARCH 015	Survey of Design and Drafting Software Applications	2
ARCH 070	Portfolio Design	1
COMMST 100	Elements of Public Speaking	3
	<b>or</b>	
COMMST 100H	Elements of Public Speaking - Honors	3
COMMST 125	Critical Thinking Through Argumentation and Debate	3
MATH 108	Introduction to Probability and Statistics	4
	<b>or</b>	
MATH 151	Precalculus	4
<b>Total Units</b>		<b>48</b>

**Rationale:** Content Review.  
**Effective:** Fall 2020

## MODIFY DEGREE

### HEATING, VENTILATION, AIR CONDITIONING AND REFRIGERATION ASSOCIATE OF SCIENCE DEGREE

To graduate with a specialization in Heating, Ventilation, Air Conditioning and Refrigeration, students must complete all requirements for the certificate with a grade of C or better plus the general breadth requirements for the Associate of Science Degree (minimum total = 60 units).

#### REQUIRED COURSES:

	Units
HVAC/R 001 HVAC/R Fundamentals	4
HVAC/R 002 Domestic Mechanical Refrigeration	4
HVAC/R 003 Commercial Mechanical Refrigeration	4
HVAC/R 004 Electrical Fundamentals for HVAC/R	4
HVAC/R 005 Commercial Electric for HVAC/R	4
HVAC/R 006 HVAC/R Air Distribution Systems	4
HVAC/R 007 Welding for HVAC/R	3
Environmental Protection Agency (EPA) Universal Certification (608)	0

**Students must be eligible for MATH 102 or higher as determined by the SBVC assessment process, if not, choose one course below:**

	Units
MATH 095 Intermediate Algebra	4
MATH 096 Elementary and Intermediate Algebra	5
TECALC 087 Technical Calculations	4

#### RECOMMENDED COURSE:

**Students are encouraged to take this course to augment their knowledge of air conditioning and heating:**

	Units
AUTO 056 Automotive Heating and Air Conditioning	4

**Total Units** **27 - 32**

**Rationale:** Content Review.

**Effective:** Fall 2020

## MODIFY DEGREE

### LIBERAL ARTS - BIOLOGICAL & PHYSICAL SCIENCES ASSOCIATE OF ARTS DEGREE

The Associate Degree in Liberal Arts is designed for students who wish to pursue a broad knowledge of liberal arts and sciences plus additional coursework in an "Area of Emphasis". The area of emphasis includes the following options: Biological and Physical Science; Social and Behavioral Sciences; and Humanities and Fine Arts. In order to earn an Associate of Arts Degree in Liberal Arts the following must be completed: 1. Students must complete one of the general education breadth patterns (SBVC Graduation requirements, CSU-GE, or IGETC). Note: Students planning to transfer to the California State University (CSU) or University of California (UC) systems are advised to complete either the CSU-GE or IGETC general education patterns. 2. Students must complete 18 units in one "Area of Emphasis". For depth of study, a minimum of two courses in one discipline is required. Note: All courses used to satisfy the area of emphasis for the Associate degree must be completed with a grade of "C" or higher. Additional notes: Where appropriate, courses in the "Area of Emphasis" may also be counted in a general education breadth pattern. Courses that include a symbol X in the number, such as MUS 141X2, indicate the course may be taken two times for credit. Students may apply each course with a symbol X only one time towards graduation requirements. Students pursuing multiple areas of emphasis can only be counted in one area only.

## A. Biological and Physical Sciences

These courses emphasize the natural sciences, which examine the physical universe, its life forms, and natural phenomena. Courses in mathematics emphasize the development of mathematical and quantitative reasoning skills beyond the level of intermediate algebra. Students will be able to demonstrate an understanding of the methodologies of science as investigative tools. Students will also examine the influence that the acquisition of scientific knowledge has on the development of world civilization.

Students must choose a minimum of 18 units.

<b>Anthropology (ANTHRO)</b>		<b>Units</b>
ANTHRO 106	Biological Anthropology	3
<b>or</b>		
ANTHRO 106H	Biological Anthropology - Honors	3
ANTHRO 106L	Biological Anthropology Laboratory	1
<b>Astronomy (ASTRON)</b>		<b>Units</b>
ASTRON 120	Introduction to Astronomy	3
ASTRON 125	Astronomy Laboratory	1
<b>Biology (BIOL)</b>		<b>Units</b>
BIOL 100	General Biology	4
BIOL 102	Human Biology	3
BIOL 104	Human Ecology	3
BIOL 109	History of Life	4
<b>or</b>		
BIOL 109H	History of Life - Honors	4
BIOL 141	Genetics	3
BIOL 155	Introductory Anatomy and Physiology	4
BIOL 205	Cell and Molecular Biology	4
BIOL 206	Organismal Biology	4
BIOL 207	Evolutionary Ecology	4
BIOL 250	Human Anatomy and Physiology I	4
BIOL 251	Human Anatomy and Physiology II	4
BIOL 260	Human Anatomy	4
BIOL 261	Human Physiology	4
BIOL 270	Microbiology	5
BIOL 292	Cell Culture Techniques	4
<b>Chemistry (CHEM)</b>		<b>Units</b>
CHEM 101	Introductory Chemistry	4
CHEM 104	Introduction to Organic Chemistry and Biochemistry	4
<b>or</b>		
CHEM 104H	Introduction to Organic Chemistry and Biochemistry - Honors	4
CHEM 105	Introduction to General, Organic and Biochemistry	5
CHEM 110	Environmental and Consumer Chemistry	3
CHEM 150	General Chemistry I	5
<b>or</b>		
CHEM 150H	General Chemistry I - Honors	5
CHEM 151	General Chemistry II	5

	<b>or</b>		
CHEM 151H	General Chemistry II - Honors		5
CHEM 212	Organic Chemistry I		4
	<b>or</b>		
CHEM 212H	Organic Chemistry I - Honors		4
CHEM 213	Organic Chemistry II		4
	<b>or</b>		
CHEM 213H	Organic Chemistry II - Honors		4
<b>Economics (ECON)</b>			<b>Units</b>
ECON 208	Business and Economic Statistics		4
<b>Geography (GEOG)</b>			<b>Units</b>
GEOG 110	Physical Geography		3
GEOG 111	Physical Geography Laboratory		1
	<b>or</b>		
GEOG 111H	Physical Geography Laboratory - Honors		1
GEOG 114	Weather and Climate		4
<b>Geology (GEOL)</b>			<b>Units</b>
GEOL 101	Introduction to Physical Geology		3
GEOL 111	Introduction to Physical Geology Laboratory		1
GEOL 112	Historical Geology		4
GEOL 122	Environmental Geology		3
GEOL 250	Geology of California		3
GEOL 251	Geology of National Parks and Monuments		3
<b>Mathematics (MATH)</b>			<b>Units</b>
MATH 102	College Algebra		4
MATH 103	Plane Trigonometry		4
MATH 108	Introduction to Probability and Statistics		4
MATH 115	Ideas of Mathematics		3
MATH 141	Business Calculus		4
MATH 151	Precalculus		4
MATH 250	Single Variable Calculus I		4
MATH 251	Single Variable Calculus II		4
MATH 252	Multivariable Calculus		5
MATH 265	Linear Algebra		4
MATH 266	Ordinary Differential Equations		4
<b>Oceanography (OCEAN)</b>			<b>Units</b>
OCEAN 101	Elements of Oceanography		3
OCEAN 111	Elements of Oceanography Laboratory		1
<b>Physical Science (PS)</b>			<b>Units</b>
PS 101	Introduction to Physical Science		3
<b>Physics (PHYSIC)</b>			<b>Units</b>
PHYSIC 101	Introductory Physics		4
PHYSIC 151	General Physics for the Life Sciences I		4
PHYSIC 152	General Physics for the Life Sciences II		4
PHYSIC 200	Physics I		6
PHYSIC 201	Physics II		6
<b>Psychology (PSYCH)</b>			<b>Units</b>

PSYCH 105	Statistics for the Behavioral Sciences	4
Completed Fall 2009 or Later		0
PSYCH 141	Introduction to Biological Psychology	3
<b>Total Units</b>		<b>18</b>

**Rationale:** Updating to include newly approved courses.  
**Effective:** Fall 2019

## MODIFY DEGREE

### LIBERAL ARTS - HUMANITIES & FINE ARTS ASSOCIATE OF ARTS DEGREE

The Associate Degree in Liberal Arts is designed for students who wish to pursue a broad knowledge of liberal arts and sciences plus additional coursework in an "Area of Emphasis". The area of emphasis includes the following options: Biological and Physical Science; Social and Behavioral Sciences; and Humanities and Fine Arts. In order to earn an Associate of Arts Degree in Liberal Arts the following must be completed: 1. Students must complete one of the general education breadth patterns (SBVC Graduation requirements, CSU-GE, or IGETC). Note: Students planning to transfer to the California State University (CSU) or University of California (UC) systems are advised to complete either the CSU-GE or IGETC general education patterns. 2. Students must complete 18 units in one "Area of Emphasis". For depth of study, a minimum of two courses in one discipline is required. Note: All courses used to satisfy the area of emphasis for the Associate degree must be completed with a grade of "C" or higher. Additional notes: Where appropriate, courses in the "Area of Emphasis" may also be counted in a general education breadth pattern. Courses that include a symbol X in the number, such as MUS 141X2, indicate the course may be taken two times for credit. Students may apply each course with a symbol X only one time towards graduation requirements. Students pursuing multiple areas of emphasis can only count course in one area only.

#### B. Humanities and Fine Arts

These courses emphasize the study of cultural, literary, humanistic activities, and artistic expressions of human beings. Students will evaluate and interpret the ways in which people throughout the ages in different cultures have responded to themselves and the world around them in artistic and cultural creation. Students must also learn to value aesthetic understanding and incorporate these concepts when constructing value judgments.

Students must complete a minimum of 18 units.

<b>American Sign Language (ASL)</b>		<b>Units</b>
ASL 109	American Sign Language I	4
ASL 110	American Sign Language II	4
ASL 111	American Sign Language III	4
ASL 112	American Sign Language IV	4
<b>Anthropology (ANTHRO)</b>		<b>Units</b>
ANTHRO 108	North American Indians	3
ANTHRO 109	Visual Culture and Art	3
ANTHRO 110	Magic, Witchcraft, and Religion	3
<b>Arabic (ARAB)</b>		<b>Units</b>
ARAB 101	College Arabic I	5
ARAB 102	College Arabic II	5
<b>Architecture (ARCH)</b>		<b>Units</b>
ARCH 145	History of Architecture: Early Design through Gothic	3
or		



ARCH 145H	History of Architecture: Early Design through Gothic - Honors	3
ARCH 146	History of Architecture: Renaissance through Modern	3
	<b>or</b>	
ARCH 146H	Architecture History: Renaissance to Modern - Honors	3
	<b>Art (ART)</b>	<b>Units</b>
ART 100	Art History: The Stone Age to the Middle Ages	3
ART 102	Art History: Renaissance to Present	3
	<b>or</b>	
ART 102H	Art History: Renaissance to Present - Honors	3
ART 103	Art Appreciation	3
ART 105	History of Modern Art	3
ART 107	Art History: Africa, Asia, the Americas, and Oceania	3
ART 108	Art of Mexico and Mesoamerica	3
ART 120	Two-Dimensional Design	3
ART 121	Three-Dimensional Design	3
ART 124A	Beginning Drawing	3
ART 126A	Beginning Painting	3
ART 132A	Beginning Life Drawing	3
ART 145	Fundamentals of Graphic Design	3
ART 148	Beginning Computer Graphic Design	3
ART 161	Digital Photography	3
ART 175A	Beginning Sculpture	3
ART 180	Beginning 3D Computer Animation	3
ART 212A	Beginning Ceramics	3
ART 240A	Beginning Glassblowing	3
ART 270A	Beginning Design in Glass	3
	<b>Chinese (CHIN)</b>	<b>Units</b>
CHIN 101	College Mandarin Chinese I	5
CHIN 102	College Mandarin Chinese II	5
	<b>Dance (DANCE)</b>	<b>Units</b>
DANCE 200	Dance History and Appreciation	3
	<b>English (ENGL)</b>	<b>Units</b>
ENGL 151	Freshman Composition and Literature	3
ENGL 151H	Freshman Composition and Literature-Honors	3
ENGL 153	Literature and Film	3
ENGL 155	Children's Literature	3
ENGL 161	Women Writers	3
ENGL 163	Chicano Literature	3
ENGL 165	African-American Literature	3
ENGL 175	The Literature and Religion of the Bible	3
ENGL 232	Creative Writing	3
ENGL 260	American Literature to Mid 19th Century	3
ENGL 261	American Literature from 1865 to Present	3
ENGL 270	English Literature: Middle Ages to 18th Century	3
ENGL 270H	English Literature: Middle Ages to 18th Century-Honors	3
ENGL 271	English Literature: 18th Century to Present	3
ENGL 271H	English Literature: 18th Century to Present-Honors	3

ENGL 275	Shakespeare	3
ENGL 281	World Literature 17th Century to Present	3
<b>French (FRENCH)</b>		<b>Units</b>
FRENCH 101	College French I	5
FRENCH 102	College French II	5
<b>History (HIST)</b>		<b>Units</b>
HIST 100	United States History to 1877	3
<b>or</b>		
HIST 100H	United States History to 1877 - Honors	3
HIST 101	United States History: 1865 to Present	3
<b>or</b>		
HIST 101H	United States History: 1865 to Present - Honors	3
HIST 107	The United States and the North American Indians	3
HIST 137	Racial and Ethnic Groups in United States History	3
HIST 138	African-American History to 1877	3
HIST 139	African-American History 1877 to Present	3
HIST 140	Chicano History	3
HIST 145	History of California	3
HIST 150	Introduction to Latin American History	3
HIST 170	World History to 1500	3
HIST 171	World History Since 1500	3
HIST 176	Comparative History of Genocide and War Crimes	3
<b>Music (MUS)</b>		<b>Units</b>
MUS 100	Music Appreciation	3
MUS 101	Music Theory I: Fundamentals	3
MUS 101L	Musicianship I	1
MUS 102	Music Theory II: Scales and Modes	3
MUS 102L	Musicianship II	1
MUS 104	History of Rock and Roll	3
MUS 105	American Popular Music	3
MUS 106	History of Jazz	3
MUS 107	Music of the World	3
MUS 117A	Elementary Acoustic Guitar	1
MUS 121	Music History and Literature-Middle Ages through Baroque	3
<b>or</b>		
MUS 121H	Music History and Literature - Middle Ages through Baroque - Honors	3
MUS 122	Music History and Literature - Classic through Contemporary	3
<b>or</b>		
MUS 122H	Music History and Literature - Classic through Contemporary - Honors	3
MUS 123	Electronic Music I	3
MUS 124	Electronic Music II	3
MUS 130	Elementary Voice	3
MUS 131	Intermediate Voice	3
MUS 133	Elementary Piano	1
MUS 134	Intermediate Piano	1
MUS 135	Advanced Piano	1
MUS 141X2	Applied Music I	0.5

MUS 150X4	Mixed Chorus	1
MUS 152X4	Chamber Singers	2
MUS 153x4	Chamber Chorale	2
MUS 154X4	College Singers	2
MUS 156X4	Concert Choir	2
MUS 158X4	Gospel Choir	1
MUS 159x4	Theatrical Music Workshop	2
MUS 162x4	Wind Ensemble	1
MUS 166x4	Concert Band	1
MUS 170x2	Jazz Improvisation and Theory I	1
MUS 171x2	Jazz Improvisation and Theory II	1
MUS 180	Instrumental Chamber Music	1
MUS 201	Music Theory III: Basic Harmony	3
MUS 202	Music Theory IV: Harmony	3
MUS 201L	Musicianship III	1
MUS 202L	Musicianship IV	1
MUS 210	Conducting	3
MUS 241x2	Applied Music II	0.5
<b>Philosophy (PHIL)</b>		<b>Units</b>
PHIL 101	Introduction to Philosophy	3
<b>or</b>		
PHIL 101H	Introduction to Philosophy - Honors	3
PHIL 105	Introduction to Ethics	3
PHIL 112	Philosophy in Literature	3
PHIL 180	Death and Dying	3
<b>Physical Science (PS)</b>		<b>Units</b>
PS 112	Introduction to the Development of Modern Science	3
<b>Radio/Television/Film (RTVF)</b>		<b>Units</b>
RTVF 101	Introduction to Cinema	3
RTVF 132	Lighting and Cinematography	3
FTVM 122	Acting and Directing for Television and Film	3
<b>Religious Studies (RELIG)</b>		<b>Units</b>
RELIG 100	Introduction to Religious Studies	3
<b>or</b>		
RELIG 100H	Introduction to Religious Studies-Honors	3
RELIG 101	Introduction to World Religions	3
RELIG 110	Magic, Witchcraft, and Religion	3
RELIG 135	Religion in America	3
RELIG 150	Introduction to Mythology	3
RELIG 175	The Literature and Religion of the Bible	3
RELIG 176	Jesus and His Interpreters	3
RELIG 180	Death and Dying	3
<b>Spanish (SPAN)</b>		<b>Units</b>
SPAN 101	College Spanish I	5
<b>or</b>		
SPAN 101H	College Spanish I - Honors	5
SPAN 102	College Spanish II	5

	<b>or</b>		
SPAN 102H	College Spanish II - Honors		5
SPAN 103	College Spanish III		4
	<b>or</b>		
SPAN 103H	College Spanish III - Honors		4
SPAN 104	College Spanish IV		4
SPAN 157	Spanish for Heritage Speakers I		4
SPAN 158	Spanish for Heritage Speakers II		4
<b>Theatre Arts (THART)</b>			<b>Units</b>
THART 100	Introduction to the Theatre		3
THART 105	Script Analysis		3
THART 110	Voice and Diction for Actors		3
THART 114x4	Rehearsal and Performance		4
THART 120	Acting Fundamentals I		3
THART 121	Acting Fundamentals II		3
THART 131	Sound for Stage and Screen		3
THART 132	Lighting Design Fundamentals		3
THART 135	Directing Fundamentals		3
THART 136	Introduction to Theatre Design		3
THART 139	Fundamentals of Costume Design		3
THART 147	Theatre Movement		3
THART 160x4	Technical Theatre in Production		3
THART 165	Stage Makeup		3
THART 166	Improvisational Acting		3
<b>Total Units</b>			<b>18</b>

**Rationale:** Updating to include newly approved courses.  
**Effective:** Fall 2019

## MODIFY DEGREE

### LIBERAL ARTS - SOCIAL & BEHAVIORAL SCIENCE ASSOCIATE OF ARTS DEGREE

The Associate Degree in Liberal Arts is designed for students who wish to pursue a broad knowledge of liberal arts and sciences plus additional coursework in an "Area of Emphasis". The area of emphasis includes the following options: Biological and Physical Science; Social and Behavioral Sciences; and Humanities and Fine Arts. In order to earn an Associate of Arts Degree in Liberal Arts the following must be completed: 1. Students must complete one of the general education breadth patterns (SBVC Graduation requirements, CSU-GE, or IGETC). Note: Students planning to transfer to the California State University (CSU) or University of California (UC) systems are advised to complete either the CSU-GE or IGETC general education patterns. 2. Students must complete 18 units in one "Area of Emphasis". For depth of study, a minimum of two courses in one discipline is required. Note: All courses used to satisfy the area of emphasis for the Associate degree must be completed with a grade of "C" or higher. Additional notes: Where appropriate, courses in the "Area of Emphasis" may also be counted in a general education breadth pattern. Courses that include a symbol X in the number, such as MUS 141X2, indicate the course may be taken two times for credit. Students may apply each course with a symbol X only one time towards graduation requirements. Students pursuing multiple areas of emphasis can only count course in one area only.

## C. Social and Behavioral Sciences

These courses emphasize the perspective, concepts, theories, and methodologies of the disciplines typically found in the vast variety of disciplines that comprise study in the social and behavioral sciences. Topics and discussion to stimulate critical thinking about ways people have acted in response to their societies will allow students to evaluate how societies and social subgroups operate.

Students must choose a minimum of 18 units.

		<b>Units</b>
<b>Anthropology (ANTHRO)</b>		
ANTHRO 100	Introduction to Archaeology	3
ANTHRO 102	Cultural Anthropology	3
<b>or</b>		
ANTHRO 102H	Cultural Anthropology - Honors	3
ANTHRO 103	Anthropology of Food	3
ANTHRO 106	Biological Anthropology	3
<b>or</b>		
ANTHRO 106H	Biological Anthropology - Honors	3
ANTHRO 108	North American Indians	3
ANTHRO 109	Visual Culture and Art	3
ANTHRO 110	Magic, Witchcraft, and Religion	3
ANTHRO 125	Language and Culture	3
<b>Child Development (CD)</b>		<b>Units</b>
CD 105	Child Growth and Development	3
<b>or</b>		
CD 105H	Child Growth and Development-Honors	3
CD 108	Early Childhood Development	3
CD 126	Child, Family, and the Community	3
<b>Communication Studies (COMMST)</b>		<b>Units</b>
COMMST 135	Mass Media and Society	3
COMMST 174	Intercultural Communication	3
COMMST 176	Gender Differences in Communication	3
<b>Economics (ECON)</b>		<b>Units</b>
ECON 100	Introduction to Economics	3
ECON 200	Principles of Macroeconomics	3
<b>or</b>		
ECON 200H	Principles of Macroeconomics - Honors	3
ECON 201	Principles of Microeconomics	3
<b>or</b>		
ECON 201H	Principles of Microeconomics - Honors	3
<b>Geography (GEOG)</b>		<b>Units</b>
GEOG 102	Cultural Geography	3
GEOG 106	Geographic Perspectives on the Environment	3
GEOG 118	California Geography	3
GEOG 120	World Regional Geography	3
<b>History (HIST)</b>		<b>Units</b>
HIST 100	United States History to 1877	3
<b>or</b>		

HIST 100H	United States History to 1877 - Honors	3
HIST 101	United States History: 1865 to Present	3
	<b>or</b>	
HIST 101H	United States History: 1865 to Present - Honors	3
HIST 107	The United States and the North American Indians	3
HIST 137	Racial and Ethnic Groups in United States History	3
HIST 138	African-American History to 1877	3
HIST 139	African-American History 1877 to Present	3
HIST 140	Chicano History	3
HIST 145	History of California	3
HIST 150	Introduction to Latin American History	3
HIST 170	World History to 1500	3
HIST 171	World History Since 1500	3
HIST 176	Comparative History of Genocide and War Crimes	3
	<b>Philosophy (PHIL)</b>	<b>Units</b>
PHIL 180	Death and Dying	3
	<b>Political Science (POLIT)</b>	<b>Units</b>
POLIT 100	American Politics	3
POLIT 110	Introduction to Political Theory	3
	<b>or</b>	
POLIT 110H	Introduction to Political Theory Honors	3
POLIT 140	Introduction to Comparative Politics	3
POLIT 141	Introduction to World Politics	3
	<b>or</b>	
POLIT 141H	Introduction to World Politics - Honors	3
	<b>Psychology (PSYCH)</b>	<b>Units</b>
PSYCH 100	General Psychology	3
	<b>or</b>	
PSYCH 100H	General Psychology - Honors	3
PSYCH 102	Personal and Social Adjustment	3
PSYCH 110	Abnormal Psychology	3
PSYCH 111	Developmental Psychology: Lifespan	3
PSYCH 112	Developmental Psychology: Child and Adolescent Psychology	3
PSYCH 118	Human Sexual Behavior	3
PSYCH 201	Research Methods for the Behavioral Sciences	4
	<b>Radio/Television/Film (RTVF)</b>	<b>Units</b>
RTVF 100	Introduction to Electronic Media	3
	<b>Religious Studies (RELIG)</b>	<b>Units</b>
RELIG 110	Magic, Witchcraft, and Religion	3
RELIG 135	Religion in America	3
RELIG 180	Death and Dying	3
	<b>Sociology (SOC)</b>	<b>Units</b>
SOC 100	Introduction to Sociology	3
	<b>or</b>	
SOC 100H	Introduction to Sociology - Honors	3
SOC 110	Social Problems	3
	<b>or</b>	

SOC 110H	Social Problems - Honors	3
SOC 120	Health and Social Justice	3
SOC 130	Family Sociology	3
SOC 135	Introduction to Crime	3
SOC 141	Race and Ethnic Relations	3
SOC 145	Sociology of Gender	3
SOC 150	Aging and the Life Course	3
<b>Total Units</b>		<b>18</b>

**Rationale:** Updating to include newly approved courses.  
**Effective:** Fall 2019

**PROGRAM DELETIONS**

**Architecture and Environmental Design Associate of Arts Degree  
Computer-Aided Drafting Technician Certificate**

**Rationale:** Programs are to be replaced with new certificates or degrees.  
**Effective:** Fall 2020

**COURSE CORRECTION**

*Addition to the 2020-2021 College Catalog*

<b>COURSE ID</b>	<b>COURSE TITLE</b>
<b>ARCH 270</b>	<b>PORTFOLIO DESIGN</b>

**Course ID:** **ARCH 070**  
**Catalog Description:** This course is designed to assist architecture students in the preparation of their portfolio. The design portfolio is required to transfer to most four-year/five-year Architecture programs. This course also benefits the student entering the job force in documenting their experience. (Formerly ARCH 270)  
**Schedule Description:** This course is designed to assist architecture students in the preparation of their portfolio. The design portfolio is required to transfer to most four-year/five-year Architecture programs. This course also benefits the student entering the job force in documenting their experience. (Formerly ARCH 270)  
**Prerequisite:** ARCH 112 or ARCH 113  
**Rationale:** Course was previously approved as a new course, but the department would like the two courses to equate, so a modification of ARCH 270 to ARCH 070 is required.  
**Previous Board Approval:** 04/11/2019  
**Effective:** Fall 2020

## COURSE CORRECTION

*Addition to the 2020-2021 College Catalog*

COURSE ID	COURSE TITLE
ARCH 100	ENVIRONMENTAL DESIGN

<b>Course ID:</b>	<b>ARCH 112</b>
<b>Lecture:</b>	2 contact hour(s) per week 32 - 36 contact hours per semester
<b>Laboratory:</b>	6 contact hour(s) per week 96 - 108 contact hours per semester
<b>Departmental Advisory:</b>	None
<b>Catalog Description:</b>	This beginning architectural design course includes the perceptual and physical study of two and three-dimensional design theories, principles and compositional techniques used in the creation and manipulation of architectural form, space and light. Focus will be on the fundamental design skills and will progress to a three dimensional architectural design project including consideration of approach, transition and destination. Models, drawings and graphics will be utilized to study and communicate the design. (Formerly ARCH 100)
<b>Schedule Description:</b>	This beginning architectural design course includes the perceptual and physical study of two and three-dimensional design theories, principles and compositional techniques used in the creation and manipulation of architectural form, space and light. (Formerly ARCH 100)
<b>Rationale:</b>	Course was previously approved as a new course, but the department would like the two courses to equate, so a modification of ARCH 100 to ARCH 112 is required.
<b>Previous Board Approval:</b>	04/11/2019
<b>Effective:</b>	Fall 2020

## COURSE CORRECTION

*Addition to the 2020-2021 College Catalog*

COURSE ID	COURSE TITLE
ARCH 101	ENVIRONMENTAL DESIGN COMMUNICATION

<b>Course ID:</b>	<b>ARCH 113</b>
<b>Lecture:</b>	2 contact hour(s) per week 32 - 36 contact hours per semester
<b>Laboratory:</b>	6 contact hour(s) per week 96 - 108 contact hours per semester
<b>Departmental Advisory:</b>	ARCH 111 ENGL 101 or ENGL 101H
<b>Catalog Description:</b>	This is an advanced studio course that builds on a basic understanding of design communication, strengthening complexity and design intention in two and three-dimensional design and three-dimensional visualization techniques, including freehand sketching, graphic conventions, modeling, shade/shadow, color rendering, graphic presentations, and a magazine page project based presentation. This course is intended to provide the visual communications skills needed to describe architecture and participate in the design communication process. It is project-based with projects selected by the



**Schedule Description:** instructor to build a student's range of expression, while focusing on a variety of visualization techniques and media. (Formerly ARCH 101)  
 This is an advanced studio course that builds on a basic understanding of design communication, strengthening complexity and design intention in two and three-dimensional design and three-dimensional visualization techniques, including freehand sketching, graphic conventions, modeling, shade/shadow, color rendering, graphic presentations, and a magazine page project based presentation. (Formerly ARCH 101)

**Rationale:** Course was previously approved as a new course, but the department would like the two courses to equate, so a modification of ARCH 101 to ARCH 113 is required.

**Previous Board Approval:** 04/11/2019  
**Effective:** Fall 2020

## COURSE CORRECTION

*Addition to the 2020-2021 College Catalog*

COURSE ID	COURSE TITLE
ARCH 200	ARCHITECTURAL DESIGN I

**Course ID:** **ARCH 212**  
**Course Title:** Architectural Design and Theory II  
**Prerequisite:** ARCH 112  
**Departmental Advisory:** ARCH 113  
**Catalog Description:** This course will explore architectural and environmental design relationships between various programmatic models, normative building types, and technological themes with emphasis on physical, cultural, and historic contexts. The student will develop creative design skills and problem solving techniques as they apply to the architectural and related profession. Prerequisite may be waived subject to portfolio review of recent (within 5 years) work by Architecture department. (Formerly ARCH 200)

**Schedule Description:** This course will explore architectural and environmental design relationships between various programmatic models, normative building types, and technological themes with emphasis on physical, cultural, and historic contexts. The student will develop creative design skills and problem solving techniques as they apply to the architectural and related profession. Prerequisite may be waived subject to portfolio review of recent (within 5 years) work by Architecture department. (Formerly ARCH 200)

**Rationale:** Course was previously approved as a new course, but the department would like the two courses to equate, so a modification of ARCH 200 to ARCH 212 is required.

**Previous Board Approval:** 04/11/2019  
**Effective:** Fall 2020

## COURSE CORRECTION

*Addition to the 2020-2021 College Catalog*

COURSE ID	COURSE TITLE
ARCH 201	ARCHITECTURAL DESIGN II

**Course ID:** ARCH 213  
**Course Title:** Architectural Design II  
**Prerequisite:** ARCH 212  
**Catalog Description:** Advanced architectural design processes are explored in the urban setting, with the relationships between a variety of programmatic models, normative building types, and technological themes within specific physical, cultural and historic contexts. Focus is on advanced problems solving in spatial relationships, structures, and human requirements of advanced model building, based on challenging design criteria, communication and editing a design narrative. (Formerly ARCH 201)

**Schedule Description:** Architectural design processes are explored, in addition to the relationships between a variety of programmatic models, normative building types, and technological themes within specific physical, cultural and historic contexts. This exploration includes advanced problems solving in spatial relationships, structures, and human requirements of advanced model building. (Formerly ARCH 201)

**Rationale:** Course was previously approved as a new course, but the department would like the two courses to equate, so a modification of ARCH 201 to ARCH 213 is required.

**Previous Board Approval:** 04/11/2019  
**Effective:** Fall 2020

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Dr. Kevin Horan, President, CHC  
**PREPARED BY:** Dr. Keith Wurtz, Vice President, Instruction, CHC  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval of Curriculum - CHC

### **RECOMMENDATION**

It is recommended that the Board of Trustees approve the CHC curriculum modifications.

### **OVERVIEW**

The courses, certificates, and degrees at CHC are continually being revised and updated to reflect and meet student needs.

### **ANALYSIS**

These courses, certificates, and degrees have been approved for addition, modification, and deletion by the Curriculum Committee of the Academic Senate and will be included in the 2020-2021 College Catalog.

### **INSTITUTIONAL VALUES**

II. Learning Centered Institution for Student Access, Retention, and Success.

### **FINANCIAL IMPLICATIONS**

None.

**CRAFTON HILLS COLLEGE**  
**SUBMITTED FOR BOARD OF TRUSTEE APPROVAL**  
**November 14, 2019**

**NEW COURSE**

<b>Discipline:</b>	Physical Therapy Assistant
<b>Department:</b>	Allied Health Services
<b>Course ID:</b>	PTA 110
<b>Course Title:</b>	Introduction to Physical Therapy
<b>Units:</b>	4
<b>Minimum Semester Hours</b>	
<b>Lecture:</b>	48
<b>Lab:</b>	48
<b>Prerequisite:</b>	None
<b>Corequisite:</b>	None
<b>Departmental Recommendation:</b>	None
<b>Catalog Description:</b>	This course will introduce the student to the history and ethics of physical therapy as they relate to the health care system; the development of the team approach and the philosophy of rehabilitation; the use of treatment modalities; terminology and measurement of joint motion; body mechanics and proper handling of patients; vital sign and their relationship to treatment programs.
<b>Schedule Description:</b>	Introduction to the history and ethics of physical therapy in the health care setting. Includes team dynamics, rehabilitation philosophy, treatment options, body mechanics, vital signs and terminology.
<b>Rationale:</b>	The Crafton Hills College Physical Therapist Assistant Program must comply with the standards of the Committee on Accreditation in Physical Therapy Education (CAPTE) in order to be accredited, as well as standards specified by the Physical Therapy Board of California for licensure. This course is one in a series of courses leading to a Physical Therapist Assistant Associate of Science Degree and will help the student prepare to take the state board exam to obtain a Physical Therapist Assistant license required for employment as a Physical Therapist Assistant Practitioner.
<b>Equate:</b>	Course is not offered at SBVC.
<b>Effective:</b>	Fall 2020

**NEW COURSE**

<b>Discipline:</b>	Physical Therapy Assistant
<b>Department:</b>	Allied Health Services
<b>Course ID:</b>	PTA 120
<b>Course Title:</b>	Physical Therapist Assistant Kinesiology
<b>Units:</b>	4
<b>Minimum Semester Hours</b>	
<b>Lecture:</b>	48
<b>Lab:</b>	48
<b>Prerequisite:</b>	ANAT 150 and ANAT 151
<b>Corequisite:</b>	None

<b>Departmental Recommendation:</b>	None
<b>Catalog Description:</b>	Study of biomechanical principles of human movement and locomotion including specific kinesiological functions of muscles and muscle groups, characteristics of normal posture and gait, and an introduction to the clinical manifestations of muscle dysfunction. Laboratory hours will be used for goniometry, gait observation, muscle action application, and practice.
<b>Schedule Description:</b>	Study of biomechanical principles of human movement and locomotion including specific kinesiological functions of muscles and muscle groups, characteristics of normal posture and gait, and an introduction to the clinical manifestations of muscle dysfunction. Laboratory hours will be used for goniometry, gait observation, muscle action application, and practice.
<b>Rationale:</b>	The Crafton Hills College Physical Therapist Assistant Program must comply with the standards of the Committee on Accreditation in Physical Therapy Education (CAPTE) in order to be accredited, as well as standards specified by the Physical Therapy Board of California for licensure. This course is one in a series of courses leading to a Physical Therapist Assistant Associate of Science Degree.
<b>Equate:</b>	Course is not offered at SBVC.
<b>Effective:</b>	Fall 2020

<b>MODIFY COURSE</b>
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<b>COURSE ID</b>	<b>COURSE TITLE</b>
CD 186	INFANT/TODDLER ACTIVITIES

<b>Course Title:</b>	Infant and Toddler Curriculum
<b>Departmental Recommendation:</b>	CD 105
<b>Catalog Description:</b>	This course introduces students to developmentally appropriate program and curriculum planning for infants, toddlers and 2 year olds, based on best practices and current research. Satisfies licensing requirements for infant/toddler coursework.
<b>Schedule Description:</b>	This course introduces students to developmentally appropriate program and curriculum planning for infants, toddlers and 2 year olds, based on best practices and current research. Satisfies licensing requirements for infant/toddler coursework.
<b>Rationale:</b>	Six-year revision
<b>Equate:</b>	CD 186
<b>Effective:</b>	Fall 2020

<b>MODIFY COURSE</b>
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<b>COURSE ID</b>	<b>COURSE TITLE</b>
CD 271	Administration: Management and Organization of Child Development Program

<b>Course Title:</b>	Administration I: Early Childhood Programs
<b>Prerequisite:</b>	CD 105 or CD 105H

<b>Catalog Description:</b>	This course is an introduction to the administration of early childhood programs. It covers program types, budget, management, regulations, laws, development and implementation of policies and procedures. This course examines the administrative tools, philosophies and techniques needed to organize, open and operate an early care and education program.
<b>Schedule Description:</b>	Introduction to the administration of early childhood programs, including program types, budget, management, regulations, laws, development and implementation of policies and procedures. It also examines the administrative tools, philosophies and techniques needed to organize, open and operate an early care and education program.
<b>Rationale:</b>	Six-year revision; adding Distance Education component.
<b>Equate:</b>	CD 271
<b>Effective:</b>	Fall 2020

<b>MODIFY COURSE</b>
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<b>COURSE ID</b>	<b>COURSE TITLE</b>
<b>CIS 101</b>	<b>INTRODUCTION TO COMPUTER AND INFORMATION TECHNOLOGY</b>

<b>Catalog Description:</b>	Introduction to computer and information technology, including the history, terminology, computer hardware and software components, operation of computer systems, networking, ethics, security, examination of information systems and their role in business. Includes an overview and use of selected software including operating systems, word processors, spreadsheets, presentation applications, database management systems, and basic web design and programming. Discussion of the impact of computers in society and the workplace.
<b>Schedule Description:</b>	Introduction to computer and information technology. Examination of information systems and their role in business. Includes an overview and the use of computer software including word processing, spreadsheets, presentation applications and databases.
<b>Rationale:</b>	CIS 101 was originally cross-listed with BUSAD 230. BUSAD 230 was deleted at the June 20, 2019 Board meeting because the Minimum Qualifications for the course is Computer Information Science. CIS 101 is being submitted to clean up all references of BUSAD 230 on the course outline of record and to add a Distance Education component.
<b>Equate:</b>	CIT 101
<b>Effective:</b>	Fall 2020

<b>MODIFY COURSE</b>
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<b>COURSE ID</b>	<b>COURSE TITLE</b>
<b>COUN 900</b>	<b>ESSENTIALS FOR STUDENT SUCCESS</b>

<b>Course Title:</b>	Essentials for Student Success <b>Note: The course title needs to be updated in the Catalog only. Colleague is correct.</b>
<b>Departmental Recommendation:</b>	None
<b>Semester Units:</b>	.5 – 3

**Minimum Semester Hours****Lecture:** 8 – 48**Rationale:** According to the Student Success Initiative, "more than 70 percent of community college students are under-prepared to do college-level work." This course will address the needs of students who are enrolled, or planning to enroll in basic skill courses towards the goal of successfully completing transfer level coursework. Building on the initial information shared in the enrollment process, this course will provide an opportunity for students to acquire skills for reflection, self-awareness and lifelong learning, along with fundamental skills and strategies to enhance their retention, success and persistence.**Equate:** Course is not offered at SBVC.**Effective:** Fall 2020**MODIFY COURSE**

<b>COURSE ID</b>	<b>COURSE TITLE</b>
<b>FIRET 100</b>	<b>FIRE PROTECTION ORGANIZATION</b>

**Schedule Description:** Provides information for about the history, organization, traditions, terminology, and operation of the fire service.**Rationale:** Curriculum update; adding Distance Education component.**Equate:** Course is not offered at SBVC.**Effective:** Fall 2020**MODIFY COURSE**

<b>COURSE ID</b>	<b>COURSE TITLE</b>
<b>KIN 200</b>	<b>Introduction to Kinesiology</b>

**Rationale:** Six-year revision; adding Distance Education Component.**Equate:** KIN 200**Effective:** Fall 2020**MODIFY COURSE**

<b>COURSE ID</b>	<b>COURSE TITLE</b>
<b>KIN 231</b>	<b>FIRST AID AND CPR</b>

**Catalog Description:** Provides instruction on emergency care and treatment of illnesses and injuries including training in cardiopulmonary resuscitation (CPR) and automated external defibrillation (AED). Students who successfully pass all CPR and AED requirements will receive a CPR/AED Certificate.**Schedule Description:** Provides instruction on emergency care and treatment of illnesses and injuries including training in CPR and AED.**Rationale:** Six-year revision**Equate:** KIN 231**Effective:** Fall 2020

**MODIFY COURSE**

<b>COURSE ID</b>	<b>COURSE TITLE</b>
KIN/F 106A	TOTAL BODY FITNESS I

**Rationale:** Six-year revision  
**Equate:** KINF 138A  
**Effective:** Fall 2020

**MODIFY COURSE**

<b>COURSE ID</b>	<b>COURSE TITLE</b>
KIN/F 106B	TOTAL BODY FITNESS II

**Catalog Description:** Training designed for intermediate-level students interested in improving cardiovascular fitness, flexibility, balance, muscular endurance and muscular strength. Incorporation of various cardiovascular, stretching and strength training regimens to promote optimal conditioning at an intermediate level. Students are encouraged to enroll in level A before taking B.

**Schedule Description:** Training designed for intermediate-level students interested in improving cardiovascular fitness, flexibility, balance, muscular endurance and muscular strength. Incorporation of various cardiovascular, stretching and strength training regimens to promote optimal conditioning at an intermediate level.

**Rationale:** Six-year revision  
**Equate:** KINF 138B  
**Effective:** Fall 2020

**MODIFY COURSE**

<b>COURSE ID</b>	<b>COURSE TITLE</b>
KIN/F 106C	TOTAL BODY FITNESS III

**Catalog Description:** Training designed for intermediate/advanced-level students interested in improving cardiovascular fitness, flexibility, balance, muscular endurance and muscular strength. Incorporation of various cardiovascular, stretching and strength training regimens to promote optimal conditioning at an intermediate/advanced level.

**Schedule Description:** Training designed for intermediate/advanced-level students interested in improving cardiovascular fitness, flexibility, balance, muscular endurance and muscular strength. Incorporation of various cardiovascular, stretching and strength training regimens to promote optimal conditioning at an intermediate/advanced level.

**Rationale:** Six-year revision  
**Equate:** KINF 138C  
**Effective:** Fall 2020



**MODIFY COURSE**

<b>COURSE ID</b>	<b>COURSE TITLE</b>
KIN/F 106D	TOTAL BODY FITNESS IV

<b>Catalog Description:</b>	Training designed for advanced-level students interested in improving cardiovascular fitness, flexibility, balance, muscular endurance and muscular strength. Incorporation of various cardiovascular, stretching and strength training regimens to promote optimal conditioning for students at the advanced level. Students are encouraged to take levels A,B and C before taking D.
<b>Schedule Description:</b>	Training designed for advanced-level students interested in improving cardiovascular fitness, flexibility, balance, muscular endurance and muscular strength. Incorporation of various cardiovascular, stretching and strength training regimens to promote optimal conditioning for students at the advanced level.
<b>Rationale:</b>	Six-year revision
<b>Equate:</b>	Course is not offered at SBVC.
<b>Effective:</b>	Fall 2020

**MODIFY COURSE**

<b>COURSE ID</b>	<b>COURSE TITLE</b>
KIN/F 108A	RESISTANCE AND WEIGHT TRAINING I

<b>Schedule Description:</b>	Resistance training for beginners with little or no knowledge and skills. Development of a complete, individualized program utilizing primarily weight training machines and own body resistance, and focusing on improved muscle endurance and strength.
<b>Rationale:</b>	Six-year revision
<b>Equate:</b>	KINF 108A
<b>Effective:</b>	Fall 2020

**MODIFY COURSE**

<b>COURSE ID</b>	<b>COURSE TITLE</b>
KIN/F 108B	RESISTANCE AND WEIGHT TRAINING II

<b>Rationale:</b>	Six-year revision
<b>Equate:</b>	KINF 108B
<b>Effective:</b>	Fall 2020

**MODIFY COURSE**

<b>COURSE ID</b>	<b>COURSE TITLE</b>
KIN/F 108C	RESISTANCE AND WEIGHT TRAINING III

<b>Catalog Description:</b>	Resistance training for intermediate/advanced students with moderate knowledge and skills of training. Development of a complete, individualized program incorporating more sophisticated routines including free weights, negative workouts, giant setting, pyramids and split routines. Students are encouraged to take levels A and B before enrolling in C.
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**Rationale:** Six-year revision  
**Equate:** KINF 108C  
**Effective:** Fall 2020

<b>MODIFY COURSE</b>
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COURSE ID	COURSE TITLE
KIN/F 108D	RESISTANCE AND WEIGHT TRAINING IV

**Rationale:** Six-year revision  
**Equate:** Course is not offered at SBVC.  
**Effective:** Fall 2020

<b>MODIFY COURSE</b>
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COURSE ID	COURSE TITLE
PE/I 167X4	TAP DANCE

**Discipline:** Kinesiology – Dance Activities  
**Department:** Kinesiology and Health Education  
**Course ID:** KIN/D 167A  
**Course Title:** Tap Dance I  
**Catalog Description:** This course is designed to teach the basic principles of the Tap idiom. Combinations and dances based upon Tap steps and movements is the framework of the class. Physical skills commonly used in musical and theatre productions will be emphasized.  
**Schedule Description:** This course is designed to teach the basic principles of the Tap idiom. Combinations and dances based upon Tap steps and movements is the framework of the class. Physical skills commonly used in musical and theatre productions will be emphasized.  
**Rationale:** Tap/Stomp dance is representative of the variety of course offerings necessary to maintain a comprehensive physical education program. The department is making a concerted effort to expand the dance offerings. Tap/Stomp dance is a very timely class that focuses on a popular form of dance while improving cardiovascular fitness, rhythm and coordination. It is Associate degree applicable and will transfer to Cal State and UC. PE/I 167X4 was deleted at the December 14, 2006 Board meeting. The course is being reactivated to KIN/D 167A.  
**Equate:** Course is not offered at SBVC.  
**Effective:** Fall 2020

<b>DISTRIBUTED EDUCATION</b>
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<b>Course ID:</b>	<b>CIS 101</b>	<b>Hybrid and 100% Online</b>
<b>Course Title:</b>	Introduction to Computer and Information Technology	
<b>Rationale:</b>	Increase DE Offerings	
<b>Effective:</b>	Fall 2020	

**DISTRIBUTED EDUCATION**

<b>Course ID:</b>	<b>CD 271</b>	<b>Hybrid and 100% Online</b>
<b>Course Title:</b>	Administration I: Management and Organization of Child Development Programs	
<b>Rationale:</b>	Increase DE Offerings	
<b>Effective:</b>	Fall 2020	

**DISTRIBUTED EDUCATION**

<b>Course ID:</b>	<b>FIRET 100</b>	<b>100% Online</b>
<b>Course Title:</b>	Fire Protection Organization	
<b>Rationale:</b>	Increase DE Offerings	
<b>Effective:</b>	Fall 2020	

**DISTRIBUTED EDUCATION**

<b>Course ID:</b>	<b>KIN 200</b>	<b>Hybrid and 100% Online</b>
<b>Course Title:</b>	Introduction to Kinesiology	
<b>Rationale:</b>	Increase DE Offerings	
<b>Effective:</b>	Fall 2020	

**PROGRAM DELETION****3D Computer Animation Certificate  
Certificate of Achievement**

<b>Rationale:</b>	The certificate was redesigned and is now a new certificate in the Multimedia discipline.
<b>Effective:</b>	Fall 2020

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor

**PREPARED BY:** Diana Rodriguez, President, SBVC  
Dr. Kevin Horan, President, CHC  
Kristina Hannon, Executive Director, Human Resources

**DATE:** November 14, 2019

**SUBJECT:** Consideration of Approval of Adjunct and Substitute Academic Employees

### **RECOMMENDATION**

It is recommended that the Board of Trustees approve the employment of adjunct and substitute academic employees as indicated on the attached list.

### **OVERVIEW**

Part-time academic employees selected from the established pool are offered individual contracts on a semester-by-semester basis.

### **ANALYSIS**

All requirements for employment processing have been completed and Human Resources has cleared the individuals for employment.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

### **FINANCIAL IMPLICATIONS**

The cost for employment of adjunct and substitute academic employees is included in the appropriate budgets.



# Adjunct and Substitute Academic Employees

Submitted for Board Approval November 14, 2019

[v.10.29.2019.p.1|1]

## San Bernardino Valley College – Academic Year 2019-20

	Course Subject	Discipline per Minimum Qualifications
Avila, Jessica	Athletics	Assistant Softball Coach
Barta, Christopher	Welding	Welding
Bennett, Devin	Athletics	Head Softball Coach
Contreras, Sarah	Nursing	Nursing
Cook, Laurie	Kinesiology	Kinesiology
Gibson, Colin	Reading	Reading
Hesseltine, Robert	Aeronautics	Aeronautics
Magana, Elda Valdovinos	Spanish	Foreign Languages
Moore, Zeanissia	Reading	Reading
Ortiz, Maria Guadalupe	Spanish	Foreign Languages
Ramos, Frank	Anthropology	Anthropology
Rodriguez, Andrea	Counselor	Counseling
Sarfo-Poku, Christian	Biology	Biological Sciences
Wagner, Julia	Medical Terminology	Health Information Technology

## Crafton Hills College – Academic Year 2019-20

	Course Subject	Discipline per Minimum Qualifications
Castro, Janet	Communication Studies	Communication Studies
Gonzales, Michael	Business	Business
Jaco, Herberth	Business	Business
Liu, David	Computer Information System	Computer Information System
Torres, Erendira	Communication Studies	Communication Studies
Weston, Aubrey	Business	Business

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Kristina Hannon, Executive Director, Human Resources  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval to Appoint Temporary Academic Employees

### **RECOMMENDATION**

It is recommended that the Board of Trustees approve the appointment of temporary academic employees per the attached list.

### **OVERVIEW**

The employees on the attached list are submitted for approval.

### **ANALYSIS**

It is essential that each position be filled on a temporary basis while the recruitment process for a permanent replacement is being conducted.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

### **FINANCIAL IMPLICATIONS**

The cost of these appointments is included in the appropriate budget.



## Appointment of Temporary Academic Employees

Submitted for Board Approval November 14, 2019

[v.10.25.2019.p.1|1]

	From	To	Range & Step	Rate	Fund	Live Scan Clearance
<b>Ferrari, Edward</b> Instructor, English CHC English	10/21/19	12/31/19	D1	\$388.94 per day	Instruction General	4/3/17

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor

**PREPARED BY:** Diana Rodriguez, President, SBVC  
Dr. Kevin Horan, President, CHC  
Kristina Hannon, Executive Director, Human Resources

**DATE:** November 14, 2019

**SUBJECT:** Consideration of Approval of Non-Instructional Pay for Academic Employees

### **RECOMMENDATION**

It is recommended that the Board of Trustees approve non-instructional pay for academic employees as indicated on the attached.

### **OVERVIEW**

Academic employees will be compensated at the agreed upon non-instructional rate of pay. This compensation is requested due to the periodic need for academic employees to assist with various department research, projects, committee work, or campus/community events.

### **ANALYSIS**

As of July 1, 2019, non-instructional rates of pay are based on the Tentative Agreement by and between SBCCD and the CTA regarding *Article 10 Wages*, which was board approved May 16, 2019.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

### **FINANCIAL IMPLICATIONS**

The cost of the non-instructional pay is included in the appropriate budget.





# Non-Instructional Pay for Academic Employees

## Submitted for Board Approval November 14, 2019

[v.10.24.2019.p.1|4]

### San Bernardino Valley College

	Not to Exceed					Project
	From	To	Rate	Hours	Amount	
<b>Bray, Linda</b> Computer Information Technology General Fund	11/15/19	12/31/19	\$52	15	\$780	Conduct onboarding support for new Medical, Coding and Billing faculty.
<b>Carlos, Christopher</b> Extended Police Academy General Fund	10/17/19	12/31/19	\$52	422	\$21,944	Curriculum Writing - Police Department <i>Ratification: Department was waiting on final approval from Human Resources. Information was received too late to make the previous board meeting.</i>
<b>Garcia, Armando</b> Student Success and Support Program Categorical Fund	5/11/19	5/24/19	\$52	12.5	\$650	Adjunct Counseling <i>Ratification: Armando Garcia worked over his allotted hours for the Spring semester due to the overwhelming number of new students.</i>
<b>Johnson, Dominique</b> Student Equity Categorical Fund	5/11/19	5/24/19	\$52	15.75	\$819	Adjunct Counseling <i>Ratification: Dominique worked over his allotted hours for the Spring semester due to the overwhelming number of new students.</i>
<b>Milligan, Joshua</b> Instruction Office General Fund	1/14/19	5/28/19	\$52	100	\$5,200	Department Chair Duties - These hours allow for non-traditional, department chair duties such as scheduling, hiring committees, operational processes and work on projects such as AB-705. <i>Ratification: These hours are being ratified due to the CTA contract and final chair assignments being made for the coming year.</i>



# Non-Instructional Pay for Academic Employees

Submitted for Board Approval November 14, 2019

[v.10.24.2019.p.2|4]

## Crafton Hills College

	Not to Exceed					Project
	From	To	Rate	Hours	Amount	
<b>Bartlett, Ryan</b> Guided Pathways	9/27/19	12/20/19	\$52	12	\$624	AB-705 Training, English
<b>Buiter, Rachel</b> Guided Pathways	10/11/19	12/20/19	\$52	8	\$416	AB-705 Training, Math
<b>Calderon Sosa, Sara</b> Student Success & Support Program	1/6/20	5/22/20	\$54	422	\$22,788	Adjunct Counselor - Provide counseling, Ed plan development, and other counseling services.
<b>Caress, Wendy</b> Dual Enrollment	11/15/19	5/22/20	\$54	10	\$540	Adjunct Counselor - Dual enrollment training to include, degrees, certificates, transfer, GE, CSU Breadth, IGETC, CHC GE, and Web Advisor.
<b>Chapman, Sharon</b> Honors Program General Fund	10/19/19	12/20/19	\$52	10	\$520	Faculty member will work with Honors students to customize their projects and deepen knowledge of course subject matter.
<b>Cummings, Lou'Rie</b> Student Success & Support Program	1/6/20	5/22/20	\$58	422	\$24,476	Adjunct Counselor - Provide counseling, Ed plan development, and other counseling services.
<b>Davila, Rosa</b> Guided Pathways	10/11/19	12/20/19	\$52	8	\$416	AB-705 Training, Math
<b>Delmonico, Shana</b> Dual Enrollment	11/15/19	5/22/20	\$58	10	\$580	Adjunct Counselor - Dual enrollment training to include, degrees, certificates, transfer, GE, CSU Breadth, IGETC, CHC GE, and Web Advisor.
<b>Estus, Steven</b> Guided Pathways	9/27/19	12/20/19	\$52	12	\$624	AB-705 Training, English
<b>Farley, Diane</b> Dual Enrollment	11/15/19	5/22/20	\$54	10	\$540	Adjunct Counselor - Dual enrollment training to include, degrees, certificates, transfer, GE, CSU Breadth, IGETC, CHC GE, and Web Advisor.
<b>Ferrari, Edward</b> Guided Pathways	9/27/19	12/20/19	\$52	12	\$624	AB-705 Training, English



# Non-Instructional Pay for Academic Employees

Submitted for Board Approval November 14, 2019

[v.10.24.2019.p.3]4]

## Crafton Hills College

	Not to Exceed					Project
	From	To	Rate	Hours	Amount	
<b>Fyfe Clement, Brooke</b> Student Success & Support Program	1/6/20	5/22/20	\$58	422	\$24,476	Adjunct Counselor - Provide counseling, Ed plan development, and other counseling services.
<b>Garcia, Claudia</b> Student Success & Support Program	1/6/20	5/22/20	\$58	422	\$24,476	Adjunct Counselor - Provide counseling, Ed plan development, and other counseling services.
<b>Gimple, Tina</b> Strong Workforce Grant	10/11/19	12/31/19	\$52	20	\$1,040	Curriculum development for the Business Entrepreneurship Certificate Program.
<b>Hoehn, Marisela</b> Student Success & Support Program	1/6/20	5/22/20	\$58	422	\$24,476	Adjunct Counselor - Provide counseling, Ed plan development, and other counseling services.
<b>Hogan, Ryan</b> Student Success & Support Program	1/6/20	5/22/20	\$56	422	\$23,632	Adjunct Counselor - Provide counseling, Ed plan development, and other counseling services.
<b>Kusko, Vaughan</b> Dual Enrollment	11/15/19	5/22/20	\$54	10	\$540	Adjunct Counselor - Dual enrollment training to include, degrees, certificates, transfer, GE, CSU Breadth, IGETC, CHC GE, and Web Advisor.
<b>Lastra, Ulises</b> Guided Pathways	10/11/19	12/20/19	\$52	8	\$416	AB-705 Training, Math
<b>Piamonte, Rennard</b> Guided Pathways	10/11/19	12/20/19	\$52	8	\$416	AB-705 Training, Math
<b>Punsalan, Kevin</b> Guided Pathways	10/11/19	12/20/19	\$52	8	\$416	AB-705 Training, Math
<b>Quintanar, Britnee</b> Student Success & Support Program	1/6/20	5/22/20	\$58	422	\$24,476	Adjunct Counselor - Provide counseling, Ed plan development, and other counseling services.
<b>Scott, Shella</b> Student Success & Support Program	1/6/20	5/22/20	\$58	422	\$24,476	Adjunct Counselor - Provide counseling, Ed plan development, and other counseling services.
<b>Shum, Cynthia</b> Student Success & Support Program	1/6/20	5/22/20	\$58	422	\$24,476	Adjunct Counselor - Provide counseling, Ed plan development, and other counseling services.



# Non-Instructional Pay for Academic Employees

Submitted for Board Approval November 14, 2019

[v.10.24.2019.p.4|4]

## Crafton Hills College

	Not to Exceed					Project
	From	To	Rate	Hours	Amount	
<b>Sibley, Pamela</b> Dual Enrollment	11/15/19	5/22/20	\$58	10	\$580	Adjunct Counselor - Dual enrollment training to include, degrees, certificates, transfer, GE, CSU Breadth, IGETC, CHC GE, and Web Advisor.
<b>Stevens, Sara Robin</b> Guided Pathways	9/27/19	12/20/19	\$52	12	\$624	AB-705 Training, English
<b>Verschell, Jeff</b> Guided Pathways	10/11/19	12/20/19	\$52	8	\$416	AB-705 Training, Math
<b>Walsh, Sherry</b> Dual Enrollment	11/15/19	5/22/20	\$58	10	\$580	Adjunct Counselor - Dual enrollment training to include, degrees, certificates, transfer, GE, CSU Breadth, IGETC, CHC GE, and Web Advisor.
<b>Wilson, Debbie</b> Student Success & Support Program	1/6/20	5/22/20	\$58	422	\$24,476	Adjunct Counselor - Provide counseling, Ed plan development, and other counseling services.

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Dr. Kevin Horan, President, CHC  
Diana Rodriguez, President, SBVC  
Kristina Hannon, Executive Director, Human Resources  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval to Pay Stipends

### **RECOMMENDATION**

It is recommended that the Board of Trustees approve the payment of stipends per the attached list.

### **OVERVIEW**

The stipends listed on the attachment are submitted for approval.

### **ANALYSIS**

Stipends are based on negotiated agreement between SBCCD and the SBCCDTA and CSEA bargaining units, as applicable.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

### **FINANCIAL IMPLICATIONS**

The payment of stipends is included in the appropriate budgets.



## Payment of Stipends

Submitted for Board Approval November 14, 2019

[v.10.28.2019.p.1|1]

### Faculty Coordinator – 2019-2020\*

Site & Department		Stipend
<b>Hamdy, Rania</b>	SBVC Professional Development	\$4,000

*\*This faculty member was inadvertently left off of the original stipend requests submitted to the board in August for the 2019-2020 academic year*

### Coach – Spring 2020

		Stipend
<b>Eads, Courtney</b>	CHC Men's & Women's Swimming	\$7,000

### Assistant Coach – Fall 2019

		Stipend
<b>Bastedo, Yvonne</b>	CHC Men's Water Polo	\$5,000
<b>Eads, Courtney</b>	CHC Women's Water Polo	\$2,500
<b>Troiano, Kyle</b>	CHC Women's Water Polo	\$2,500

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose Torres, Executive Vice Chancellor  
**PREPARED BY:** Kristina Hannon, Executive Director, Human Resources  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval of Management Job Descriptions

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the Management job descriptions as attached.

Proposed	New or Replacing
<b>Associate Dean of Health Sciences and Director of Nursing</b> Management Schedule, Range 19	<b>Associate Dean, Nursing</b> Management Schedule, Range 19
<b>Police Lieutenant</b> Management Schedule, Range 15	<b>Police Supervisor</b> Management Schedule, Range 12

**OVERVIEW**

The attached job descriptions have been developed to accurately reflect the intent and nature of each position.

**ANALYSIS**

The attached job descriptions reflect the representative duties and responsibilities, as well as the appropriate minimum qualifications, for each position.

**INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

**FINANCIAL IMPLICATIONS**

There are no financial implications associated with this board item.

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Kristina Hannon, Executive Director, Human Resources  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval to Appoint Interim Managers

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the appointment of, and ratify the employment contracts for, the employees on the attached list.

**OVERVIEW**

The employees on the attached list are submitted for approval.

**ANALYSIS**

All requirements in the employment process have been or will be completed. Employees will not commence work until all requirements are met.

**INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

**FINANCIAL IMPLICATIONS**

The cost of employment for these employees is included in the appropriate budgets.





## Appointment of Interim Managers

Submitted for Board Approval November 14, 2019

[v.10.28.2019.p.1|1]

	Effective Dates	Range & Step	Salary	New or Replacing	Fund	Live Scan Clearance
<b>Nazarian, Andronik</b> Interim Development Director SBVC President's Office	1/1/20 to 6/30/20	18B	\$118,482 per year	Karen Childers	Resource Development General	3/14/19
<b>Oxendine, Joanna</b> Interim Director, Grants Development and Administration SBVC President's Office	1/1/20 to 6/30/20	16A	\$104,243 per year	Stephen Villasenor	Grants General	1/22/19

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Kristina Hannon, Executive Director, Human Resources  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval to Appoint District Employees

**RECOMMENDATION**

It is recommended that the Board of Trustees approve appointment of the employees on the attached list and, as necessary, approve the corresponding employment contracts as well.

**OVERVIEW**

The employees on the attached list are submitted for approval.

**ANALYSIS**

All requirements in the employment process have been or will be completed. Employees will not commence work until all requirements are met.

**INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

**FINANCIAL IMPLICATIONS**

The cost of employment for these employees is included in the appropriate budgets.



## Appointment of District Employees

### Submitted for Board November 14, 2019

[v.10.29.2019.p.1|2]

	Start Date	Salary Schedule, Range & Step	Rate	New or Replacing	Fund	Live Scan Clearance
<b>Owens, Kenneth</b> Police Sergeant DIST Police	11/15/19	Management 12B	\$88,413 per year	New	Police General	5/10/19
<b>Notarangelo, Maria</b> Librarian SBVC Library	11/18/19	CTA TBD*	TBD*	Marie Mestas	Instruction General	7/11/16
<b>Mesa, Krystal</b> Secretary II DIST KVCR	11/18/19	Classified 33A	\$22.58 per hour	New	KVCR	6/21/18
<b>Quinones, Brooke</b> Senior Staff Assistant DIST Human Resources	11/18/19	Confidential 19A	\$39.39 per hour	New	Human Resources General	10/21/19
<b>Taha Ay, Sipel</b> Director, Corporate & Strategic Relations-KVCR DIST KVCR	11/15/19	Management 19C	\$128,254 per year	Ralph Cooper	KVCR	3/12/19
<b>Nevares, Juan</b> Technology Support Specialist I CHC Campus Technology	11/18/19	Classified 46A	\$31.13 per hour	Brent Belicki	Campus Technology General	TBD <sup>†</sup>
<b>Jones, Edward</b> Tool Room Specialist SBVC Tool Room	11/18/19	Classified 26A	\$18.99 per hour	Dianna Hopper	Technical Training General	TBD <sup>†</sup>
<b>Larivee, Elizabeth</b> Counselor SBVC DSP&S	11/18/19	CTA TBD*	TBD*	New	DSPS	8/15/18

<sup>†</sup>Live Scan clearance pending; employee will not start without clearance.

\*Salary placement to be determined upon verification of education and experience.



## Appointment of District Employees

### Submitted for Board November 14, 2019

[v.10.29.2019.p.2|2]

	Start Date	Salary Schedule, Range & Step	Rate	New or Replacing	Fund	Live Scan Clearance
<b>Spencer, Delmy</b> Vice President of Student Services CHC Student Services	1/13/20	Management 24E	\$173,970 per year	Rebbecah Warren- Marlatt	Student Services General/ Student Equity	10/28/19
<b>Hopper, Dianna R.**</b> Tool Room Specialist SBVC Tool Room	10/14/19	Classified 26E	\$23.07 per hour	Dianna Hopper	Technical Training General	12/15/14

\*\*Employee approved on October 10, 2019 as a return from 39-month re-employment period has subsequently decided not to return. Appointment is rescinded.

†Live Scan clearance pending; employee will not start without clearance.

\*Salary placement to be determined upon verification of education and experience.

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Kristina Hannon, Executive Director, Human Resources  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval of Employee Promotions

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the promotion of SBCCD employees as indicated on the attached list.

**OVERVIEW**

The promotion of employees on the attached list is submitted for approval.

**ANALYSIS**

These employees have gone through the recruitment process and are being recommended for promotion.

**INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

**FINANCIAL IMPLICATIONS**

The cost of these promotions is included in the appropriate budget.



## Employee Promotions

Submitted for Board Approval November 14, 2019

[v.10.29.2019.p.1|1]

	From	To	New/ Replacing	Fund	Effective Date
<b>Trejo, Samuel</b>	SBVC Financial Aid <b>Financial Aid Coordinator</b> Classified Salary Schedule Range 45, Step E \$36.93 per hour	SBVC Financial Aid <b>Director, Financial Aid</b> Management Salary Schedule Range 16, Step A \$104,243 per year	Ernesto Nery	Financial Aid	11/15/19

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Steven J. Sutorus, Business Manager  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Ratification for Contracts at or Above \$92,600

### **RECOMMENDATION**

It is recommended that the Board of Trustees ratify the contracts on the attached list which are routine in nature, support the ongoing operation of the District, and have a total contract cost at or above \$92,600.

### **OVERVIEW**

In accordance with SBCCD Board Policy 6100, Delegation of Authority, The Board of Trustees delegates authority to the Chancellor to supervise the general business procedures of the District to assure the proper administration of property and contracts. District staff is presenting the attached purchase and/or contract requests, which meet or exceed the formal bid limits, for Board approval in the form of ratification.

### **ANALYSIS**

The California Board of Governors sets the formal bid limit for procurement of goods and or services on an annual basis. The formal bid limit for the current calendar year has been set at \$92,600. Ratification of the contracts on the attached list will allow for the successful ongoing operation of the District. Construction services are not included in this board item.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness, and Excellence

### **FINANCIAL IMPLICATIONS**

The attached purchase and or contract requests have been budgeted for via purchase requisition.

# Contracts & Agreements for Ratification

**Board Date 11-14-2019**

Control Number	Vendor Name	Contract Type	Dept/Location	Total New Contract Value	Amended
18821	<b>EKC Enterprises Inc.</b>	CMAS/ Piggyback	Business Services/ SBCCD	\$500,000.00	
CMAS Contract 3-16-70-238B Information Technology Goods and Services equipment; this sets a limit for SBCCD purchasing				Term 03/08/2019 to 05/31/2021	

Total Number of Contracts 1

Total Value

\$500,000.00



## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Steven J. Sutorus, Business Manager  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval of Surplus Property and Authorization for Private Sale or Disposal

### **RECOMMENDATION**

It is recommended that the Board of Trustees declare the equipment and/or materials listed on the attached as surplus property, and direct the Business Manager to arrange for its sale or disposal.

### **OVERVIEW**

California Education Code 81452 states that if a governing board, by a unanimous vote of those members present, finds that property, whether one or more items, does not exceed in value the sum of \$5,000, the property may be sold at private sale without advertising or disposed of.

### **ANALYSIS**

The items listed on the attached have been identified as obsolete and no longer usable. Upon approval by the board, they will be sold or disposed of through reputable auction houses and/or salvage companies.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness, and Excellence

### **FINANCIAL IMPLICATIONS**

Funds for materials sold will be provided to the district after auction and positively impact the budget.

Fixed Assets Surplus Report  
November 14, 2019

Asset #	Date Retired	Description	Initial Value	Current Value
30559	9/26/2019	PROJECTOR, 4000 LUMEN	\$1,787.57	\$0.00
32908	9/26/2019	OptiPlex 3011	\$1,056.71	\$0.00
32909	9/29/2019	OptiPlex 3011	\$1,056.71	\$0.00
32914	9/26/2019	OptiPlex 3011	\$1,056.71	\$0.00
32915	9/26/2019	OptiPlex 3011	\$1,056.71	\$0.00
32916	9/26/2019	OptiPlex 3011	\$1,056.71	\$0.00
32917	9/26/2019	OptiPlex 3011	\$1,056.71	\$0.00
32919	9/26/2019	OptiPlex 3011	\$1,056.71	\$0.00
32920	9/26/2019	OptiPlex 3011	\$1,056.71	\$0.00
32921	9/26/2019	OptiPlex 3011	\$1,056.71	\$0.00
32922	9/26/2019	OptiPlex 3011	\$1,056.71	\$0.00
32923	9/26/2019	OptiPlex 3011	\$1,056.71	\$0.00
37380	9/26/2019	OptiPlex 9030	\$1,066.14	\$0.00
37381	9/26/2019	OptiPlex 9030	\$1,066.14	\$0.00
37382	9/26/2019	OptiPlex 9030	\$1,066.14	\$0.00
37390	9/26/2019	OptiPlex 9030	\$1,066.14	\$0.00

Non-Fixed Assets Surplus Report  
November 14, 2019

Description	Quantity
Dell Latitude E5520 Laptop	1 ea
Extron Switcher	1 ea
Audia Empi Amp	1 ea
Digital System Audio	1 ea
Processing Units	1 ea
Amazon Kindle	1 ea
APC Smart UPS 1500	2 ea
Eaton 9130 Backup	1 ea
Acra Lathe	2 ea
Mill	1 ea
CNC Lathe	1 ea

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Lawrence P. Strong, Director, Fiscal Services  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval to Ratify Interfund Borrowing Transactions

### **RECOMMENDATION**

It is recommended that the Board of Trustees ratify the following interfund borrowing transaction(s) in accordance with the resolution it adopted on April 11, 2019:

Date	Amount	From Fund (Oracle #)	To Fund (Oracle #)	Notes
09/23/19	\$5,000,000	01 General Fund (110)	44 Measure CC (445)	To be repaid following sale of bonds anticipated to be complete by 12/31/19

### **OVERVIEW**

According to California Education Code E.C. 42603, the Board of Trustees may direct that money be temporarily transferred from one fund to another for payment of obligations. The transfer shall be accounted for as temporary borrowing between funds, and shall not be available for appropriation, or considered income. Amounts transferred shall be repaid in the same fiscal year or in the following fiscal year, if the transfer takes place within the final 120 calendar days of fiscal year.

On April 11, 2019 the Board of Trustees adopted a resolution authorizing the chancellor or his designee to approve interfund transfers during fiscal year 2019-20 which would later be ratified by the Board.

### **ANALYSIS**

The use of temporary borrowing between funds has been employed to offset interim shortages of cash flow. This standard business practice is approved annually by a resolution of the Board of Trustees. It is anticipated that all the borrowed funds will be repaid by during the 2019-20 fiscal year, as required by E.C. 42603.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

### **FINANCIAL IMPLICATIONS**

This item will not have a financial impact on the budget.

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Lawrence P. Strong, Director of Fiscal Services  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval of Revised Authorized Signature List

### **RECOMMENDATION**

It is recommended that the Board of Trustees approve the attached Authorized Signature List for Fiscal Year 2019-20.

### **OVERVIEW**

In accordance with California legal code, the Board of Trustees may, via annual Board action, delegate its authority to named agents. Only the Board and/or those agents are authorized to commit the District to contracts, expenditure of funds, employment of personnel, and other legal actions.

### **ANALYSIS**

The Authorized Signature List for Fiscal Year 2019-20 was approved by the Board of Trustees on June 20, 2019. The attached, revised list reflects the replacement of Accounting Supervisor Kate Myers, who resigned in May 2019, with new Accounting Services Manager Jorge Andrade.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness, and Excellence

### **FINANCIAL IMPLICATIONS**

There are no financial implications connected with the approval of this item.



# Authorized Signature List for Fiscal Year 2019-20 (Revised)

Submitted for Board Approval November 14, 2019

[v.10.28.2019.p.1|2]

<b>Contracts, Agreements, and Memos of Understanding</b>	<ul style="list-style-type: none"> <li>♦ <i>Bruce Baron, Chancellor</i></li> <li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li> <li>♦ <i>Larry Strong, Director of Fiscal Services</i></li> <li>♦ <i>Steven J. Sutorus, Business Manager</i></li> <li>♦ <i>(Employment Only) Kristina Hannon, Executive Director, Human Resources</i></li> </ul>
<b>Revenue Clearing Bank Accounts, SBCCD Commercial Property Bank Account &amp; Lockbox</b>	<ul style="list-style-type: none"> <li>♦ <i>Bruce Baron, Chancellor</i></li> <li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li> <li>♦ <i>Larry Strong, Director of Fiscal Services</i></li> <li>♦ <i>Steven J. Sutorus, Business Manager</i></li> <li>♦ <i>Tenille Alexander, Associate Director, Fiscal Services</i></li> <li>♦ <i>Jorge Andrade, Accounting Services Manager</i></li> </ul>
<b>Revolving Cash Bank Account</b>	<ul style="list-style-type: none"> <li>♦ <i>Custodian: Jose Torres, Executive Vice Chancellor</i></li> <li>♦ <i>Larry Strong, Director of Fiscal Services</i></li> <li>♦ <i>Steven J. Sutorus, Business Manager</i></li> <li>♦ <i>Tenille Alexander, Associate Director, Fiscal Services</i></li> <li>♦ <i>Jorge Andrade, Accounting Services Manager</i></li> </ul>
<b>KVCR Educational Foundation Bank Account</b>	<ul style="list-style-type: none"> <li>♦ <i>Bruce Baron, Chancellor</i></li> <li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li> <li>♦ <i>Larry Strong, Director of Fiscal Services</i></li> <li>♦ <i>Steven J. Sutorus, Business Manager</i></li> </ul>
<b>Safe Deposit Box</b>	<ul style="list-style-type: none"> <li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li> <li>♦ <i>Larry Strong, Director of Fiscal Services</i></li> <li>♦ <i>Steven J. Sutorus, Business Manager</i></li> </ul>
<b>Cafeteria, Associated Students, Clubs &amp; Trusts, and Scholarship &amp; Loan Bank Accounts</b>	<ul style="list-style-type: none"> <li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li> <li>♦ <i>Larry Strong, Director of Fiscal Services</i></li> <li>♦ <i>Steven J. Sutorus, Business Manager</i></li> <li>♦ <i>Tenille Alexander, Associate Director, Fiscal Services</i></li> <li>♦ <i>Jorge Andrade, Accounting Services Manager</i></li> </ul>
<b>Financial Aid Bank Accounts</b>	<ul style="list-style-type: none"> <li>♦ <i>Bruce Baron, Chancellor</i></li> <li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li> <li>♦ <i>Larry Strong, Director of Fiscal Services</i></li> <li>♦ <i>Steven J. Sutorus, Business Manager</i></li> <li>♦ <i>Tenille Alexander, Associate Director, Fiscal Services</i></li> <li>♦ <i>Jorge Andrade, Accounting Services Manager</i></li> </ul>
<b>Commercial Warrants and Related Journal Entries</b>	<ul style="list-style-type: none"> <li>♦ <i>Bruce Baron, Chancellor</i></li> <li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li> </ul>



# Authorized Signature List for Fiscal Year 2019-20 (Revised)

Submitted for Board Approval November 14, 2019

[v.10.28.2019,p.2|2]

<b>Payroll Orders</b> <i>and Related Journal Entries,</i> <b>and Voluntary Payroll Deductions (PAY620)</b>	<ul style="list-style-type: none"><li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li><li>♦ <i>Larry Strong, Director of Fiscal Services</i></li><li>♦ <i>Colleen Gamboa, Payroll Administrator</i></li></ul>
<b>Notices of Employment for Certificated, Classified, and Student and Temporary Employees</b>	<ul style="list-style-type: none"><li>♦ <i>Bruce Baron, Chancellor</i></li><li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li><li>♦ <i>Kristina Hannon, Executive Director, Human Resources</i></li></ul>
<b>Purchase Orders</b> <i>(no monetary limit)</i>	<ul style="list-style-type: none"><li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li><li>♦ <i>Steven J. Sutorus, Business Manager</i></li></ul>
<b>Journal Entries</b> <i>(not authorized by District or Payroll Orders),</i> <b>Interfund Transactions, and Budget Transfers</b>	<ul style="list-style-type: none"><li>♦ <i>Jose Torres, Executive Vice Chancellor</i></li><li>♦ <i>Larry Strong, Director of Fiscal Services</i></li><li>♦ <i>Tenille Alexander, Associate Director, Fiscal Services</i></li><li>♦ <i>Jorge Andrade, Accounting Services Manager</i></li></ul>
<b>Certify/Attest to Board Action</b>	<ul style="list-style-type: none"><li>♦ <i>Bruce Baron, Chancellor</i></li><li>♦ <i>Joseph Williams, Clerk of the Board</i></li></ul>
<b>Access to San Bernardino County Schools Computer Consortium System with Secure I.D. Token</b>	<ul style="list-style-type: none"><li>♦ <i>Larry Strong, Director of Fiscal Services</i></li><li>♦ <i>Steven J. Sutorus, Business Manager</i></li><li>♦ <i>Tenille Alexander, Associate Director, Fiscal Services</i></li><li>♦ <i>Jorge Andrade, Accounting Services Manager</i></li></ul>

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose Torres, Executive Vice Chancellor  
**PREPARED BY:** Lawrence P. Strong, Director of Fiscal Services  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval of Vacation Payout

### **RECOMMENDATION**

It is recommended that the Board of Trustees approve payout of the following vacation time.

	<b># Days</b>	<b>Rate</b>	<b>Total</b>
<b>Levesque, Robert,</b> Executive Director Economic Development Corporate Training & Technology	20	\$ 700.04	\$14,000.08
<b>Lewis, Stephanie</b> Division Dean SBVC Mathematics	20	\$ 588.85	\$11,777.00
<b>Maniaol, Albert</b> Division Dean SBVC Vocational Education	20	\$ 579.51	\$11,590.20
<b>Merjil, Mark</b> Director Child Development Center SBVC	30	\$ 456.35	\$13,690.50
<b>Rodriguez, Angel</b> Senior District Director of Marketing, Public Relations & Legislative Affairs	10	\$ 562.12	\$ 5,621.20

### **OVERVIEW**

Based on legal opinion, the County of San Bernardino requires that the payout of vacation time to community college district administrative personnel be approved by its governing board.

### **ANALYSIS**

SBCCD's current process allows administrative personnel to be paid for accrued vacation on an as-needed basis in the case of a personal hardship. Approval is based on the knowledge that these days have been earned and are the employee's property right.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness, and Excellence

### **FINANCIAL IMPLICATIONS**

Payment will be made from the appropriate funds.

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Lawrence P. Strong, Director of Fiscal Services  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval to Establish an Investment Account for Crafton Hills College's FCC Auction Proceeds

### **RECOMMENDATION**

It is recommended that the Board of Trustees direct staff to establish a PARS Pension Rate Stabilization Trust (PRST) account for the investment of previously allocated Crafton Hills College FCC Auction Proceeds.

### **OVERVIEW**

In July 2017 SBCCD received \$157 million in FCC Auction Proceeds in exchange for the transition of KVCR TV from UHF to VHF. In April of 2018, the Board of Trustees allocated \$57 million of the funds, including \$3,029,000.00 to Crafton Hills College.

After assessing current program review needs and establishing its 2019-20 budget, CHC management is now requesting, upon review and recommendation by its campus Budget Committee and Program Review Committee, that \$2,700,000 in FCC Auction Proceeds be placed in the PRST account. The intent of this action is to perpetually fund one-time program review requests from the interest earned from year to year.

### **ANALYSIS**

In order to properly segregate investment returns, staff is recommending the establishment of a separately named account within its currently established PARS Pension Rate Stabilization Trust.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

### **FINANCIAL IMPLICATIONS**

It is anticipated that this investment will earn income, which will be available to Crafton Hills College for purposes as stated above.



## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose Torres, Executive Vice Chancellor  
**PREPARED BY:** Lawrence P. Strong, Director of Fiscal Services  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval to Adopt 2020-21 Budget Calendar

### **RECOMMENDATION**

It is recommended that the Board of Trustees adopt the attached Budget Calendar.

### **OVERVIEW**

District Administrative Procedure 6200 requires that the Board adopt a budget calendar prior to February 1 that identifies activities and sets dates for each step in the budget development process. The purpose of a Budget Calendar is to provide the timelines necessary for discussion and adoption of the District budget. This year the Budget Calendar is being presented in November in order to allow more time in the budgeting process.

### **ANALYSIS**

The Fiscal Year 2020-21 budget calendar is presented to the Board of Trustees for approval.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness, and Excellence

### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this board item.



## Fiscal Year 2020-21 Budget Calendar

Submitted for Board Approval November 14, 2019

[v.10.29.2019.p.1|3]

Date	Item	Responsible
November 2019	Budget calendar to Board of Trustees for adoption. <i>(AP 6200 Prior to February 1, the Board will adopt a budget calendar that identifies activities and sets dates for each step in the budget development process.)</i>	Business & Fiscal Services Board of Trustees
December 2019 to January 2020	District office development budget processes continue.	Business & Fiscal Services District Budget Committee
January 2020	Receive budget directives from Board of Trustees. <i>(AP 6200: Prior to March 1, the Board will give direction for budget development to include: 1. Reaffirmation or change in mission; 2. Resource allocation (set level of Reserve for Contingency, Workers' Compensation Reserve, any special project reserve, etc.); 3. Determination of the amount of resources estimated to be available for General Fund expenditure with potential increases or decreases during the budget preparation period; 4. Preliminary establishment of budget allocations for the colleges, district office, and other sites.)</i>	Business & Fiscal Services Board of Trustees
January - February 2020	Recommendations for projected funds and tentative distribution to campuses are developed by District Budget Committee for Chancellor's Cabinet.	Business & Fiscal Services District Budget Committee
February 2020	Projected funds and assessments for fiscal year, and tentative distribution to campuses determined at Chancellor's Cabinet. <i>(AP 6200: Prior to March 1 information will be provided to Responsibility Center Managers that will include the status of current expenditures, state and county estimates of revenues, site "base budget" allocations, and targets for increases or decreases.)</i>	Business & Fiscal Services Chancellor's Cabinet



## Fiscal Year 2020-21 Budget Calendar

Submitted for Board Approval November 14, 2019

[v.10.29.2019.p.2|3]

Date	Item	Responsible
February 2020	Prior and current year line budgets, instructions, and due dates are forwarded to Campus Presidents and Chancellor for distribution to responsibility centers.	Business & Fiscal Services
February - March 2020	Campus budget processes determine priorities and reallocation of funds; responsibility center managers prepare budget forms for submittal to District.	College Presidents & VPs Business & Fiscal Services Responsibility Managers
March 2020	Development Budget reports to establish Preliminary Budget due at District.	College Presidents
April 2020	District Budget Committee reviews Preliminary Budget and develops recommended adjustments, if any, for Chancellor's Cabinet.	Business & Fiscal Services District Budget Committee
April 2020	Chancellor's Cabinet is updated on status of Preliminary Budget. Reviews recommended adjustments as necessary.	Business & Fiscal Services Chancellor's Cabinet
May 2020	Board is updated on status of budget process and receives Preliminary Budget (no formal action required). <i>(AP 6200: Preliminary Budget – a. No later than May of each year the Vice Chancellor of Business &amp; Fiscal Services will present the preliminary budget to the Board. No formal action is required by the Board on the preliminary budget.)</i>	Business & Fiscal Services Board of Trustees
June 2020	Tentative Budget is presented to the District Budget Committee and the Board of Trustees. <i>(AP 6200: Tentative Budget – No later than July 1 the Board will adopt a Tentative Budget. This budget will reflect changes made to the Preliminary Budget.)</i>	Business & Fiscal Services District Budget Committee Board of Trustees



## Fiscal Year 2020-21 Budget Calendar

Submitted for Board Approval November 14, 2019

[v.10.29.2019.p.3|3]

Date	Item	Responsible
July 2020	<p>Draft of Final Budget discussed at District Budget Committee meeting. Final recommendations, if any, are made from District Budget Committee to Chancellor's Cabinet.</p> <p><i>(AP 6200: Final Budget – Prior to the state-prescribed date, the Board will adopt a final budget for SBCCD that reflects changes made to the Tentative Budget and provides the operational budget base for the District for the fiscal year.)</i></p>	Business & Fiscal Services
August 2020	<p>Review of Tentative Budget and development of Final Budget. Changes made based on internal discussion, Budget Committee recommendations, and changes in State financial picture.</p>	Business & Fiscal Services Chancellor's Cabinet
August 2020	<p>Draft of Final Budget discussed at Chancellor's Cabinet.</p>	Business & Fiscal Services Chancellor's Cabinet
August 2020	<p>Board Study session to review Final Budget.</p>	Business & Fiscal Services Board of Trustees
September 2020	<p>Public Hearing and adoption of Final Budget by Board of Trustees.</p> <p><i>(Budget and Accounting Manual (BAM): Public Hearing and Final Budget Adoption must be completed on or before September 15.)</i></p>	Business & Fiscal Services Board of Trustees

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Bruce Baron, Chancellor

**PREPARED BY:** Stacey K. Nikac, Administrative Officer

**DATE:** November 14, 2019

**SUBJECT:** Approval of District and College Expenses

### **RECOMMENDATION**

It is recommended that the Board of Trustees approve the requests for district and college expenses as required by Administrative Procedure 6925 and/or 6330.

### **OVERVIEW**

The list of district and college expenses is attached for approval.

### **ANALYSIS**

AP 6925 requires the Board of Trustees to authorize the expenditure of funds related to various functions planned for the colleges and district office.

For meetings or trainings attended only by employees and/or currently enrolled students are authorized for up to a total \$1,000 for that meeting or training. Expenditures in excess of \$1,000 require Board approval prior to the meeting or training.

For meetings or training attended by employees, currently enrolled students, and by one or more non-employees and/or non-students of the District, are authorized for up to \$500. Expenditures in excess of a total \$500 for that meeting or training require Board approval prior to the meeting or training.

Events are defined as activities in which non-employees and/or non-students will be or can be attending and/or participating (e.g. job fair, holiday event, recruitment event); or is on a large enough scale to be considered neither a meeting nor training. Any refreshments and/or meals for an event require Board approval prior to the event.

### **INSTITUTIONAL VALUES**

IV. Enhanced and Informed Governance and Leadership

### **FINANCIAL IMPLICATIONS**

Included in the budget.



## District & College Expenses

Submitted for Board Approval November 14, 2019

**Site:** SBVC

**Event:** California Adult Education Program  
State Training

**Date of Event:** 11/21/19

**Item Being Purchased:** Refreshments and continental breakfast. Sponsored by California Adult Education Program, administrators from SBCCD and regional consortium members will attend the State Training. Approximately 10 SBCCD administrators and 140 consortium members will attend. Administrator, Emma Diaz, will oversee this training.

**Total Estimated Cost:** \$ 800

**Funding Source:** Adult Education Block Grant Fund

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**Site:** SBVC

**Event:** Google Summit

**Date of Event:** 12/6/2019

**Item Being Purchased:** Refreshments and continental breakfast. Sponsored by California Adult Education Program, administrators from SBCCD and regional consortium members will attend the Google Summit. Approximately 10 SBCCD administrators and 190 consortium members will attend. Administrator, Emma Diaz, will oversee this training.

**Total Estimated Cost:** \$ 1000

**Funding Source:** Adult Education Block Grant Fund

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**Site:** SBVC

**Event:** SBVC Presents Dr. Karenga

**Date of Event:** 12/13/2019

**Item Being Purchased:** Meals, Refreshments and Speaker. Sponsored by the Professional Development Department; Dr. Karenga will speak about how to foster a multicultural dialogue in the classroom and on campus. And how those efforts can benefit students, faculty and staff. Anticipated attendance 550 students, faculty, staff, and community members. Rania Hamdy and Scott Thayer will serve as chaperones.

**Total Estimated Cost:** \$ 15000

**Funding Source:** EEO Categorical Fund

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**Site:** SBVC  
**Event:** Day of Service  
**Date of Event:** 12/14/2019

**Item Being Purchased:** Meals, supplies and give-a-ways. Sponsored by Student Equity & Success, Day of Service will focus on providing our local community with information about SBVC. Anticipated attendance is 100 students, faculty and staff members. Carmen Rodriguez and Amanda Moody will serve as chaperones.  
**Total Estimated Cost:** \$ 3500  
**Funding Source:** Student Equity & Success Categorical Fund

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**Site:** SBVC  
**Event:** Spring In-Service Day, All Campus Meeting  
**Date of Event:** 1/10/2020

**Item Being Purchased:** Refreshments. Sponsored by the President's Office, this event is SBVC's annual all campus meeting to kick off the spring semester. Anticipated attendance is approximately 360 staff, faculty, administrators and trustees.  
**Total Estimated Cost:** \$ 3500  
**Funding Source:** President's Office General Funds

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**Site:** SBVC  
**Event:** SBVC Managers Retreat  
**Date of Event:** 1/17/2020

**Item Being Purchased:** Refreshments and Supplies  
SBVC will host the all-day SBVC Managers Retreat off campus at the San Bernardino Superintendent of Schools (ROP) new office in San Bernardino. Anticipated attendance is approximately (40) forty managers and administrators and estimated (2) two guests.  
**Total Estimated Cost:** \$ 1500  
**Funding Source:** President's Office General Fund

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**Site:** SBVC  
**Event:** Crossing the Finish Line  
**Date of Event:** 1/28/2020

**Item Being Purchased:** Meals and Refreshments. This event will provide an opportunity for Middle College High School students to meet with Dean, Patty Quach, and program staff Kimberly Wingson, James Espinoza and Grace Navarro to talk about their future goals and ambitions. In addition this event will provide recognition to students for their hard work and commitment to the Middle College High School Program. Anticipated attendance is 30 Middle College High School students, and 15 faculty, staff and partners. The event will be located in the B100 Business Building.  
**Total Estimated Cost:** \$ 450  
**Funding Source:** Middle College High School Grant Fund

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**Site:** SBVC  
**Event:** CalWORKs Career Fair  
**Date of Event:** 2/19/2020

**Item Being Purchased:** Refreshments. Sponsored by CalWORKs and Workforce Development, the annual Employment Fair is to help promote job opportunities to students and the community for employment. Anticipated attendance is 250 students, faculty, staff and community members. Shalita Tillman and the CalWORKs team will serve as chaperones.  
**Total Estimated Cost:** \$ 1000  
**Funding Source:** CalWORKs Categorical Funds

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**Site:** SBVC  
**Event:** Preserving Family Ties  
**Date of Event:** 2/27/2020

**Item Being Purchased:** Meals, contracts and supplies. Sponsored by Foster & Kinship Care Education, the workshop will provide information, support and resources for grandparents and other caregivers while also giving all an opportunity to communicate with others in a similar circumstance. Anticipated attendance is 50 staff, caregivers, community members and presenters. Rosemary Rivera-Reza and Karen Dixon will serve as chaperones.  
**Total Estimated Cost:** \$ 1700  
**Funding Source:** Foster & Kinship Care Education Categorical Fund

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**Site:** SBVC  
**Event:** A2MEND Conference  
**Date of Event:** 12:00:00 AM

**Item Being Purchased:** Registration, Lodging, Transportation, and Meals. Sponsored by the Student Equity Program. Students/staff will experience interacting with administrators from across the country to address administrative and instructional strategies that will have an impact on the success of African American male students. Anticipated attendance is 20 students and 2 faculty members. Monique Hill and Dominique Johnson will serve as chaperones.  
**Total Estimated Cost:** \$ 22000  
**Funding Source:** Student Equity & Success Categorical Fund

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**Site:** SBVC  
**Event:** Inspire Success Luncheon  
**Date of Event:** 3/6/2020

**Item Being Purchased:** Meals and Refreshments. This event will provide an opportunity for students to talk with career and college professionals about their goals and ambitions. The career professionals will focus on sharing their unique experience within their field and major. Anticipated attendance is 125 students, staff and community members. This event will be located in the B100 Business Building and will be hosted by Dean Patty Quach.

**Total Estimated Cost:** \$ 2500

**Funding Source:** Middle College High School Grant Fund

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**Site:** SBVC  
**Event:** Senior Day 2019  
**Date of Event:** 4/10/2019

**Item Being Purchased:** Meals, rentals, supplies and give-a-ways. Sponsored by First Year Experience, Senior Day will focus on providing information to our feeder high school counselors as well as their 2020 high school graduates. The day will consist of a student services resource fair, lunch as well as fun hands activities to showcase the campus and programs. Anticipated attendance is 700 staff and students from San Bernardino, Rialto, Colton, Bloomington Unified School Districts. Ariel Davis, Sharaf Williams, Amanda Moody and Mary Bradley will serve as chaperones

**Total Estimated Cost:** \$ 30000

**Funding Source:** Student Equity & Success Categorical Fund

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**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Bruce Baron, Chancellor  
**PREPARED BY:** Stacey K. Nikac, Administrative Officer  
**DATE:** November 14, 2019  
**SUBJECT:** Adopt Resolution to Grant Excused Absence and Pay Trustee

**RECOMMENDATION**

It is recommended that the Board of Trustees adopt a resolution to grant the excused absence and pay Trustee Houston as if in attendance at said meeting.

<b>Trustee</b>	<b>Meeting</b>	<b>Amount</b>
Stephanie Houston	10/10/19 Business Meeting	\$200.00

**OVERVIEW**

Education Code 72024 provides that a member may be paid for any meeting when absent if the board, by resolution duly adopted and included in its minutes, finds that, at the time of the meeting, he or she was ill, on jury duty, performing other district business, or the absence was due to a hardship deemed acceptable by the Board.

**INSTUTIONAL VALUES**

IV. Enhanced and Informed Governance and Leadership

**FINANCIAL IMPLICATIONS**

Included in the budget.

**RESOLUTION #2019-11-14 BOT-1  
TO GRANT EXCUSED ABSENCE AND  
PAY TRUSTEE FOR MEETING ATTENDANCE**

WHEREAS, the members of the Board of Trustees of the San Bernardino Community College District receive compensation for attendance at meetings of the Board in accordance with provisions of Education Code Section 72024; and

WHEREAS, Education Code 72024 provides that a member may be paid for any meeting when absent if the Board by resolution duly adopted and included in its minutes finds that at the time of the meeting he or she was ill, on jury duty, performing other district business, or the absence was due to a hardship deemed acceptable by the Board; and

WHEREAS, the Board finds that the absence of Trustee Houston from the meeting on October 10, 2019 was due to other district business deemed acceptable by the Board; and

WHEREAS, this resolution will constitute action to grant an excused absence of Trustee Houston.

NOW, THEREFORE, BE IT RESOLVED that Trustee Houston shall be paid as if in attendance at said meeting.

PASSED AND ADOPTED by the members of the Board of Trustees of the San Bernardino Community College District on the 14<sup>th</sup> day of November 2019, by a vote of:

AYES:

NOES:

ABSENT:

I, Bruce Baron, Secretary of the Governing Board, do hereby certify the foregoing to be a full, true and correct copy of a motion adopted by said Board at a regular meeting, thereof, held at its regular place of meeting at the time and by the vote above stated, which motion is contained in the minutes of the meeting of said Board.

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Secretary of the Governing Board

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Bruce Baron, Chancellor  
**PREPARED BY:** Stacey K. Nikac, Administrative Officer  
**DATE:** November 14, 2019  
**SUBJECT:** Board Orientation Handbook - Second Reading

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the Board Orientation Handbook for second and final reading.

**OVERVIEW**

The Board of Trustees is committed to its ongoing development as a Board and to a trustee education program that includes a new trustee orientation.

The Chancellor and the Board assist each new member-elect to understand the Board's functions, policies, and procedures before he/she assumes office. New Board members are encouraged to attend regional meetings and training/information sessions by other organizations.

**ANALYSIS**

On October 10, 2019, the Board recommended changes and accepted first reading. The Board of Trustees Handbook was developed with the input of the Board of Trustees, Chancellor, and constituents from throughout the District. The handbook represents the most current information regarding local policies, procedures, and information for trustees to perform their governing roles effectively. The handbook is updated at least once per year and compliments the trustee training provided by the Community College League of California.

**INSTITUTIONAL VALUES**

- I. Institutional Effectiveness
- II. Learning Centered Institution for Student Access, Retention, and Success
- III. Resource Management for Efficiency, Effectiveness, and Excellence
- IV. Enhanced and Informed Governance and Leadership

**FINANCIAL IMPLICATIONS**

None.



# **BOARD ORIENTATION HANDBOOK**

Submitted for Board Approval November 14, 2019

Board Approved: 10/8/15

## **SBCCD Board of Trustees Handbook**

The Board of Trustee Handbook was developed in October 2015, with the input of the Board of Trustees, Chancellor, and constituents from throughout the District. The handbook represents the most current information regarding local policies, procedures, and information trustees must be kept abreast of to perform their governing roles effectively. The handbook is updated regularly and compliments the trustee training provided by the Community College League of California.

It is the responsibility of the Chancellor to ensure that the Board Orientation Handbook is updated regularly and the responsibility of the President of the Board to ensure that all new Board members and student trustees receive training. Each year the new trustee(s), board president, and Chancellor must sign off on a form documenting that they have received this training.

The Board of Trustees of the San Bernardino Community College District consists of seven members, one from each of the seven trustee areas in the District. Qualified voters in each of the seven areas (which include Big Bear, Calimesa, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Redlands, Rialto, San Bernardino, and Yucaipa) elect a trustee for a four-year term. The Chancellor of the District serves as Secretary to the Board.

The Board is the policy-forming body of the District, deriving power from, and subject to, the U.S. Constitution, statutes of the State of California, and directives from the Board of Governors of the California Community Colleges.

The powers and duties of the Board include approval of college policy, community services of the college interpreting the college needs to the public, adoption of an annual budget for the district, approval of expenditure of all District funds, acquisition of property for District purposes, and approval of employment of academic and classified personnel. The Board typically meets on the 2nd Thursdays of the month. You may direct questions or comments to the individual Board members via e-mail or to the Secretary to the Board.

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## Section 1 – Orientation

*The Community College League of California ("League") is a nonprofit public benefit corporation whose voluntary membership consists of the 72 local community college districts in California.*

### **Annual Convention**

The Annual Convention is The League's largest annual meeting featuring educational sessions, special events and networking, state and nationally known speakers, and an educational showcase expo. Trustees, administrators, staff and faculty attend the event.

### **Annual Legislative Conference**

The League's Annual Legislative Conference provides a unique opportunity to connect with other advocates and learn the latest news on higher education in California. During this two-day conference, attendees are encouraged to visit their legislative representatives.

### **Annual Trustees Conference**

This conference helps strengthen the skills and knowledge of trustees and CEOs to lead districts and colleges and be accountable to their communities.

### **Effective Trusteeship & Board Chair Workshops**

This annual workshop is an overview of responsibilities required for board members of California community colleges. State leaders and experienced trustees will provide comprehensive information on the knowledge and skills necessary to be an effective trustee.

### **Student Trustees Workshop**

This workshop is designed to help student board members become knowledgeable, influential, education policy-makers.

*The Association of Community College Trustees (ACCT) is a non-profit educational organization of governing boards, representing more than 6,500 elected and appointed trustees who govern over 1,200 community, technical, and junior colleges in the United States and beyond. Located in Washington, D.C., ACCT is a major voice of community college trustees to the presidential administration, U.S. Congress, the Departments of Education and Labor and more.*

### **National Legislative Summit**

The National Legislative Summit is the premier community college advocacy event in Washington, DC, bringing together more than 1,000 community college leaders.

### **Government Leadership Institute**

The Governance Leadership Institute for New & Experienced Trustees and Presidents is a great opportunity for the entire board, the president, and board staff! This institute is tailored to review the principles of effective board leadership.

## **Leadership Congress**

Learn about innovative strategies taking place nationwide, network with major foundations, philanthropies, government officials and corporations that support community colleges, stay updated on the latest federal policies affecting your college, and participate in the only national meeting that focuses on providing community college boards the information and tools needed to govern and develop policies that focus on meeting community needs.

## **Section 2 – Chancellor/Chancellor Office Orientation**

2.1 See Appendix 1

2.2 See Appendix 2

2.3 Board Member Compensation (Reference: BP 2725)

Members of the Board of Trustees and Student Trustees who attend all Board meetings shall receive compensation per Board Policy 2725. A member of the Board who does not attend all meetings held by the Board in any month shall receive, as compensation, an amount not greater than the pro rata share of the number of meetings actually attended.

A member of the Board may be paid for a meeting when absent if the Board, by resolution, finds that at the time of the meeting the member is performing services outside the meeting for the community college district, is ill, on jury duty, or the absence is due to a hardship deemed acceptable by the Board.

2.4 Board Membership (Reference: BP 2010)

The Board of Trustees shall consist of seven members elected by the qualified voters of the District. The Board shall be elected by geographical area for terms of four years as defined in BP 2100 titled Board Elections.

Any person who meets the criteria contained in law is eligible to be elected or appointed a member of the Board.

An employee of the District may not be sworn into office as an elected or appointed member of the Board unless he/she resigns as an employee.

No member of the Board shall, during the term for which he/she is elected, hold an incompatible office.

No member of the Governing Board shall, during the term for which he or she was elected, be eligible to serve on the governing board of a high school district whose boundaries are coterminous with those of the community college district.

### 2.5 Student Trustees (Reference: BP 2015)

The Board of Trustees shall include two (2) non-voting student members (one representing each college in the District). The term of office shall be one year commencing at the first Board meeting in June and terminating on the last Board meeting in May of each academic year.

The student member shall, during the term of service, be enrolled in and maintain a minimum of nine (9) semester units in the District at the time of nomination and throughout the term of service. The student member is not required to give up employment with the District. The student shall maintain a 2.5 grade point average (GPA) during the term of office.

The student member shall be seated with the Board and shall be recognized as a full member of the Board at meetings. The student member is entitled to participate in discussion of issues and receive all materials presented to members of the Board (except for closed session). The student member shall be entitled to any mileage allowance necessary to attend Board meetings to the same extent as publicly elected trustees.

The student trustees have the responsibility to be contributing and ethical members of the board.

The primary duties of the Student Trustees are to attend and participate in all open board meetings, other duties may include:

- Represent the District at community events
- Advocate for the colleges and students to the legislatures
- Attend ASO/ Associated Student Government meetings
- Meet regularly with senior administrators

On or before May 15 of each year, the Board of Trustees shall consider whether to afford the student trustees any of the following privileges:

- The privilege to receive compensation for meeting attendance per Board Policy 2725. In the event a student trustee has an unexcused absence to a required meeting, the compensation shall be prorated for the pay period.
- The privilege to make and second motions.
- The privilege to attend closed sessions, other than closed sessions on personnel or collective bargaining matters, at the discretion of the Board of Trustees.
- The privilege to vote in an advisory vote, although the vote shall not be included in determining the vote required to carry any measure before the Board.
- The privilege to serve a term commencing on May 15.

### 2.6 Election of Student Trustees (Reference: BP 2105)

Each college will elect a student trustee for a one-year term. An election will be held in the Spring semester so that the office is filled by June 1.

An election will be conducted at each college in accordance with administrative procedures. The successful candidate must receive a simple majority of all votes cast.

Candidates for the position may nominate themselves or be nominated by others by the filing of an application certifying that the candidate is eligible for service under the criteria set forth in California law and these policies. The election will be conducted in accordance with administrative procedures.

If the seat of a student member becomes vacant for any reason during his/her term, the Board of Trustees may authorize the officers of the student body association(s) to appoint a student to serve the remainder of the term in accordance with administrative procedures.

A student trustee may be recalled by the student body at their respective college in a special election held for that purpose in accordance with administrative procedures.

### 2.7 Vacancies on the Board (Reference: BP 2110)

Vacancies on the Board may be caused by any of the events specified in Government Code Section 1770 or any applicable provision in the Elections Code, or by a failure to elect. Resignations from the Board shall be governed by Education Code Section 5090.

Within 60 days of the vacancy or filing of a deferred resignation, the Board shall either order an election or make a provisional appointment to fill the vacancy.

If an election is ordered, it shall be held on the next regular election date not less than 130 days after the occurrence of the vacancy.

If a provisional appointment is made, it shall be subject to the conditions in Education Code Section 5091. The person appointed to the position shall hold office only until the next regularly scheduled election for district governing board members, when the election shall be held to fill the vacancy for the remainder of the unexpired term.

The provisional appointment will be made by a majority public vote of the Board members at a public meeting.

The Chancellor shall establish administrative procedures to solicit applications that assure ample publicity to and information for prospective candidates. The Board will determine the schedule and appointment process, which may include interviews at a public meeting.

Any vacancy on the Board shall be filled by special election or provisional appointment in accordance with the provisions of the Education Code. Vacancies are caused by any of the events specified in the Government Code or by failure to elect. Any resignation must be filed in writing with the County Superintendent of Schools.

Vacancies for the student board member(s) are addressed BP 2105 titled Election of Student Trustees. A vacancy exists in the student Board position when the student Board member resigns

from the Board. A vacancy may occur if the student Board member misses three (3) consecutive Board meetings without authorization, is enrolled for fewer than nine (9) units or does not maintain a cumulative grade point average of 2.5. The unit load and the GPA are to be maintained during the entire term of office.

### 2.8 Term Limits (Reference: BP 2130)

The District does not currently limit the number of terms a member of the Board of Trustees may serve on the Board.

The Board may adopt, or the residents of the District may propose, by initiative, a proposal to limit the number of terms a member of the Board of Trustees may serve on the Board. Any proposal to limit the number of terms a member of the Board may serve shall not become operative unless it is submitted to the electors of the District at a regularly scheduled election and a majority of the votes cast on the question favor adoption of the proposal. Any such proposal shall be subject to requirements set forth in Elections Code Sections 9500 et seq.

### 2.9 Personal Use of Public Resources (Reference: BP 2717)

No member of the Board of Trustees shall use or permit others to use public resources, except that which is incidental and minimal, for personal purposes or any other purpose not authorized by law.

### 2.10 Communication To/From District Personnel

Except for discussion in or about closed session, any communication with the Chancellor, written or verbal, should be considered public.

Board members should be mindful of their role as members of the board and any comments made should not be presented as views of the Board of Trustees. If there is a question related to the District, it is best to go through the Chancellor's Office. It is inappropriate to call a staff member directly without the permission of the Chancellor. Remember, the Chancellor works for the Board. All other employees of the District work for the Chancellor.

### 2.11 Campus Visits

Board members are always welcome to visit the District campuses; however, there are protocols that Board members should follow in order to avoid possible miscommunication or an unintended misunderstanding. Following are a few points:

- As a matter of professional courtesy, Board members should always inform the Chancellor when they visit a District campus.
- As a matter of protocol, Board members should always inform the Chancellor's/President's Office of invitations they receive by District groups to visit a District campus.
- If Board members desire to visit a facility that will be discussed as part of an agenda item, the Board members need to contact the Chancellor in order to arrange for an escorted site visit with a staff member.

- When on a District campus, Board members should be aware that their comments can be taken out of context.

## 2.12 Foundations

### Crafton Hills College (independent foundation)

In an effort to extend educational opportunities to CHC students, Crafton Hills College (CHC) established the CHC Foundation. The Foundation is a nonprofit corporation devoted exclusively to raising funds for scholarships, grants, and other types of assistance for CHC students and faculty.

Gifts to the college can be allocated for the college's greatest need or designated specifically. Gifts may be designated to an academic area, to scholarships, to any of the various cultural or community programs of the college, or to current capital projects. You can also remember a loved one by donating a memorial or honorarium in their name.

### San Bernardino Valley College (independent foundation)

We believe everyone should have an opportunity to go to college. Through its work, the San Bernardino Valley College Foundation supports SBVC in providing quality education and services that support a diverse community of learners. The Foundation is a non-profit 501(c)(3) organization; therefore, contributions to the Foundation are tax-deductible.

### Inland Futures Foundation (IFF) (auxiliary foundation)

This board-approved auxiliary foundation provides resource development to support the mission of the San Bernardino Community College District and its programs, initiatives, colleges, and entities. The recognized functions of the Foundation are: facilities and equipment; loans, scholarships, grants-in-aids; workshops, conferences, institutes, and federal projects; gifts, bequests, devises, endowments, and trusts; and public relations programs.

## 2.13 Board Member Health Benefits (Reference: BP 2730)

Members of the Board of Trustees shall be permitted to participate in the District's health benefit programs. The benefits of members of the Board through the District's health benefits programs shall not be greater than the most generous schedule of benefits being received by any category of non-safety employee of the District. Board members are afforded the opportunity to opt out of receiving health benefits from the District and be reimbursed under the same terms and conditions as other employees of the District.

~~Former members of the Board may continue to participate in the District's health benefits programs upon leaving the Board if the following criteria are met: the member must have begun service on the Board after January 1, 1981; the member must have been first elected to the Board before January 1, 1995; and the member must have served at least 12 years. All other former Board members may continue to participate in the District's health benefits programs on a self-pay basis.~~

#### 2.14 Board Member Travel (Reference: BP 2735)

Members of the Board of Trustees shall have travel expenses paid whenever they travel as representatives of and perform services directed by the Board. Board member travel requests shall be made in accordance with the District's travel request and approval processes. Also see BP/AP 7400 titled Travel

#### 2.15 Political Activity (Reference: BP 2716)

Members of the Board of Trustees shall not use District funds, services, supplies, or equipment to urge the passage or defeat of any ballot measure or candidate, including, but not limited to, any candidate for election to the Board.

Initiative or referendum measures may be drafted on an area of legitimate interest to the District. The Board may by resolution express the Board's position on ballot measures. Public resources may be used only for informational efforts regarding the possible effects of District bond issues or other ballot measures.

#### 2.16 Conflict of Interest (Reference: BP 2710)

The public office is a public trust created in the interest and for the benefit of the people. Members of the Board and employees of the District are expected to act with integrity, fidelity, and without bias for the primary benefit of the public.

Financial interests may be direct or indirect. An indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.

Board members and employees must avoid conflicts of interest as well as the appearance of impropriety.

If a Board member or employee has a financial interest in a decision being considered by the Board, the financial interest must be disclosed in sufficient detail to the Board during a Board meeting and noted in the official Board minutes. The Board member must disqualify him or herself from discussing and voting on the matter, and must leave the room until after discussion, vote, and any other disposition of the matter is concluded. A Board member or employee who has a financial interest must not influence or attempt to influence the decision.

Board members are encouraged to seek counsel from the District's legal advisor in every case where any question arises.

## 2.18 Constituency Groups

The Board embraces the concept of collegial consultation and to establish procedures to ensure faculty, management, classified staff, and students the right to participate effectively in collegial consultation in particular areas where they have their responsibility and expertise as specified in Title 5 regulations, while retaining its own right and responsibilities in all areas defined by state laws and regulations.

The Board is the ultimate decision-maker in those areas assigned to it by state and federal laws and regulations. In executing that responsibility, the Board is committed to its obligation to ensure that appropriate members of the District participate in developing recommended policies for Board action and administrative procedures for Chancellor action under which the District is governed and administered.

There are many groups and committees that are a part of the District. There are a few groups that the Board regularly has contact with at Board meetings.

### Academic Senate

The Board or its designees will consult collegially with the Academic Senate, as duly constituted with respect to academic and professional matters, as defined by law. Procedures to implement this section are developed collegially with the Academic Senate.

The Board of Trustees recognizes the definition of “academic and professional matters” as stated in the Title 5 regulations:

1. Curriculum including establishing prerequisites and placing courses within disciplines;
2. degree and certificate requirements;
3. grading policies;
4. education program development;
5. standards or policies regarding student preparation and success;
6. District and college consultation structures, as related to faculty roles;
7. faculty roles and involvement in accreditation processes, including self-study and annual reports;
8. policies for faculty professional development activities;
9. processes for program review;
10. process for institutional planning and budget development; and
11. other academic and professional matters as mutually agreed upon between the Governing Board and the Academic Senate.

The Board also recognizes its obligation, under Title 5 Regulations, to “consult collegially” with the Academic Senate on these “academic and professional matters.” Additional academic and professional matters may be added as specified in #11 only through formal resolution of the Board.

The Board further recognizes that, under Title 5, it may choose to “consult collegially” through the option of “mutual agreement” on policy issues, or the option of “relying primarily on the advice



and judgment of the senate” when adopting policies and procedures on “academic and professional matters.”

The Board of Trustees shall have the final responsibility for developing all policies governing the community college district, including academic and professional matters. For purposes of academic and professional matters, the Board shall rely primarily on the advice of the Academic Senate. If the Board has a compelling reason for not accepting the advice of the Academic Senate, it shall provide that reason in writing upon request of the Academic Senate. The decision of the Board on all policy shall be final.

### Classified Senate

Staff shall be provided with opportunities to participate in the formulation and development of District policies and procedures that have a significant effect on staff. The opinions and recommendations of the classified staff will be given every reasonable consideration.

### Associated Students

The Associated Students shall be given an opportunity to participate effectively in the formulation and development of Board policies and administrative procedures that have a significant effect on students, as defined by law. The recommendations and positions of the Associated Students will be given every reasonable consideration. The selection of student representatives to serve on District committees or task forces shall be made after consultation with the Associated Students.

### California School Employees Association (CSEA)

The California School Employees Association (CSEA) is the bargaining unit for the classified employees.

### California Teachers Association (CTA)

The California Teachers Association (CTA) is the bargaining unit for the teachers.

| 2.20 See Appendix 43

| 2.21 Standard IV – See Appendix 4

| Accreditation Standard ~~IVB1~~ IVC1 describes the Board’s role and responsibilities. Key points include the following:

- The Board is designated as having the responsibility to set policies for the District and to act in a manner consistent with those policies.
- Through such policies the Board has ultimate responsibility for the educational quality, legal matters, and financial integrity of the institution.
- The Board establishes policies consistent with the mission statement.
- The Board regularly evaluates its policies and practices and revises them as necessary.

- The Board advocates for and defends the institution and protects it from undue influence or pressure.
- The Board is responsible for selecting and evaluating the Chancellor and for delegating full responsibility and authority to him/her to implement and administer board policies without board interference and holds him/her accountable for the operation of the district.
- Once the Board reaches a decision, it acts as a whole.
- The Board is responsible for Board development, self-evaluation, and improvement.
- The Board has a code of ethics which is enforced by the Board.
- The Board is informed about and involved in the accreditation process.

### **Section 3 – Board of Trustee’s President**

#### 3.1 See Appendix 5 and Appendix 6

#### 3.2 Board Duties and Responsibilities (Reference: BP 2200)

The Board of Trustees governs on behalf of the citizens of the District in accordance with the authority granted and duties defined in Education Code Section 70902 (see appendix 8.

The Board is committed to fulfilling its responsibilities to:

- Represent the public interest
- Establish policies that define the institutional mission and set prudent, ethical and legal standards for college operations
- Select, hire, and evaluate the Chancellor
- Delegate power and authority to the Chancellor to effectively lead the District
- Assure fiscal health and stability
- Monitor institutional performance and educational quality
- Advocate and protect the District

#### 3.4 Board Elections (Reference: BP 2100)

Elections shall be held every two years, in even numbered years, for four-year overlapping terms. Terms of trustees are staggered so that, as nearly as practical, one half of the trustees shall be elected at each trustee election. Each person elected at a regular biennial governing board member election shall hold office for a term of four years commencing on the first Friday in December next succeeding his/her election.

The Board of Trustees has provided for the election of trustees by trustee areas. Effective January 16, 2014, the trustee areas include:

- Areas 1, 3, 5, and 7 from which governing board members will be elected in November 2016 and every four years thereafter.
- Areas 2, 4, and 6 from which governing board members will be elected in November 2018 and every four years thereafter.

The election of a Board member residing in and registered to vote in the trustee area he/she seeks to represent shall be only by the registered voters of the same trustee area(s).

### 3.5 Officers of the Board (Reference: BP 2210)

At the annual organizational meeting (See BP 2305 titled Annual Organizational Meeting), the Board of Trustees shall elect officers from among its members. The terms of officers shall be for one year.

#### **Duties of the President of the Board:**

1. Preside over all meetings of the Board;
2. Call emergency and special meetings of the Board as required by law;
3. Consult with the Chancellor on the Board meeting agendas;
4. Communicate with individual Board members about their responsibilities;
5. Ultimately responsible for the orientation process for new Board members and Student Trustees;
6. Assure Board compliance with policies on Board education, Board self-evaluation, and evaluation of the Chancellor;
7. Represent the Board at official events or ensure Board representation.
8. The Board President may contact District legal counsel regarding business of the District as he/she deems necessary and the Board President will provide a report to the Board and Chancellor regarding the topic of the call and the associated costs.
9. The President has the right to vote on all issues and to participate in the discussions. (Note: This is an exception to Robert's Rules of Order.)
10. The Board President shall establish ad hoc committees to comply with Board Policies and deadlines.

#### **Duties of the Vice President of the Board:**

1. To perform in the absence of the President, all the duties of the President;
2. To attest the signature of the President or other members of the Board on contracts, agreements, deeds, leases, and other legal documents not delegated to the Chancellor or other officers of the District;
3. To attest to the signature of the President or other members of the Board on all other documents of the District when the attestation is a legal requirement.

#### **Duties of the Clerk of the Board:**

1. To perform in the absence of the President, or the Vice President all the duties of the President;
2. To attest the signature of the President or other members of the Board on contracts, agreements, deeds, leases, and other legal documents not delegated to the Chancellor or other officers of the District;

3. To attest to the signature of the President or other members of the Board on all other documents of the District when the attestation is a legal requirement;
4. To certify copies of records of the District as required.
5. Monitor the board calendar as it refers to meeting dates required by board policy and reminding the board president and the board of impending deadlines.

### **Board Secretary**

The Chancellor of the District shall serve as the Secretary to the Board.

#### **Duties of the Secretary to the Board:**

1. Notify members of the Board of regular, special, emergency, and adjourned meetings;
2. Prepare and post the Board meeting agendas;
3. Have prepared for adoption minutes of the Board meetings;
4. Attend all Board meetings and closed sessions unless excused, and in such cases to assign a designee;
5. Conduct the official correspondence of the Board;
6. Certify as legally required all Board actions;
7. Sign, when authorized by law or by Board action, any documents that would otherwise require the signature of the Secretary or the Clerk of the Board.

The Board does not have an official system of rotation or officers; it elects the officers each year from among all its members.

#### 3.6 Committees of the Board (Reference: BP 2220)

The Board may, by action, establish committees that it determines are necessary to assist the Board in its responsibilities. Any committee established by Board action shall comply with the requirements of the California Public Meetings Act (Brown Act) and with these policies regarding open meetings.

Board committees that are composed solely of less than a quorum of members of the Board that are advisory are not required to comply with the Brown Act, or with these policies regarding open meetings, unless they are standing committees.

Board committees that are only advisory have no authority or power to act on behalf of the Board. Findings or recommendations shall be reported to the Board for consideration.

Standing committees of the Board can be found on the Board of Trustees page of the District Website [http://www.sbccd.org/Board\\_of\\_Trustees](http://www.sbccd.org/Board_of_Trustees)

#### 3.7 Board Education (Reference: BP 2740)

The Board of Trustees is committed to its ongoing development as a Board and to a trustee education program that includes new trustee orientation.

To that end, the Board will engage in study sessions, provide access to reading materials, and support conference attendance and other activities that foster trustee education.

Orientation sessions shall be scheduled for new Board of Trustee appointees. A Special Meeting of the Board for the purpose of the orientation shall be called within 30 days of the appointment of a new trustee. Planning and implementation of appropriate information items for the orientation shall be the joint responsibility of the Chancellor and current members of the Board of Trustees.

The Chancellor and the Board shall assist each new member-elect to understand the Board's functions, policies, and procedures before he/she assumes office. Such assistance shall include, but shall not be limited to, providing of written materials and invitations to attend Board meetings and conferences with the Chancellor. New Board members shall be encouraged to attend meetings on a regional basis held as training/information sessions by other organizations.

### 3.8 Code of Ethics / Standards of Practice (Reference: BP 2715)

The Board maintains high standards of ethical conduct for its members. Members of the Board are responsible to:

- Act only in the best interests of the entire community.
- Ensure public input into Board deliberations; adhering to the law and spirit of the open meeting laws and regulations.
- Prevent conflicts of interest and the perception of conflicts of interest.
- Exercise authority only as a Board.
- Use appropriate channels of communication.
- Respect others; acting with civility.
- Be informed about the District, educational issues, and responsibilities of trusteeship.
- Devote adequate time to Board work.
- Maintain confidentiality of closed sessions.

The Board of Trustees will promptly address any violation by a Board member or Board members of the Code of Ethics in the following manner:

Charges by any person that a member of the Board of Trustees has violated laws and regulations of the Board's Code of Ethics shall be directed to the President of the Board or the Board itself. The President of the Board may establish an ad hoc committee to examine the charges and recommend further courses of action to the Board. The Board member subject to the charge of misconduct shall not be precluded from presenting information to the committee. Possible courses of action include:

- If alleged behavior violates laws, legal counsel may be sought, at the discretion of the Board of Trustees, and the violations referred to the District Attorney or Attorney General as provided for in law.
- If the alleged behavior violates this Board Policy on ethical conduct, the President of the Board shall alert the Board member in question regarding the violation of policy, the Board

of Trustees may discuss the violation at an open Board Meeting and affirm its policy expectation, and/or the Board may move to censure the trustee.

### 3.9 Board Representatives

At the annual organizational meeting the Board appoints representatives to the various organizations and bodies requiring representation. Currently, the Board appoints the following representatives:

- Representative and Alternate to the Nominating Committee for the County Committee on School District Organization
- Committee Assignment for San Bernardino Regional Emergency Training Center Joint Powers Authority)
- Standing Committees

### 3.10 Meetings of the Board (Reference BP 2310)

All regular and special meetings of the Board of Trustees are open to the public, must be accessible to persons with disabilities, and comply with the Brown Act provisions, except as otherwise required or permitted by law.

A notice identifying the location, date, and time of each regular meeting of the Board shall be posted ten days prior to the meeting and shall remain posted until the day and time of the meeting.

Regular meetings of the Board shall be held on the second Thursday of each month. Meetings will be held in the District Assembly Room, 114 S. Del Rosa Avenue, San Bernardino, California, 92408, or as otherwise specified by previous Board action. Meetings will begin at 4:00 p.m. or as otherwise specified by previous Board action. Individuals who may wish to place a matter on the agenda or speak on an agenda item may do so by following the procedures outlined in AP 2340 titled Agendas and AP 2345 titled Public Participation at Board Meetings.

### 3.11 See Appendix 5

### 3.12 Meeting Protocol

Board behavior can have both a positive or negative ripple effect throughout the District community. Often a simple comment can take on a life of its own with the original intended meaning misunderstood. The following recommendations may help to keep individual Board members from being misunderstood:

- Keep the Board discussion at the policy level versus getting into how something will be accomplished.
- Ask questions of staff as necessary to make an informed decision, but try to avoid questions that may imply the Board is trying to micromanage the District.
- Be cautious about making statements that might be interpreted as belittling the staff.
- Praise in public and discipline in private.
- Be professional and courteous to fellow Board members.

### 3.13 Quorum and Voting (Reference: BP 2330)

Four Board members, other than the Student Trustees, shall constitute a quorum for the transaction of business. The Board of Trustees shall act by majority vote of all voting members of the Board. In the event of a minimum quorum, all four Board members must vote in favor of motions **to pass motions**.

No action shall be taken by secret ballot. The Board will publicly report any action taken in open session and the vote or abstention of each individual member present.

The following actions require a **two-third majority** of all members of the Board:

1. Resolution of intention to sell or lease real property (except where a unanimous vote is required);
2. Resolution of intention to dedicate or convey an easement;
3. Resolution authorizing and directing the execution and delivery of a deed;
4. Action to declare the District exempt from the approval requirements of a planning commission or other local land use body;
5. Resolution providing for the transfer from the reserve for contingencies to any expenditure classification.
6. Resolution to condemn real property.

~~7.~~ The following actions require a **unanimous vote** of all members of the Board:

- ~~8.1.~~ Resolution authorizing a sale or lease of District real property to the state, any county, city, or to any other school or community college district;
- ~~9.2.~~ Resolution authorizing lease of District property under a lease for the production of gas.
- ~~10.3.~~ Any authorization to change an existing construction contract.

### 3.14 Special and Emergency Meetings (Reference: BP 2320)

**Special meetings** may from time to time be called by the President of the Board of Trustees or by a majority of the members of the Board. Notice of such meetings shall be posted at least 24 hours before the time of the meeting and shall be noticed in accordance with the Brown Act. No business other than that included in the notice may be transacted or discussed.

**Emergency meetings** may be called by the President of the Board when prompt action is needed because of actual or threatened disruption of public facilities under such circumstances as are permitted by the Brown Act, including work stoppage, crippling disasters, and other activity that severely impairs public health or safety.

No closed session shall be conducted during an emergency meeting, except as provided for in the Brown Act to discuss a dire emergency.

The Chancellor shall be responsible to ensure that notice of such meetings is provided to the local news media as required by law.

### 3.15 Closed Session (Reference: BP 2315)

Closed sessions of the Board of Trustees shall only be held as permitted by applicable legal provisions including but not limited to the Brown Act, California Government Code, and California Education Code. Matters discussed in closed session may include:

- The appointment, employment, evaluation of performance, discipline or dismissal of a public employee;
- Charges or complaints brought against a public employee by another person or employee, unless the accused public employee requests that the complaints or charges be heard in an open session.
- Advice of counsel on pending litigation, as defined by law;
- Consideration of tort liability claims as part of the District's membership in any joint powers agency formed for purposes of insurance pooling;
- Real property transactions;
- Threats to public security;
- Review of the District's position regarding labor negotiations and giving instructions to the District's designated negotiator;
- Discussion of student disciplinary action, with final action taken in public;
- Conferring of honorary degrees;
- Consideration of gifts from a donor who wishes to remain anonymous.
- To consider its response to a confidential final draft audit report from the Bureau of State Audits.

The agenda for each regular or special meeting shall contain information regarding whether a closed session will be held and shall identify the topics to be discussed in any closed session in the manner required by law.

After any closed session, the Board shall reconvene in open session before adjourning and shall announce any actions taken in closed session and the vote or abstention of every member present.

All matters discussed or disclosed during a lawfully held closed session and all notes, minutes, records or recordings made of such a closed session are confidential and shall remain confidential unless and until required to be disclosed by action of the Board or by law.

Pursuant to Government Code Section 54957, if any person requests an opportunity to present complaints to the Board about a specific employee, such complaints shall first be presented to the Chancellor. Notice shall be given to the employee against whom the charges or complaints are directed. If the complaint is not first resolved at the administrative level, the matter shall be scheduled for a closed session of the Board. The employee against whom the charges or complaints are directed shall be given at least 24 hours written notice of the closed session and shall be given the opportunity to request that the complaints be heard in an open meeting of the Board of Trustees.



### 3.16 How the Board Takes Action

Official Board action can be taken only at Board meetings and by affirmative action of at least four of the seven voting Board members. No one Board member or administrator makes official commitments for the Board, except as directed by Board action. The Board has final control over District matters and policies, subject to limitations imposed by California and federal law, and all employees and administrators of the District are bound to abide by such policies.

### 3.17 Consent Agenda

Items that are calendared as requiring little or no discussion by the Board or the public are listed on the agenda as "Consent" items. The Board may act on these items in one motion without discussion. Any Board member or individual attending the Board meeting can request at the time of the meeting that an item listed on the consent agenda be considered separately ("pulled from the consent agenda") as part of the regular agenda, thus allowing discussion of the item. The Board reserves the right to consider if an item on the Consent Agenda is pulled.

### 3.18 Preparing for Meetings

Two weeks prior to the Board meeting, the Chancellor meets with the Board President (and the Executive Board, as requested) to review the agenda prior to the board book going to print.

By the Friday preceding the Thursday Board meeting, the Chancellor's Office will deliver Board packets with an agenda and supporting materials. This information is also posted to the District Website. This timeline gives the Board members six days to review the materials prior to the meeting. When possible, Board members should submit their questions to the Chancellor prior to the Board meeting so that the staff can provide a thorough response, prior to or, at the time of the meeting. Also, any Board member can call the Chancellor prior to the Board meeting for clarification regarding any agenda item rather than waiting until the Board meeting. It is always best not to surprise the Chancellor or staff at the Board meeting. Response to information is supplied to all Board members.

The week of the Board meeting the Chancellor meets with each member of the Board to review the agenda to address any questions.

### 3.19 Recording (Reference: BP 2365)

Any audio or video recording of an open and public Board of Trustees Meeting made by or at the direction of the Board shall be subject to inspection by members of the public in accordance with the California Public Records Act, Government Code Sections 6250 et seq. The Chancellor is directed to enact administrative procedures to ensure that any such recordings are maintained for at least thirty days following the recording.

Persons attending an open and public meeting of the Board may, at their own expense, record the proceedings with an audio or video recording device or a still or motion picture camera or may broadcast the proceedings. However, if the Board finds by a majority vote that the recording or

broadcast cannot continue without noise, illumination, or obstruction of view that constitutes or would constitute a persistent disruption of the proceedings, any such person shall be directed by the President of the Board to stop.

### 3.20 Speakers (Reference: BP 2350)

Persons may speak to the Board of Trustees either on an agenda item or on other matters of interest to the public that are within the subject matter jurisdiction of the Board.

Oral presentations relating to a matter on the agenda, including those on the consent agenda, shall be heard before a vote is called.

Persons wishing to speak to matters not on the agenda shall do so at the time designated at the meeting for public comment.

Those wishing to speak to the Board are subject to the following:

- The President of the Board may rule members of the public out of order if their remarks do not pertain to matters that are within the subject matter jurisdiction of the Board or if their remarks are unduly repetitive.
- Non-scheduled substitutes may not speak in place of scheduled speakers unless alternates have been submitted on the original request.
- Employees who are members of a bargaining unit represented by an exclusive bargaining agent may address the Board under this policy but may not attempt to negotiate terms and conditions of their employment. This policy does not prohibit any employee from addressing a collective bargaining proposal pursuant to the public notice requirements of Government Code Section 3547 and the policies of this Board implementing that section.

Any member of the public who wishes to address the Board on any matter on the agenda of a regular Board meeting or on the notice for a special Board meeting is limited to five minutes per person and 20 minutes per agenda topic unless the time limit is extended by a majority vote of the Board.

The Board acknowledges that the Brown Act, Government Code Section 54954.3, requires that every agenda for regular meetings, but not every notice for special meetings, shall provide an opportunity for members of the public to directly address the Board on items of interest to the public that are not on the agenda.

A member of the public who wishes to address the Board on an item not on the agenda, but related to the business of the District, is limited to five minutes unless a majority of the Board votes to extend the time limit. The total time for members of the public to speak on the same or a substantially similar subject shall be limited to twenty minutes unless a majority of the Board votes to extend the time limit.

Each speaker coming before the Board is limited to one presentation per specific agenda item before the Board and to one presentation per meeting on non-agenda matters.

Members of the public desiring to address the Board shall complete and submit a Public Comment card.

As a matter of law, members of the Board may not discuss or respond to public comments unless the matters are properly noticed for discussion or action in Open Session.

### 3.22 Communications Among Board Members (Reference: BP 2720)

Members of the Board shall not communicate among themselves by the use of any form of communication (e.g., personal intermediaries, e-mail, or other technological device) in order to reach a collective concurrence regarding any item that is within the subject matter jurisdiction of the Board. In addition, no other person shall make serial communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the Board of Trustees.

Under California's Public Records Act, "any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics" is a public record and must be disclosed to the public upon request unless a provision of the PRA exempts it from disclosure. Gov't Code Section 6252-6253. (see 5.2 Brown Act)

### 3.23 Media/Email

Any Board member is allowed to speak with the media. However, Board members should keep in mind the following:

- When speaking to the press, remind the interviewer that you do not represent the views of the Board, but speak as an individual.
- When contacted by the press, defer to the Chancellor or Board Chair for official Board positions.
- When speaking to the media, be an advocate for the District.
- Never speak about personnel matters or other closed session topics to the press.

Board members should keep in mind that electronic communications can facilitate a Brown Act violation. Emails are subject to disclosure laws per BP and AP 3310.

### 3.24 Annual Retreat

Each year the Board holds an annual retreat with the Board and the Chancellor. This retreat is the opportunity for the Board to conduct its annual self-evaluation and set goals for the upcoming year.

### 3.25 Board Self-Evaluation (Reference: BP 2745)

The Board of Trustees is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning.

### 3.26 Setting the Board's Goals

The Board uses the results of the self-evaluation to set internal goals for the upcoming year.

### 3.27 Annual Organizational Meeting (Reference: BP 2305)

The Board shall hold an annual organizational meeting on a day within fifteen calendar days of the last Friday in November

The purpose of the annual organizational meeting is to elect a president, vice president, and a clerk, and conduct any other business as required by law or determined by the Board.

### 3.28 Chancellor - Hiring and Contract

Without doubt, the most important role of the Board is to appoint the Chancellor. It is exclusively the Board's role, although the process itself generally includes District personnel who will participate in the interviewing and screening process. A District committee may assist in screening the applications and narrowing the pool of candidates to a manageable group that will be invited for confidential screening interviews. From the confidential interviews, the committee selects a small group of 3-5 finalists to recommend to the Board for interviews and on-campus forums. After the finalists accept the invitation to interview as a finalist, the names of the finalists become public information and usually there will be a press release involved.

From the finalists, the Board selects their top candidate to make an offer. It is not guaranteed that the first choice will accept the offer since it is common for candidates to be finalists in more than one college presidential search at the same time. Therefore, it is important that this part of the process remains confidential until an offer and an acceptance of offer has been reached. During this part of the process the Board must negotiate with the candidate the terms of the contract, which includes salary, starting date, and benefits. The process can easily take from six months to a year.

### 3.29 Evaluation of the Chancellor (Reference: BP 2435)

The Board of Trustees shall conduct an evaluation of the Chancellor at least annually. Such evaluation shall comply with any requirements set forth in the contract of employment with the Chancellor as well as this policy.

The criteria for evaluation shall be based on Board policy, the Chancellor job description, and performance goals and objectives developed in accordance with AP 2435 titled Evaluation of the Chancellor.

### 3.30 Setting the Chancellor's Salary

After the initial starting salary negotiated with the Chancellor at the time of employment, the Board will need to consider the salary of their one employee on an annual basis. This process is usually done in conjunction with the Chancellor's annual evaluation. Although the discussion of the

Chancellor's performance and determination of any salary adjustment is a closed session item, the actual setting of the salary adjustment is an open session agenda item.

### 3.31 Graduation

Graduation is the highlight of both colleges each year. Graduation and graduation activities and times vary from year to year (refer to Master Calendar). Board members participate as part of the processional and the ceremony. The Board President accepts the graduating class and board members wear a graduation robe with the colors of the discipline appropriate for their degree.

## **Section 4 – Chapter 1 and 2 Board Policies and Procedures**

### 4.0 Board Policies

The references to the board policies above represent a snapshot/summary of the policy and may not include the entire policy. For complete policies and procedures, please visit the District website [www.sbccd.org](http://www.sbccd.org) or click the link here [Board Policies & Procedures](#).

## **Section 5 – Orientation Checklist and Sign-Off Form**

### 5.0 Board Member Orientation

Per Board Policy 2740, orientation sessions shall be scheduled for new Board of Trustee appointees. A Special Meeting of the Board for the purpose of the orientation shall be called within 30 days of the appointment of a new trustee. Planning and implementation of appropriate information items for the orientation shall be the joint responsibility of the Chancellor and current members of the Board of Trustees.

The Chancellor and the Board shall assist each new member-elect to understand the Board's functions, policies, and procedures before he/she assumes office. Such assistance shall include, but shall not be limited to, providing of written materials and invitations to attend Board meetings and conferences with the Chancellor. New Board members shall be encouraged to attend meetings on a regional basis held as training/information sessions by other organizations.

Orientation to the institution includes:

- Walking tours of the district, campuses, and off-site locations
- Institutional data review
- College history and development, and college catalogs
- Lists and contact information for trustees, college personnel, and student leaders
- Structure and operations of board of trustees
- Structure of higher education at the state level
- Briefings on organization, programs, budget, and facilities of the colleges and sites
- Collegial Consultation, inclusive of 10+1 Board handbook, meeting agendas, and minutes
- Affirmative action plans

- Printed college materials
- Opportunities to meet informally with campus leaders and faculty, staff, students, administrators, and fellow trustees
- Email records disclosure responsibilities

Orientation to trusteeship includes:

- Roles of board and of individual trustees
- Attendance at local, state and national meetings, including the League's New Trustee Orientation Workshop and Legislative Conference
- Review of pertinent laws and board policy
- Board Budget

## Appendix 1

### San Bernardino Community College District

The mission of the San Bernardino Community College District is to transform lives through the education of our students for the benefit of our diverse communities.

### San Bernardino Valley College

San Bernardino Valley College maintains a culture of continuous improvement and a commitment to provide high-quality education, innovative instruction, and services to a diverse community of learners. Its mission is to prepare students for transfer to four-year universities, to enter the workforce by earning applied degrees and certificates, to foster economic growth and global competitiveness through workforce development, and to improve the quality of life in the Inland Empire and beyond.

### Crafton Hills College

The mission of Crafton Hills College is to advance the educational, career, and personal success of our diverse campus community through engagement and learning.

### Economic Development & Corporate Training

The mission of the Economic Development and Corporate Training division of San Bernardino Community College District (EDCT) is to stimulate the economic prosperity of the Inland Empire through workforce development. This mission will be achieved by:

- Offering customized training solutions that meets the human capital development needs of regional employers;
- Providing innovative job training to the workforce in emerging technologies and high growth areas to foster economic prosperity in the region;
- Building and nurturing partnerships to obtain local/state/federal funds necessary for
- Preparing a highly skilled workforce through short-term training.

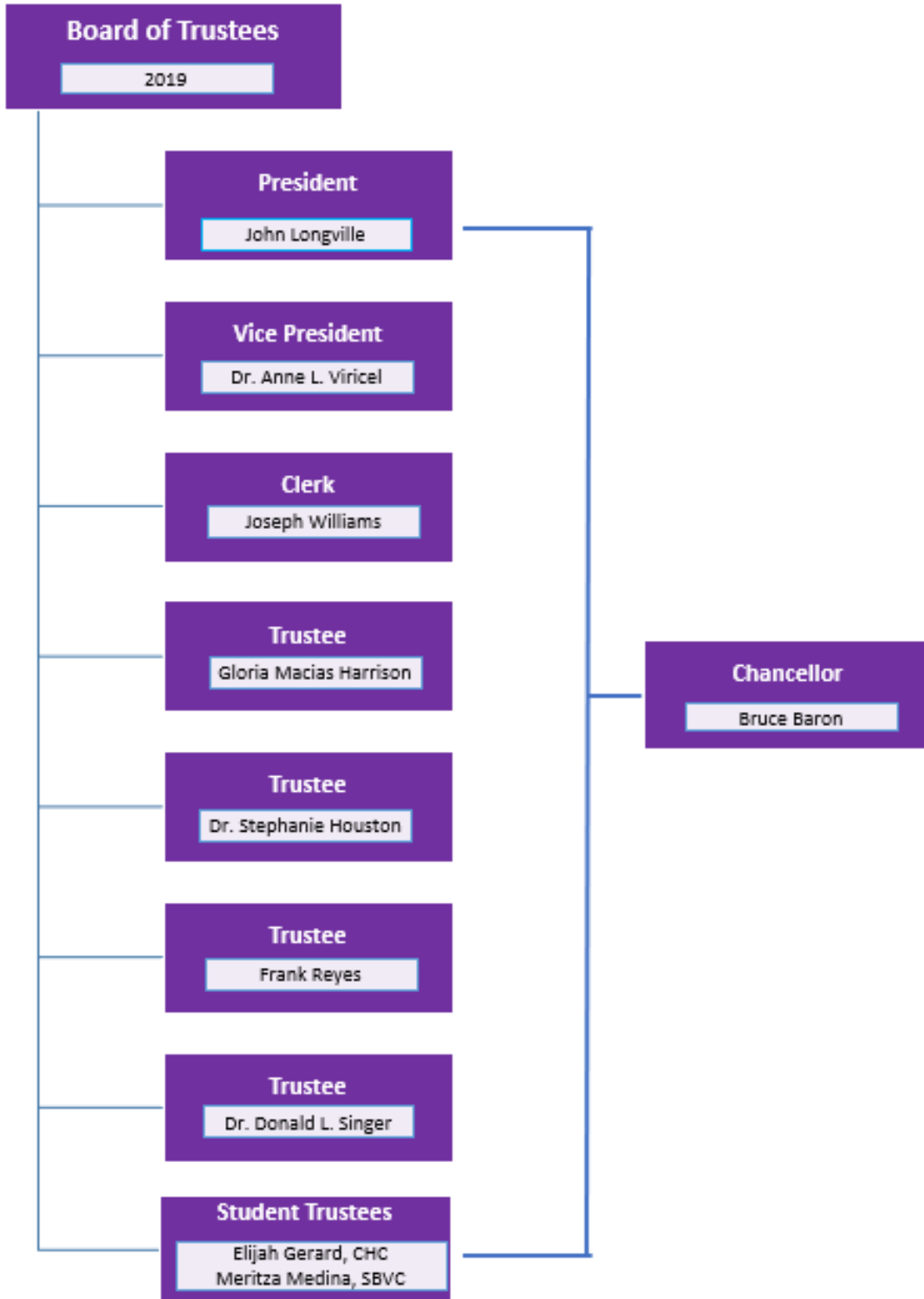
### EMPIRE NETWORK/KVCR

KVCR's mission is to be the cultural, educational, informational and communication center of the Inland Empire. KVCR additionally will focus its mission on students. KVCR will become a training ground for students who want to train and work in the media world. This will include:

- TV, Radio, Broadband, internet, social media and any form of the media world.

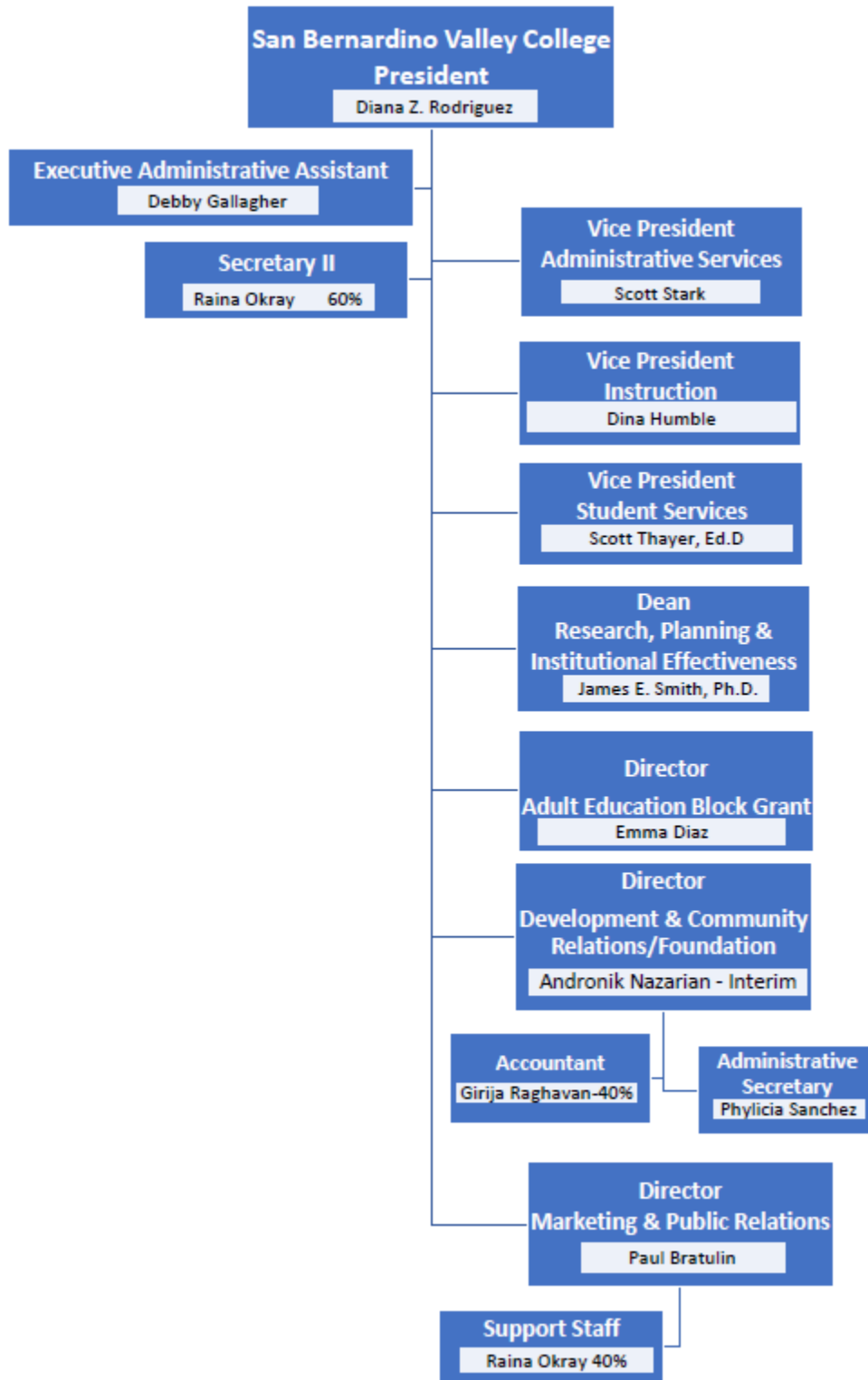
Appendix 2 (as of 8/28/19)

San Bernardino Community College District

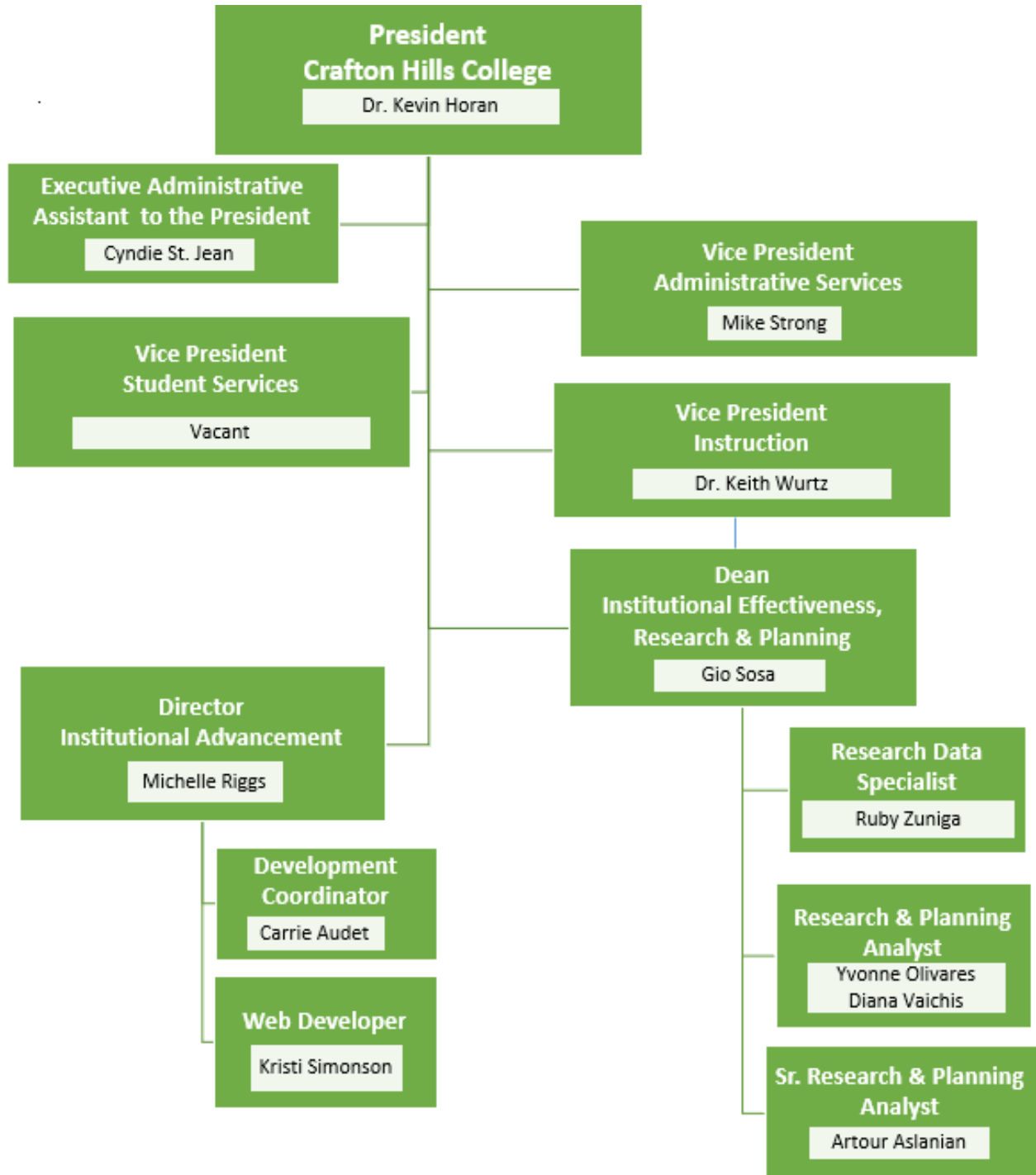




San Bernardino Valley College



Crafton Hills College



## Appendix 43

### Board's Role in Accreditation

The Board must be fully informed of all accreditation actions, reports, visits and progress on accreditation recommendations as they pertain to the Colleges. All reports created in response to Commission actions must be approved or ratified by the Board.

The Accrediting Commission for Community and Junior Colleges (ACCJC) provides a list of Standards that are the basis for comprehensive institutional evaluations for reaffirmation of accreditation on their website <http://www.accjc.org/eligibility-requirements-standards>.

## Appendix 4

### Standard IVC (Appendix in Board Orientation Handbook, referenced in Section 2.21)

IV.C.1: The institution has a governing board that has authority over and responsibility for policies to assure the academic quality, integrity, and effectiveness of the student learning programs and services and the financial stability of the institution.

IV.C.2: The governing board acts as a collective entity. Once the board reaches a decision, all board members act in support of the decision.

IV.C.3: The governing board adheres to a clearly defined policy for selecting and evaluating the CEO of the college and/or the district/system.

IV.C.4: The governing board is an independent, policy-making body that reflects the public interest in the institution's educational quality. It advocates for and defends the institution and protects it from undue influence or political pressure.

IV.C.5: The governing board establishes policies consistent with the college/district/system mission to ensure the quality, integrity, and improvement of student learning programs and services and the resources necessary to support them. The governing board has ultimate responsibility for educational quality, legal matters, and financial integrity and stability.

IV.C.6: The institution or the governing board publishes the board bylaws and policies specifying the board's size, duties, responsibilities, structure, and operating procedures.

IV.C.7: The governing board acts in a manner consistent with its policies and bylaws. The board regularly assesses its policies and bylaws for their effectiveness in fulfilling the college/district/system mission and revises them as necessary.

IV.C.8: To ensure the institution is accomplishing its goals for student success, the governing board regularly reviews key indicators of student learning and achievement and institutional plans for improving academic quality.

IV.C.9: The governing board has an ongoing training program for board development, including new member orientation. It has a mechanism for providing for continuity of board membership and staggered terms of office.

IV.C.10: Board policies and/or bylaws clearly establish a process for board evaluation. The evaluation assesses the board's effectiveness in promoting and sustaining academic quality and institutional effectiveness. The governing board regularly evaluates its practices and performance, including full participation in board training, and makes public the results. The results are used to improve board performance, academic quality, and institutional effectiveness.

IV.C.11: The governing board upholds a code of ethics and conflict of interest policy, and individual board members adhere to the code. The board has a clearly defined policy for dealing with behavior that violates its code and implements it when necessary. A majority of the board members have no employment, family, ownership, or other personal financial interest in the institution. Board member interests are disclosed and do not interfere with the impartiality of governing body members or outweigh the greater duty to secure and ensure the academic and fiscal integrity of the institution.

IV.C.12: The governing board delegates full responsibility and authority to the CEO to implement and administer board policies without board interference and holds the CEO accountable for the operation of the district/system or college, respectively.

IV.C.13: The governing board is informed about the Eligibility Requirements, the Accreditation Standards, Commission policies, accreditation processes, and the college's accredited status, and supports through policy the college's efforts to improve and excel. The board participates in evaluation of governing board roles and functions in the accreditation process.

## Appendix 5

### Institutional Values

- I. Institutional Effectiveness
- II. Learning Centered Institution for Student Access, Retention and Success
- III. Resource Management for Efficiency, Effectiveness and Excellence
- IV. Enhanced and Informed Governance and Leadership

### Board Operational Priorities

In order for the Board to support the strategic directions and institutional values, the board will hold itself accountable for the following board activities. They will be a focus of Board inquiry, discussion, and operational priorities.

- Engage & support equity initiatives
- Be more visible on both campuses
- Actively connect to community
- Conduct efficient and effective board meetings focused on big picture

- Monitor the SBCCD Strategic Directions utilizing the quarterly dashboard and student scorecard presentations
- Participate in professional development contributing to an excellent, cohesive, and proactive board

## Appendix 6

### State of California EDUCATION CODE Section 70902

70902. (a) (1) Every community college district shall be under the control of a board of trustees, which is referred to herein as the “governing board.” The governing board of each community college district shall establish, maintain, operate, and govern one or more community colleges in accordance with law. In so doing, the governing board may initiate and carry on any program, activity, or may otherwise act in any manner that is not in conflict with or inconsistent with, or preempted by, any law and that is not in conflict with the purposes for which community college districts are established.

(2) The governing board of each community college district shall establish rules and regulations not inconsistent with the regulations of the board of governors and the laws of this state for the government and operation of one or more community colleges in the district.

(b) In furtherance of subdivision (a), the governing board of each community college district shall do all of the following:

(1) Establish policies for, and approve, current and long-range academic and facilities plans and programs and promote orderly growth and development of the community colleges within the district. In so doing, the governing board shall, as required by law, establish policies for, develop, and approve, comprehensive plans. The governing board shall submit the comprehensive plans to the board of governors for review and approval.

(2) Establish policies for and approve courses of instruction and educational programs. The educational programs shall be submitted to the board of governors for approval. Courses of instruction that are not offered in approved educational programs shall be submitted to the board of governors for approval. The governing board shall establish policies for, and approve, individual courses that are offered in approved educational programs, without referral to the board of governors.

(3) Establish academic standards, probation and dismissal and readmission policies, and graduation requirements not inconsistent with the minimum standards adopted by the board of governors.

(4) Employ and assign all personnel not inconsistent with the minimum standards adopted by the board of governors and establish employment practices, salaries, and benefits for all employees not inconsistent with the laws of this state.

(5) To the extent authorized by law, determine and control the district’s operational and capital outlay budgets. The district governing board shall determine the need for elections for override tax levies and bond measures and request that those elections be called.

(6) Manage and control district property. The governing board may contract for the procurement of goods and services as authorized by law.

(7) Establish procedures that are consistent with minimum standards established by the board of governors to ensure faculty, staff, and students the opportunity to express their opinions at the

campus level, to ensure that these opinions are given every reasonable consideration, to ensure the right to participate effectively in district and college governance, and to ensure the right of academic senates to assume primary responsibility for making recommendations in the areas of curriculum and academic standards.

(8) Establish rules and regulations governing student conduct.

(9) Establish student fees as it is required to establish by law, and, in its discretion, fees as it is authorized to establish by law.

(10) In its discretion, receive and administer gifts, grants, and scholarships.

(11) Provide auxiliary services as deemed necessary to achieve the purposes of the community college.

(12) Within the framework provided by law, determine the district's academic calendar, including the holidays it will observe.

(13) Hold and convey property for the use and benefit of the district. The governing board may acquire by eminent domain any property necessary to carry out the powers or functions of the district.

(14) Participate in the consultation process established by the board of governors for the development and review of policy proposals.

(c) In carrying out the powers and duties specified in subdivision (b) or other provisions of statute, the governing board of each community college district shall have full authority to adopt rules and regulations, not inconsistent with the regulations of the board of governors and the laws of this state, that are necessary and proper to executing these prescribed functions.

(d) Wherever in this section or any other statute a power is vested in the governing board, the governing board of a community college district, by majority vote, may adopt a rule delegating the power to the district's chief executive officer or any other employee or committee as the governing board may designate. However, the governing board shall not delegate any power that is expressly made nondelegable by statute. Any rule delegating authority shall prescribe the limits of the delegation.

(e) This section shall become operative on January 1, 2014.

(Amended (as added by Stats. 2006, Ch. 817, Sec. 5) by Stats. 2011, Ch. 112, Sec. 4. (AB 1029) Effective January 1, 2012. Section operative January 1, 2014, by its own provisions.)

## Appendix 7

### The Brown Act (Open Meeting Law)

The Board is subject to the Brown Act, also known as the Open Meeting Law. The Brown Act requires that public boards conduct their business in the open. This means that all meetings are open to the public except for a limited number of circumstances, as permitted by the Brown Act. Examples of these limited circumstances include agenda items concerning personnel actions, labor negotiations, and the negotiation of real property.

References: For more information regarding the Brown Act, refer to <http://ag.ca.gov/publications/brownAct2003.pdf>

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Bruce Baron, Chancellor  
**PREPARED BY:** Stacey K. Nikac, Administrative Officer  
**DATE:** November 14, 2019  
**SUBJECT:** Accept Board Policies for First Reading

**RECOMMENDATION**

It is recommended that the Board of Trustees accept Board Policies for first reading. Administrative Procedures are submitted for information and review for consistency with Board policies.

AP/BP 3430 Prohibition of Harassment  
AP 3435 Discrimination and Harassment Complaints and Investigations  
AP/BP 3440 Service Animals  
AP/BP 7450 Mileage Reimbursement

**OVERVIEW**

The SBCCD has a process of continuous review of its Board Policies and Administrative Procedures to ensure compliance with Title 5, California Education Code and current district/college needs. The attached policies and procedures have been modified and or reviewed and have gone through the collegial consultation process as outlined in Board Policy 2410.

**ANALYSIS**

The changes to these policies include requirements of the Education Code, current laws, and those determined to be necessary for the efficient operation of the district. At its meeting on October 1, 2019, District Assembly agreed to move the AP/BP forward for Board approval.

**INSTITUTIONAL VALUES**

- I. Institutional Effectiveness
- II. Enhanced and Informed Governance and Leadership

**FINANCIAL IMPLICATIONS**

None.



Origination:	N/A
Last Approved:	N/A
Last Revised:	N/A
Next Review:	N/A
Owner:	<i>Chancellor's Cabinet</i> <i>Chancellor's Cabinet:</i>
Policy Area:	<i>Chapter 3 General Institution</i>
References:	

## AP 3430 Prohibition of Harassment

Procedures for handling complaints of unlawful discrimination under title 5 sections 59300 ET SEQ.

*(Replaces current SBCCD ~~BPAP~~ 3430)*

### Introduction and Scope

The District is committed to providing an academic and work environment free of unlawful discrimination and harassment. This procedure defines discrimination and other forms of harassment on campus, and sets forth a procedure for the investigation and resolution of complaints of discrimination by or against any staff or faculty member within the District.

This procedure and the related policy protects students and employees in connection with all the academic, educational, extracurricular, athletic, and other programs of the District, whether those programs take place in the District's facilities, a District bus, or at a class or training program sponsored by the District at another location.

These are procedures for filing and processing complaints of unlawful discrimination at San Bernardino Community College District. These procedures incorporate the legal principles contained in nondiscrimination provisions of the California Code of Regulations, title 5, sections 59300 et seq. as well as other state and federal substantive and procedural requirements.

A copy of relevant procedures on unlawful discrimination will be displayed in a prominent location in the Office of Human Resources, San Bernardino Valley College President's Office, Crafton Hills College President's Office and other areas where notices regarding the institution's rules, regulations, procedures, and standards of conduct are posted.

Authority: 20 U.S.C. § 1681 et seq.; Ed. Code, §§ 66270, 66271.1, 66281.5; Gov. Code, §§ 11135-11139.5; Cal. Code Regs., tit. 5, § 59326. Reference: Cal. Code Regs., tit. 5, §§ 59300 et seq.; 34 C.F.R. § 106.8(b).

The San Bernardino Community College District hereby implements the provisions of California Government Code sections 11135 through 11139.5, the Sex Equity in Education Act (Ed. Code, § 66250 et seq.), title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d), Board Approved February 2010

U.S.C. § 794), section 508 of the Rehabilitation Act of 1973 (29 U.S.C. § 794d), the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12100 et seq.) and the Age Discrimination Act (42 U.S.C. § 6101).

Authority: Cal. Code Regs., tit. 5, § 59300; Ed. Code §§ 66250 et seq., 66271.1, 66700, and 70901; Gov. Code § 11138. Reference: Ed. Code §§ 66250 et seq. and 72011; Gov. Code, §§ 11135-11139.5; Penal Code §§ 422.6 and 422.55; 20 U.S.C. § 1681; 29 U.S.C. §§ 794 and 794d; 42 U.S.C. §§ 6101, 12100 et seq. and



2000d; 36 C.F.R. § 1194.

## Responsible District Officer

The San Bernardino Community College District has identified the Vice Chancellor of Human Resources & Employee Relations to the State Chancellor's Office and to the public as the single District officer responsible for receiving unlawful discrimination complaints filed pursuant to title 5, section 59328, and for coordinating their investigation and resolution. Informal charges of unlawful discrimination should be brought to the attention of the Vice Chancellor of Human Resources & Employee Relations, who shall oversee the informal resolution process pursuant to section 59327. The actual investigation of complaints may be assigned to other staff or to outside persons or organizations under contract with the District. Such delegation procedures will be used whenever the Vice Chancellor is named in the complaint or is implicated by the allegations in the complaint.

Administrators, faculty members, other District employees, and students shall direct all complaints of unlawful discrimination to the Vice Chancellor of Human Resources & Employee Relations.

Authority: Cal. Code Regs., tit. 5, § 59324; 34 C.F.R. § 106.8.

## Informal/Formal Complaint Procedure

**(see Complaint Procedure Checklist at the end of the procedure)**

When a person brings charges of unlawful discrimination to the attention of the Vice Chancellor of Human Resources & Employee Relations, he/she will:

- Undertake efforts to informally resolve the charges;
- Advise the complainant that he or she need not participate in informal resolution;
- Notify the person bringing the charges of his or her right to file a formal complaint and explain the procedure for doing so;
- Assure the complainant that he or she will not be required to confront, or work out problems with, the person accused of unlawful discrimination;
- Advise the complainant that he or she may file a nonemployment-based complaint with the Office for Civil Rights of the U.S. Department of Education (OCR) where such a complaint is within that agency's jurisdiction.
- If the complaint is employment-related, the complainant should also be advised that he or she may file a complaint with the U.S. Equal Employment Opportunity Commission (EEOC) and/or the California Department of Fair Employment and Housing (DFEH) where such a complaint is within that agency's jurisdiction.

Efforts at informal resolution need not include any investigation unless the responsible District officer determines that an investigation is warranted by the seriousness of the charges. Selecting an informal resolution does not extend the time limitations for filing a formal complaint. Efforts at informal resolution may continue after the filing of a formal written complaint, but after a complaint is filed an investigation is required to be conducted pursuant to title 5, section 59334, and will be completed unless the matter is informally resolved and the complainant dismisses the complaint. Even if the complainant does dismiss the complaint, the responsible district officer may require the investigation to continue if he or she determines that the allegations are serious enough to warrant an investigation. Any efforts at informal resolution after the filing of a written complaint will not exceed the 90-day period for rendering the administrative determination pursuant to title 5, section 59336.

In employment-related cases, if the complainant also files with the Department of Fair Employment and

Housing or with the U.S. Equal Employment Opportunity Commission, a copy of that filing will be sent to the State Chancellor's Office requesting a determination of whether a further investigation under title 5 is required. Unless the State Chancellor's Office determines that a separate investigation is required, the District will discontinue its investigation under title 5 and the matter will be resolved through the Department of Fair Employment and Housing or the U.S. Equal Employment Opportunity Commission.

The District will allow for representation where required by law and may allow for representation for the accused and complainant in other circumstances on a case by case basis.

Authority: Cal. Code Regs., tit. 5, §§ 59327, 59328, 59334, 59336, and 59339; NLRB v. Weingarten, Inc. (1975) 420 U.S. 251.

## **Filing of Formal Written Complaint**

If a complainant decides to file a formal written unlawful discrimination complaint against the District, he or she must file the complaint on a form prescribed by the State Chancellor. These approved forms are available from the District and also at the State Chancellor's website, as follows:

<http://www.cccco.edu/SystemOffice/Divisions/Legal/Discrimination/tabid/294/Default.aspx>

The completed form must be filed with the District representative or mailed directly to the State Chancellor's Office of the California Community Colleges. Complainants may contact the Vice Chancellor of Human Resources & Employee Relations for assistance in filling out the form, if necessary.

Once a complaint is filed, the individual(s) accused of engaging in prohibited discriminatory conduct shall be advised of that filing and the general nature of the complaint. This should occur as soon as possible and in a manner that is appropriate under the circumstances. The District will also advise the accused that an assessment of the accuracy of the allegations has not yet been made, that the complaint will be investigated, that the accused will be provided an opportunity to present his/her side of the matter, and that any conduct that could be viewed as retaliatory against the complainant or any witnesses must be avoided.

Authority: Cal. Code Regs., tit. 5, §§ 59311 and 59328.

## **Threshold Requirements Prior to Investigation of a Formal Written Complaint**

When a formal written complaint is filed it will be reviewed to determine if the complaint meets the following requirements:

- The complaint must be filed on a form prescribed by the State Chancellor's Office.
- The complaint must allege unlawful discrimination prohibited under title 5, section 59300.
- The complaint must be filed by one who alleges that he or she has personally suffered unlawful discrimination or by one who has learned of such unlawful discrimination in his or her official capacity as a faculty member or administrator.
- In any complaint alleging discrimination in employment, the complaint shall be filed within 180 days of the date the alleged unlawful discrimination occurred, except that this period will be extended by no more than 90 days following the expiration of that 180 days if the complainant first obtained knowledge of the facts of the alleged violation after the expiration of 180 days.

Authority: Cal. Code Regs., tit. 5, § 59328.

## Defective Complaint

If a complaint is found to be defective it will be immediately returned to the complainant with a complete explanation of why an investigation will not be initiated under California Code of Regulations, title 5, section 59300 et seq. The notice will inform the complainant that the complaint does not meet the requirements of section 59328, and shall specify in what requirement the complaint is defective. A copy of the notice to the complainant will also be sent to the State Chancellor's Office.

Authority: Cal. Code Regs., tit. 5, §§ 59328, 59332.

## Notice to State Chancellor or District

A copy of all formal complaints filed in accordance with the title 5 regulations will be forwarded to the State Chancellor's Office immediately upon receipt, regardless of whether the complaint is brought by a student or by an employee. Similarly, when the State Chancellor's Office receives a complaint a copy will be forwarded to the District.

Authority: Cal. Code Regs., tit. 5, § 59330.

## Administrative Determination

In any case not involving employment discrimination, within 90 days of receiving an unlawful discrimination complaint filed under title 5, sections 59300 et seq., the responsible District officer will complete the investigation and forward a copy of the investigative report to the State Chancellor, a copy or summary of the report to the complainant, and written notice setting forth all the following to both the complainant and the State Chancellor:

- the determination of the chief executive officer or his/her designee as to whether there is probable cause to believe discrimination occurred with respect to each allegation in the complaint;
- a description of actions taken, if any, to prevent similar problems from occurring in the future;
- the proposed resolution of the complaint; and
- the complainant's right to appeal to the District governing board and to file a complaint with the Department of Fair Employment and Housing.

The District will keep these documents on file for a period of at least three years after closing the case, and make them available to the State Chancellor upon request.

The San Bernardino Community College District recognizes the importance of and is therefore committed to completing investigations and resolving complaints as quickly as possible, consistent with the requirements for a thorough investigation.

Authority: Cal. Code Regs., tit. 5, § 59336.

## Complainant's Appeal Rights

Complainants have appeal rights that they may exercise if they are not satisfied with the results of the District's administrative determination. At the time the administrative determination and summary is mailed to the complainant, the responsible District officer or his/her designee shall notify the complainant of his or her appeal rights as follows:

- First level of appeal: The complainant has the right to file an appeal to the District's governing board within 15 days from the date of the administrative determination. The District's governing board will review

the original complaint, the investigative report, the administrative determination, and the appeal.

- The District's governing board will issue a final District decision in the matter within 45 days after receiving the appeal. Alternatively, the District's governing board may elect to take no action within 45 days, in which case the original decision in the administrative determination will be deemed to be affirmed and shall become the final District decision in the matter. A copy of the final decision rendered by the District's governing board will be forwarded to the complainant and to the State Chancellor's Office.

Complainants must submit all appeals in writing.

Authority: Cal. Code Regs., tit. 5, §§ 59338 and 59339.

## Extensions

If for reasons beyond its control, the District is unable to comply with the 90-day or 150-day deadlines specified above for submission of materials to the complainant and the State Chancellor's Office, the Vice Chancellor of Human Resources & Employee Relations will file a written request that the State Chancellor grant an extension of the deadline. Where an extension is deemed necessary by the District, it must be requested from the State Chancellor regardless of whether the case involves employment discrimination. The request will be submitted no later than 10 days prior to the expiration of the deadlines established by title 5 in sections 59336 and/or 59340 and will set forth the reasons for the request and the date by which the District expects to be able to submit the required materials.

A copy of the request for an extension will be sent to the complainant, who will be advised that he or she may file written objections with the State Chancellor within 5 days of receipt. The State Chancellor may grant the request unless delay would be prejudicial to the investigation. If an extension of the 90-day deadline is granted by the State Chancellor the 150-day deadline is automatically extended by an equal amount.

Authority: Cal. Code Regs., tit. 5, § 59342.

## Definitions

Definitions applicable to nondiscrimination policies are as follows:

**Appeal** means a request by a complainant made in writing to the San Bernardino Community College District governing board pursuant to title 5, section 59338, and/or to the State Chancellor's Office pursuant to title 5, section 59339, to review the administrative determination of the District regarding a complaint of discrimination.

**Association** with a person or group with these actual or perceived characteristics includes advocacy for or identification with people who have one or more characteristics of a protected category listed under "Unlawful Discrimination Policy" and title 5, section 59300, participation in a group associated with persons having such characteristics, or use of a facility associated with use by such persons.

**Complaint** means a written and signed statement meeting the requirements of title 5, section 59328 that alleges unlawful discrimination in violation of the nondiscrimination regulations adopted by the Board of Governors of the California Community Colleges, as set forth at title 5, sections 59300 et seq.

**Days** means calendar days.

**District** means the San Bernardino Community College District or any District program or activity that is funded directly by the state or receives financial assistance from the state. This includes the District Personnel Commission and any other organization associated with the District or its college(s) that receives state funding or financial assistance through the District.

Gender means sex, and includes a person's gender identity and gender related appearance and behavior whether or not stereotypically associated with the person's assigned sex at birth.

General Harassment is based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation of any person, military and veteran status, or the perception that a person has one or more of these characteristics is illegal and violates District policy. Harassment is found where, ~~in the aggregate, incidents are sufficiently pervasive, persistent, or severe~~ a reasonable person with the same characteristics as the victim of the harassing conduct would be adversely affected to a degree that a reasonable person ~~interferes with the same characteristics as the victim of the harassing conduct would be adversely affected to a degree that interferes with~~ his or her ability to participate in or to realize the intended benefits of an institutional activity, employment, or resource.

Sexually harassing conduct can occur between people of the same or different genders. The standard for determining whether conduct constitutes sexual harassment is whether a reasonable person of the same gender as the victim would perceive the conduct as harassment based on sex.

Gender-based harassment does not necessarily involve conduct that is sexual. Any hostile or offensive conduct based on gender can constitute prohibited harassment if it meets the definition above. For example, repeated derisive comments about a person's competency to do the job, when based on that person's gender, could constitute gender-based harassment. Harassment comes in many forms, including but not limited to the following conduct that could, depending on the circumstances, meet the definition above, or could contribute to a set of circumstances that meets the definition:

Verbal: Inappropriate or offensive remarks, slurs, jokes or innuendoes based on a person's race, gender, sexual orientation, or other protected status. This may include, but is not limited to, inappropriate comments regarding an individual's body, physical appearance, attire, sexual prowess, marital status, or sexual orientation; unwelcome flirting or propositions, demands for sexual favors, verbal abuse, threats or intimidation; or sexist, patronizing or ridiculing statements that convey derogatory attitudes based on gender, race, nationality, sexual orientation or other protected status.

Physical: Inappropriate or offensive touching, assault, or physical interference with free movement. This may include, but is not limited to kissing, patting, lingering or intimate touches, grabbing, pinching, leering, staring, unnecessarily brushing against or blocking another person, whistling or sexual gestures. It also includes any physical assault or intimidation directed at an individual due to that person's gender, race, national origin, sexual orientation or other protected status. Physical sexual harassment includes acts of sexual violence, such as rape, sexual assault, sexual battery, and sexual coercion. Sexual violence refers to physical sexual acts perpetrated against a person's will or where a person is incapable of giving consent due to the victim's use of drugs or alcohol. An individual also may be unable to give consent due to an intellectual or other disability.

Visual or Written: The display or circulation of visual or written material that degrades an individual or group based on gender, race, nationality, sexual orientation, or other protected status. This may include, but is not limited to, posters, cartoons, drawings, graffiti, reading materials, computer graphics, or electronic media transmissions.

Environmental: A hostile academic or work environment may exist where it is permeated by sexual innuendo; insults or abusive comments directed at an individual or group based on gender, race, nationality, sexual orientation, or other protected status; or gratuitous comments regarding gender, race, sexual orientation, or other protected status that are not relevant to the subject matter of the class or activities on the job. A hostile environment can arise from an unwarranted focus on sexual topics or sexually suggestive statements in the

classroom or work environment. It can also be created by an unwarranted focus on, or stereotyping of, particular racial or ethnic groups, sexual orientations, genders or other protected statuses. An environment may also be hostile toward anyone who merely witnesses unlawful harassment in his/her immediate surroundings, although the conduct is directed at other(s). The determination of whether an environment is hostile is based on the totality of the circumstances, including such factors as the frequency of the conduct, the severity of the conduct, whether the conduct is humiliating or physically threatening, and whether the conduct unreasonably interferes with an individual's learning or work.

Mental disability includes, but is not limited to, all of the following:

- Having any mental or psychological disorder or condition, such as mental retardation, organic brain syndrome, emotional or mental illness, or specific learning disabilities, that limits a major life activity. For purposes of this section:
  - Limits" shall be determined without regard to mitigating measures, such as medications, assistive devices, or reasonable accommodations, unless the mitigating measure itself limits a major life activity.
  - A mental or psychological disorder or condition limits a major life activity if it makes the achievement of the major life activity difficult.
  - Major life activities shall be broadly construed and shall include physical, mental, and social activities and working.
- Any other mental or psychological disorder or condition not described in paragraph (1) that requires specialized supportive services.
- Having a record or history of a mental or psychological disorder or condition described in paragraph (1) or (2), which is known to the District.
- Being regarded or treated by the District as having, or having had, any mental condition that makes achievement of a major life activity difficult.
- Being regarded or treated by the District as having, or having had, a mental or psychological disorder or condition that has no present disabling effect, but that may become a mental disability as described in paragraph 1 or 2.

Mental disability does not include sexual behavior disorders, compulsive gambling, kleptomania, pyromania, or psychoactive substance use disorders resulting from the current unlawful use of controlled substances or other drugs.

Physical disability includes, but is not limited to, all of the following:

- Having any physiological disease, disorder, condition, cosmetic disfigurement, or anatomical loss that does both of the following:
  - Affects one or more of the following body systems: neurological, immunological, musculoskeletal, special sense organs, respiratory, including speech organs, cardiovascular, reproductive, digestive, genitourinary, hemic and lymphatic, skin, and endocrine.
  - Limits a major life activity. For purposes of this section:
    - Limits" shall be determined without regard to mitigating measures such as medications, assistive devices, prosthetics, or reasonable accommodations, unless the mitigating measure itself limits a major life activity.
    - A physiological disease, disorder, condition, cosmetic disfigurement, or anatomical loss limits a major life activity if it makes the achievement of the major life activity difficult.
    - Major life activities shall be broadly construed and include physical, mental, and social activities and working.

- Any other health impairment not described in paragraph (1) that requires specialized supportive services.
- Having a record or history of a disease, disorder, condition, cosmetic disfigurement, anatomical loss, or health impairment described in paragraph (1) or (2), which is known to the District.
- Being regarded or treated by the District as having, or having had, any physical condition that makes achievement of a major life activity difficult.
- Being regarded or treated by the District as having, or having had, a disease, disorder, condition, cosmetic disfigurement, anatomical loss, or health impairment that has no present disabling effect but may become a physical disability as described in paragraph 1 or 2.

Physical disability does not include sexual behavior disorders, compulsive gambling, kleptomania, pyromania, or psychoactive substance use disorders resulting from the current unlawful use of controlled substances or other drugs.

Quid Pro Quo sexual harassment occurs when a person in a position of authority makes educational or employment benefits conditional upon an individual's willingness to engage in or tolerate unwanted sexual conduct.

Responsible District Officer means the officer identified by the District to the State Chancellor's Office as the person responsible for receiving complaints filed pursuant to title 5, section 59328, and coordinating their investigation. The Responsible District Officer for San Bernardino Community College District is the Vice Chancellor of Human Resources and Employee Relations.

Sex includes, but is not limited to, pregnancy, childbirth, or medical conditions related to pregnancy or childbirth. 'Sex' also includes, but is not limited to, a person's gender, as defined in section 422.56 of the Penal Code. Discrimination on the basis of sex or gender also includes sexual harassment.

Sexual harassment is unlawful discrimination in the form of unwelcome sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature, made by someone from or in the workplace or in the educational setting, and includes but is not limited to:

- Making unsolicited written, verbal, physical, and/or visual contacts with sexual overtones. (Examples of possible sexual harassment that appear in a written form include, but are not limited to: suggestive or obscene letters, notes, and/or invitations. Examples of possible visual sexual harassment include, but are not limited to: leering, gestures, display of sexually aggressive objects or pictures, cartoons, or posters.)
- Continuing to express sexual interest after being informed that the interest is unwelcome.
- Making reprisals, threats of reprisal, or implied threats of reprisal following a rebuff of harassing behavior. The following are examples of conduct in an academic environment that might be found to be sexual harassment: threatening to withhold, or actually withholding, grades earned or deserved; suggesting a poor performance evaluation will be prepared; or suggesting a scholarship recommendation or college application will be denied.
- Engaging in explicit or implicit coercive sexual behavior within the work environment which is used to control, influence, or affect the employee's career, salary, and/or work environment.
- Engaging in explicit or implicit coercive sexual behavior within the educational environment that is used to control, influence, or affect the educational opportunities, grades, and/or learning environment of a student.
- Offering favors or educational or employment benefits, such as grades or promotions, favorable performance evaluations, favorable assignments, favorable duties or shifts, recommendations, reclassification, etc., in exchange for sexual favors.
- Awarding educational or employment benefits, such as grades or duties or shifts, recommendations, reclassification, etc., to any student or employee with whom the decision maker has a sexual relationship

and denying such benefits to other students or employees.

- Unwelcome sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature made by someone from, or in, the work or educational setting when:
  - Submission to the conduct is explicitly or implicitly made a term or condition of an individual's employment, academic status, or progress.
  - Submission to, or rejection of, the conduct by the individual is used as a basis of employment or academic decision affecting the individual.
  - The conduct has the purpose or effect of having a negative impact upon the individual's work or educational environment.
  - Submission to, or rejection of, the conduct by the individual is used as the basis for any decisions affecting the individual regarding benefits and services, honors, programs, or activities available at or through the community college.

Sexual orientation means heterosexuality, homosexuality, or bisexuality.

Unlawful discrimination means discrimination based on a category protected under Title 5, section 59300, including retaliation and sexual harassment.

Authority: Gov. Code, § 12926; Cal. Code Regs., tit. 5, §§ 59300, 59311; Revised Sexual Harassment Guidance: Harassment of Students by School Employees, Other Students, or Third Parties, Title IX, Office for Civil Rights, January 19, 2001.

## **Consensual Relationships**

Romantic or sexual relationships between supervisors and employees, or between administrators, faculty, or staff members and students are discouraged. There is an inherent imbalance of power and potential for exploitation in such relationships. A conflict of interest may arise if the administrator, faculty or staff member must evaluate the student's or employee's work or make decisions affecting the employee or student. The relationship may create an appearance of impropriety and lead to charges of favoritism by other students or employees. A consensual sexual relationship may change, with the result that sexual conduct that was once welcome becomes unwelcome and harassing. In the event that such relationships do occur, the District has the authority to transfer any involved employee to eliminate or attenuate the supervisory authority of one over the other, or of a teacher over a student. Such action by the District is a proactive and preventive measure to avoid possible charges of harassment and does not constitute discipline against any affected employee.

## **Confidentiality of the Process**

Investigative processes can best be conducted within a confidential climate. Therefore, the District does not reveal information about such matters except as necessary to fulfill its legal obligations.

Potential complainants are sometimes reluctant to pursue a complaint if their names will be revealed. The inability to reveal the name of a complainant or facts that are likely to reveal the identity of the complainant can severely limit the ability of the District to respond. Complainants must also recognize that persons who are accused of wrongdoing have a right to present their side of the matter, and this right may be jeopardized if the District is prohibited from revealing the name of the complainant or facts that are likely to disclose the identity of the complainant.

If a complainant insists that his or her name not be revealed, the responsible officer should take all reasonable steps to investigate and respond to the complaint consistent with the complainant's request as long as doing so does not jeopardize the rights of other students or employees.



It is also important that complainants and witnesses understand the possibility that they may be charged with allegations of defamation if they circulate the charges outside of the District's process. In general, persons who are participating in a District investigative or disciplinary process that is related to a charge of discrimination are protected from tort claims such as defamation. However, persons who make allegations outside of these processes or who discuss their claims with persons outside of the process may expose themselves to tort charges. Complainants, witnesses, and those accused of discrimination will all be asked to sign a confidentiality acknowledgement statement.

Where an investigation reveals the need for disciplinary action, the complainant may wish to have information about what disciplinary actions the District took. However, the privacy rights of the persons involved often prevent the District from providing such information. In student disciplinary actions for sexual assault/physical abuse charges, Education Code section 76234 provides that the victim shall be informed of the disciplinary action, but that the victim must keep the information confidential. Disciplinary actions taken against employees are generally considered confidential.

Authority: Cal. Const. Art. I, § 1; Civil Code § 47; Ed. Code, §§ 76234 and 87740; *Silberg v. Anderson* (1990) 50 Cal.3d. 205; Revised Sexual Harassment Guidance: Harassment of Students by School Employees, Other Students, or Third Parties, Title IX, Office for Civil Rights, January 19, 2001.

## **Notice, Training, and Education for Students and Employees**

The San Bernardino Community College District's Vice Chancellor of Human Resources and Employee Relations shall make arrangements for or provide training to employees and students on the District's unlawful discrimination policy and procedures. Faculty members, members of the administrative staff, and members of the support staff will be provided with notice of online access to the District's written procedure on unlawful discrimination at the beginning of the first semester of the college year each time the procedure is revised.

All District employees will receive this training and a copy of the unlawful discrimination policies and procedures during the first year of their employment. Because of their special responsibilities under the law, supervisors will undergo mandatory training within six months of assuming a supervisory position and annually thereafter. In years in which a substantive policy or procedural change has occurred all District employees will attend a training update and/or receive a copy of the revised policies and procedures.

Authority: Ed. Code, § 66281.5; Cal. Code Regs., tit. 5, §§ 59324 and 59326. Reference: Cal. Code Regs., tit. 5, §§ 59300 et seq.; 34 C.F.R. § 106.8(b).

## **Academic Freedom**

The San Bernardino Community College District Governing Board reaffirms its commitment to academic freedom, but recognizes that academic freedom does not allow any form of unlawful discrimination. It is recognized that an essential function of education is a probing of opinions and an exploration of ideas that may cause some students discomfort. It is further recognized that academic freedom ensures the faculty's right to teach and the student's right to learn. Finally, nothing in these policies and procedures shall be interpreted to prohibit bona fide academic requirements for a specific community college program, course or activity.

When investigating unlawful discrimination complaints containing issues of academic freedom San Bernardino Community College District will consult with a faculty member appointed by the Academic Senate with respect to contemporary practices and standards for course content and delivery.

No provision of this Administrative Procedure shall be interpreted to prohibit conduct that is legitimately related to the course content, teaching methods, scholarship, or public commentary of an individual faculty member or the educational, political, artistic, or literary expression of students in classrooms and public forums. Freedom of speech and academic freedom are, however, not limitless and this procedure will not protect speech or expressive conduct that violates federal or California anti-discrimination laws.

Reference: Cohen v. San Bernardino Valley College (1995) 883 F.Supp. 1407, 1412-1414, affd. in part and revd. in part on other grounds, (1996) 92 F.3d 968; Cal. Code Regs., tit. 5, § 59302.

## Record Retention

Unlawful discrimination records that are part of an employee's employment records may be classified as Class-1 Permanent records and retained indefinitely or microfilmed in accordance with title 5, California Code of Regulations, section 59022. Unlawful discrimination records of a student that are deemed worthy of preservation but not classified as Class-1 Permanent may be classified as Class-2 Optional records or as Class-3 Disposable records. Class-2 Optional records shall be retained until reclassified as Class-3 Disposable Records. Class-3 Disposable Records shall be retained for a period of three years after being classified as Class-3 Disposable records.

Records related to a student discrimination complaint will be deemed worthy of preservation if, at the end of three years after the case is closed, a complaint on similar grounds has been filed against the same employee. In such cases, the records shall continue to be classified as Class 2 records and shall not be reclassified as Class-3 Disposable Records until complaints against that particular employee have been resolved.

## Retaliation

It is unlawful for anyone to retaliate against someone who files an unlawful discrimination complaint, who refers a matter for investigation or complaint, who participates in an investigation of a complaint, who represents or serves as an advocate for an alleged victim or alleged offender, or who otherwise furthers the principles of this unlawful discrimination procedure.

Authority: 20 U.S.C. Sections 1681 et seq.; 34 C.F.R. Section 106; Cal. Code Regs., titl 5, Sections 59300 et Seq.;

## Complaint Procedure Checklist

- Complaint received by Vice Chancellor of Human Resources and Employee Relations
  - Acting in role of Equal Opportunity Officer
  - Within 180 days of occurrence
  - Extension of 90 days if knowledge attained after 180 days
- Acknowledgement of receipt in writing to complainant and State Chancellor's Office (SCO)
  - Within 10 days of complaint receipt
  - Designate resolution/investigation coordinator
  - Advise of formal complaint filing with Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH).
- Advise individual accused
  - General nature of complaint
  - Assessment of accuracy has not yet been made
  - An investigation will be conducted
  - Accused will be provided an opportunity to present his/her side of the matter

- Retaliation of complainant or witnesses must be avoided
- District schedules informal resolution efforts or impartial investigation
  - Complete within 90 days of complaint receipt (extensions may be requested from SCO)
    - Extension requests must
      - Be filed at least 10 days prior to the original 90-day deadline
      - State reason why extension is necessary
      - The date by which District expects a determination
      - Corresponding copy sent to complainant
      - Notice to complainant of right to send objection to SCO within 5 days
  - Factual description of the matter
  - Summary of testimony provided by each witness
  - Analysis of data or evidence collected
  - Probable cause determination for each allegation in the complaint
  - Other appropriate information
- If a formal complaint is filed with EEOC or DFEH, send complaint copy to SCO and request whether to continue with District formal investigation
- Investigative report and administrative determination letter forwarded to complainant and SCO
  - Within 90 days of complaint receipt
  - Pertinent information in letter
    - Ultimate determination on probable cause
    - Description of actions taken to prevent similar future allegations
    - Proposed resolution
    - Complainant's appeal DFEH rights
- Complainant may file appeal to governing board
  - Within 15 days from date of administrative determination
  - Board issues final district decision within 45 days of receiving appeal
    - Forwarded to complainant with DFEH appeal rights
- Governing board determination is final
  - No appeal rights to SCO

## References:

Education Code Sections 212.5; 44100; 66281.5;

[Government Code Sections 12940 and 12923;](#)

[Civil Code Section 51.9;](#)

[Title 2 Sections 10500 et seq.;](#)

Title IX, Education Amendments of 1972; Title 5 Sections 59320 et seq.;

Title VII of the Civil Rights Act of 1964, 42 U.S. Code Annotated Section 2000e

## Attachments:

[AP 3430 Prohibition of Harassment - Comments](#)

[AP 3430 Prohibition of Harassment - Legal Citations](#)

[AP3430-OLD.pdf](#)



Origination:	N/A
Last Approved:	N/A
Last Revised:	N/A
Next Review:	N/A
Owner:	<a href="#">Chancellor's Cabinet</a> <a href="#">Chancellor's Cabinet:</a>
Policy Area:	<a href="#">Chapter 3 General Institution</a>
References:	

## BP 3430 Prohibition of Harassment

*Prohibition of Harassment (Replaces current SBCCD BP 3430)*

This policy prohibits District employees, students, and student organizations from engaging in unlawful discrimination and harassment including sexual misconduct. Allegations that an employee, student or student organization has violated the Discrimination and Harassment Policy will be resolved consistent with AP 3430: Prohibition of Harassment

All forms of harassment are contrary to basic standards of conduct between individuals and are prohibited by state and federal law, as well as this policy, and will not be tolerated. The District is committed to providing an academic and work environment that respects the dignity of individuals and groups. The District shall be free of sexual harassment and all forms of sexual intimidation and exploitation including acts of sexual violence. It shall also be free of other unlawful discrimination and harassment, including that which is based on any of the following statuses: race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, pregnancy, gender, gender identity, gender expression, age, sexual orientation, military and veteran status, or because an individual is perceived to have one or more of the foregoing characteristics. Sexual violence (e.g.: non-consensual sexual intercourse and non-consensual sexual contact) and interpersonal/relationship violence are always violations of the sex and gender-based discrimination and harassment policies and stalking often can be as well.

The District seeks to foster an environment in which all employees, students, unpaid interns, and volunteers feel free to report incidents of harassment without fear of retaliation or reprisal. Therefore, the District also strictly prohibits retaliation against any individual for filing a complaint of discrimination or harassment or for participating in a related investigation. Such conduct is illegal and constitutes a violation of this policy. All allegations of retaliation will be swiftly and thoroughly investigated. If the District determines that retaliation has occurred, it will take all reasonable steps within its power to stop such conduct. Individuals who engage in retaliatory conduct are subject to disciplinary action, up to and including termination or expulsion. Retaliation is defined below.

Any individual who believes that they have been harassed, discriminated against, or retaliated against in violation of this policy may report such incidents by following the procedures described below. Supervisors are mandated to report all incidents of discrimination, harassment and retaliation that come to their attention.

This policy applies to all aspects of the academic environment, including but not limited to admission, classroom conditions, grades, academic standing, employment opportunities, scholarships, recommendations, disciplinary actions, and participation in any community college activity. In addition, this policy applies to all terms and conditions of employment, including but not limited to hiring, placement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, training opportunities and compensation.

This policy applies to behaviors that take place on campus and at school-sponsored events and may also apply off-campus and to actions online when the Title IX Coordinator/Institutional Equity Officer determines that the off-campus conduct affects a substantial school interest or impacts the educational mission of the District.

A substantial school interest includes:

- a) Any action that constitutes criminal offense as defined by federal or state law. This includes, but is not limited to, single or repeat violations of any local, state or federal law committed in the municipality where the school is located;
- b) Any situation where it appears that the responding party may present a danger or threat to the health or safety of self or others;
- c) Any situation that significantly impinges upon the rights, property or achievements of self or others or significantly breaches the peace and/or causes social disorder; and/or
- d) Any situation that is detrimental to the educational interests of the school.

Any online postings or other electronic communication by students, including cyber-bullying, cyber-stalking, cyber-harassment, etc. occurring completely outside of the District's control will only be subject to this policy when those online behaviors can be shown to cause a substantial on campus disruption. Off-campus discriminatory or harassing speech by employees may be regulated by the District only when such speech is made in an employee's official or work-related capacity. The District's policy is not meant to inhibit or prohibit educational content or discussions inside or outside of the classroom that include germane, but controversial or sensitive subject matters protected by academic freedom.

The District reserves the right to address offensive conduct and/or harassment that does not rise to the level of discrimination, or that is of a generic nature not on the basis of a protected status. Addressing such issues may not result in the imposition of discipline under District policy, but will be addressed through civil confrontation, remedial actions, education and/or effective conflict resolution mechanisms.

Questions about this policy should be directed to the Title IX Coordinator/Institutional Equity Officer.

The Chancellor shall ensure that the institution undertakes education and training activities to counter discrimination and harassment and to prevent, minimize, and/or eliminate any hostile environment that impairs access to equal education opportunity or impacts the terms and conditions of employment.

This policy and related written procedures shall be widely published and publicized to administrators, faculty, staff, students, unpaid interns, and volunteers particularly when they are new to the institution. They shall be available for students, employees, unpaid interns, and volunteers in all administrative offices.

## References:

Education Code Sections 212.5, 44100, 66252, and 66281.5;

Government Code Sections [12923](#), 12940 and 12950.1;

[Civil Code Section 51.9](#);

Title 2 Sections 10500 et seq.;

Title VII of the Civil Rights Act of 1964, 42 U.S. Code Annotated Section 2000e

## Attachments:

[BP 3430 Prohibition of Harassment - Comments](#)



Origination:	N/A
Last Approved:	N/A
Last Revised:	N/A
Next Review:	N/A
Owner:	<i>Chancellor's Cabinet</i> <i>Chancellor's Cabinet:</i>
Policy Area:	<i>Chapter 3 General Institution</i>
References:	<i>Legally Required</i>

## AP 3435 Discrimination and Harassment Resolution Procedures

### ~~AP 3435 Discrimination and Harassment Complaints and Investigations~~

#### ~~References:~~

~~Education Code Sections 212.5, 231.5, 66281.5, and 67386; Government Code Section 12950.1;~~

~~Title 5 Sections 59320, 59324, 59326, 59328, and 59300 et seq.; Title 2 Sections 11023 and 11024; 20 U.S. Code Sections 1681 et seq.; 34 Code of Federal Regulations Part 106.8(b)~~

#### Complaints

The law prohibits coworkers, supervisors, managers, and third parties with whom an employee comes into contact from engaging in harassment, discrimination, or retaliation. Any person who has suffered harassment, discrimination, or retaliation may file a formal or informal complaint of harassment, discrimination, or retaliation, or who has learned of harassment, discrimination, or retaliation.

A formal complaint is a written and signed statement filed with the District or the California Community Colleges Chancellor's Office that alleges harassment, discrimination, or retaliation in violation of the District's Board Policies, Administrative Procedures or in violation of state or federal law. An informal complaint is any of the following: (1) An unwritten allegation of harassment, discrimination, or retaliation; (2) a written allegation of harassment, discrimination, or retaliation that falls outside the timelines for a formal complaint; or (3) a written complaint alleging harassment, discrimination, or retaliation filed by an individual who expressly indicates that he/she does not want to file a formal complaint.

#### Informal Complaints

Any person may submit an informal complaint to the **Executive Director, Human Resources** or any other District or college administrator. Administrators receiving an informal complaint shall immediately notify the **Executive Director, Human Resources** in writing of all pertinent information and facts alleged in the informal complaint.

Upon receipt of an informal complaint, the **Executive Director, Human Resources** will notify the person bringing the informal complaint of his/her right to file a formal complaint, if the incident falls within the timeline for a formal complaint, and explain the procedure for doing so. The complainant may later decide to file a formal complaint, if within the timelines to do so. If the individual chooses not to file a formal complaint, or if the alleged conduct falls outside the timeline to file a formal complaint, the **Executive Director, Human Resources** shall consider the allegations contained in the informal complaint and determine the appropriate

course of action. This may include efforts to informally resolve the matter, or a fact- finding investigation.

Investigation of an informal complaint will be appropriate if the ~~Investigation of an informal complaint will be appropriate if the Investigation of an informal complaint will be appropriate if the~~ **Executive Director, Human Resources** determines that the allegation(s), if proven true, would constitute a violation of the District policy prohibiting harassment, discrimination, or retaliation. The **Executive Director, Human Resources or designee** will explain to any individual bringing an informal complaint that **Executive Director, Human Resources** may decide to initiate an investigation, even if the individual does not wish the **Executive Director, Human Resources** to do so. The **Executive Director, Human Resources** shall not disregard any allegations of harassment, discrimination, or retaliation solely on the basis that the alleged conduct falls outside the deadline to file a formal complaint.

### **Formal Complaints**

Formal Complaints must be filed with the Chancellor of the California Community Colleges or the **Executive Director, Human Resources** unless the party submitting the Formal Complaint alleges discrimination, harassment, or retaliation against the responsible district officer, in which case it should be submitted directly to the **Chancellor** or the Chancellor of the California Community Colleges.

Formal Complaints should be submitted on the form prescribed by the Chancellor of the California Community Colleges. A copy of the form will be available at **each college student services office, the District human resources department and on college's/district's website.**

If any party submits a written allegation of harassment, discrimination, or retaliation not on the form described above, the District will seek to have the individual complete and submit the form. However, if the individual chooses not to do so, the District will attach the written allegation(s) to the form and treat it as a Formal Complaint. In no instance will the District reject a written allegation of harassment, discrimination, or retaliation on the basis that it was not submitted on the proper form.

A Formal Complaint must meet each of the following criteria:

- It must allege facts with enough specificity to show that the allegations, if true, would constitute a violation of District policies or procedures prohibiting discrimination, harassment, or retaliation;
- The complainant must sign and date the Formal Complaint;
- The complainant must file any Formal Complaint not involving employment within one year of the date of the alleged discriminatory, harassing, or retaliatory conduct or within one year of the date on which the complainant knew or should have known of the facts underlying the allegation(s) of discrimination, harassment, or retaliation.
- The complainant must file any Formal Complaint alleging discrimination, harassment, or retaliation in employment within 180 days of the date of the alleged discriminatory, harassing, or retaliatory conduct, except that this period shall be extended by no more than 90 days following the expiration of the 180 days if the complainant first obtained knowledge of the facts of the alleged violation after the expiration of the 180 days.

If the Formal Complaint does not meet the requirements set forth above, the **Executive Director, Human Resources** will promptly return it to the complainant and specify the defect. If the sole defect is that the Formal Complaint was filed outside the applicable ~~prescribed~~prescribed timeline, the **Executive Director, Human Resources** will handle the matter as an informal complaint.

**Oversight of Complaint Procedure:** The **Executive Director** is the "responsible District officer" charged with receiving complaints of discrimination or harassment, and coordinating their investigation.

The actual investigation of complaints may be assigned **by the Executive Director, Human Resources** to other staff or to outside persons or organizations under contract with the District. This shall occur whenever the **Executive Director** is named in the complaint or implicated by the allegations in the complaint.

**Who May File a Complaint:** Any student, employee, or third party who believes he/she has been discriminated against or harassed by a student, employee, or third party in violation of this procedure and the related policy.

**Where to File a Complaint:** A student, employee, or third party who believes he/she has been discriminated against or harassed in violation of these policy and procedures may make a complaint orally or in writing.

If a complainant decides to file a formal written unlawful discrimination or harassment complaint against the District, he/she must file the complaint on a form prescribed by the California Community Colleges Chancellor's Office. These approved forms are available from the **Executive Director** and at the California Community Colleges Chancellor's Office website.

The completed form must be filed with any of the following:

- [Executive Director, Human Resources](#)
- [The Chief of Police](#)
- [Executive Vice Chancellor, Human Resources](#)
- [California Community Colleges Chancellor's Office](#)

### **Employment-Related Complaints**

[Complainants filing employment-related complaints shall be notified that they may file employment discrimination complaints with the U.S. Equal Employment Opportunity Commission \(EEOC\) or the Department of Fair Employment and Housing \(DFEH\).](#)

[Complaints filed with the EEOC or the DFEH should be forwarded to the California Community Colleges Chancellor's Office.](#)

[Any District employee who receives a harassment or discrimination complaint shall notify the \*\*Executive Director, Human Resources\*\* immediately.](#)

[\*\*Filing a Timely Complaint:\*\* Since failure to report harassment and discrimination impedes the District's ability to stop the behavior, the District strongly encourages anyone who believes they are being harassed or discriminated against, to file a complaint. The District also strongly encourages the filing of such complaints within 30 days of the alleged incident. While all complaints are taken seriously and will be investigated promptly, delay in filing impedes the District's ability to investigate and remediate.](#)

[All supervisors and managers have a mandatory duty to report incidents of harassment and discrimination; the existence of a hostile, offensive or intimidating work environment, and acts of retaliation.](#)

[The District will investigate complaints involving acts that occur off campus if they are related to an academic or work activity or if the harassing conduct interferes with or limits a student's or employee's ability to participate in or benefit from the school's programs or activities.](#)

[\*\*Communicating that the Conduct is Unwelcome:\*\* The District further encourages students and staff to let the offending person know immediately and firmly that the conduct or behavior is unwelcome, offensive, in poor taste or inappropriate.](#)

[\*\*Intake and Processing of the Complaint:\*\* Upon receiving notification of a harassment or discrimination complaint, the \*\*Executive Director, Human Resources or designee\*\* shall:](#)

- ~~**Executive Director, Human Resources**~~
- ~~**The Chief of Police**~~
- [Undertake efforts to informally resolve the charges, including but not limited to mediation, rearrangement](#)



of work/academic schedules; obtaining apologies; providing informal counseling, training, etc.

- Advise all parties that he/she need not participate in an informal resolution of the complaint, as described above, and they have the right to end the informal resolution process at any time. Mediation can be instituted upon mutual agreement of both parties.
- Advise a student complainant that he/she may file a complaint with the Office for Civil Rights of the U.S. Department of Education and employee complainants may file a complaint with the Department of Fair Employment and Housing. All complainants should be advised that they have a right to file a complaint with local law enforcement, if the act complained of is also a criminal act. The District must investigate even if the complainant files a complaint with local law enforcement. In addition, the District should ensure that complainants are aware of any available resources, such as counseling, health, and mental health services. **The Executive Director, Human Resources** shall also notify the California Community Colleges Chancellor's Office of the complaint.
- Take interim steps to protect a complainant from coming into contact with an accused individual, especially if the complainant is a victim of sexual violence. The **Executive Director, Human Resources or designee** should notify the complainant of his/her options to avoid contact with the accused individual and allow students to change academic situations as appropriate. For instance, the District may prohibit the accused individual from having any contact with the complainant pending the results of the investigation. When taking steps to separate the complainant and accused individual, the District shall minimize the burden on the complainant. For example, it is not appropriate to remove complainants from classes or housing while allowing accused individuals to remain.

- ~~<strong>Executive Vice Chancellor, Human Resources</strong>~~

#### ~~• **the California Community Colleges Chancellor's Office.**~~

#### ~~**Employment-Related Complaints**~~

~~Complainants filing employment-related complaints shall be notified that they may file employment discrimination complaints with the U.S. Equal Employment Opportunity Commission (EEOC) or the Department of Fair Employment and Housing (DFEH).~~

~~Complaints filed with the EEOC or the DFEH should be forwarded to the California Community Colleges Chancellor's Office.~~

~~Any District employee who receives a harassment or discrimination complaint shall notify the **Executive Director, Human Resources** immediately.~~

~~**Filing a Timely Complaint:** Since failure to report harassment and discrimination impedes the District's ability to stop the behavior, the District strongly encourages anyone who believes they are being harassed or discriminated against, to file a complaint. The District also strongly encourages the filing of such complaints within 30 days of the alleged incident. While all complaints are taken seriously and will be investigated promptly, delay in filing impedes the District's ability to investigate and remediate.~~

~~All supervisors and managers have a mandatory duty to report incidents of harassment and discrimination; the existence of a hostile, offensive or intimidating work environment, and acts of retaliation.~~

~~The District will investigate complaints involving acts that occur off campus if they are related to an academic or work activity or if the harassing conduct interferes with or limits a student's or employee's ability to participate in or benefit from the school's programs or activities.~~

~~**Communicating that the Conduct is Unwelcome:** The District further encourages students and staff to let the offending person know immediately and firmly that the conduct or behavior is unwelcome, offensive, in poor taste or inappropriate.~~

~~**Intake and Processing of the Complaint:** Upon receiving notification of a harassment or discrimination complaint, the **Executive Director, Human Resources or designee** shall:~~

- ~~• Undertake efforts to informally resolve the charges, including but not limited to mediation,~~

~~rearrangement of work/academic schedules; obtaining apologies; providing informal counseling, training, etc.~~

- ~~• Advise all parties that he/she need not participate in an informal resolution of the complaint, as described above, and they have the right to end the informal resolution process at any time. Mediation can be instituted upon mutual agreement of both parties.~~
- ~~• Advise a student complainant that he/she may file a complaint with the Office for Civil Rights of the U.S. Department of Education and employee complainants may file a complaint with the Department of Fair Employment and Housing. All complainants should be advised that they have a right to file a complaint with local law enforcement, if the act complained of is also a criminal act. The District must investigate even if the complainant files a complaint with local law enforcement. In addition, the District should ensure that complainants are aware of any available resources, such as counseling, health, and mental health services. **The Executive Director, Human Resources** shall also notify the California Community Colleges Chancellor's Office of the complaint.~~
- ~~• Take interim steps to protect a complainant from coming into contact with an accused individual, especially if the complainant is a victim of sexual violence. **The Executive Director, Human Resources or designee** should notify the complainant of his/her options to avoid contact with the accused individual and allow students to change academic situations as appropriate. For instance, the District may prohibit the accused individual from having any contact with the complainant pending the results of the investigation. When taking steps to separate the complainant and accused individual, the District shall minimize the burden on the complainant. For example, it is not appropriate to remove complainants from classes or housing while allowing accused individuals to remain.~~

## Investigation

The **Executive Director, Human Resources** shall:

- Authorize the investigation of the complaint, and supervise or conduct a thorough, prompt and impartial investigation of the complaint, as set forth below. Where the parties opt for informal resolution, the designated officer will determine whether further investigation is necessary to ensure resolution of the matter and utilize the investigation process outlined below as appropriate. In the case of a formal complaint, the investigation will include interviews with the complainant, the accused, and any other persons who may have relevant knowledge concerning the complaint. This may include victims of similar conduct.
- Review the factual information gathered through the investigation to determine whether the alleged conduct constitutes harassment, or other unlawful discriminatory conduct, giving consideration to all factual information and the totality of the circumstances, including the nature of the verbal, physical, visual or sexual conduct, and the context in which the alleged incidents occurred.

**Investigation of the Complaint:** The District shall promptly investigate every complaint and claim of harassment or discrimination. No claim of workplace or academic harassment or discrimination shall remain unexamined. This includes complaints involving activities that occur off campus and in connection with all the academic, educational, extracurricular, athletic, and other programs of the District, whether those programs take place in the District's facilities, on a District bus, or at a class or training program sponsored by the District at another location. The District shall promptly investigate complaints of harassment or discrimination that occur off campus if the alleged conduct creates a hostile environment on campus.

As set forth above, where the parties opt for an informal resolution, the **Executive Director, Human Resources** may limit the scope of the investigation, as appropriate. The District will keep the investigation

confidential to the extent possible but cannot guarantee absolute confidentiality because release of some information on a "need-to-know-basis" is essential to a thorough investigation. When determining whether to maintain confidentiality, the District may weigh the request for confidentiality against the following factors: the seriousness of the alleged harassment; the complainant's age; whether there have been other harassment complaints about the same individual; and the accused individual's rights to receive information about the allegations if the information is maintained by the District as an "education record" under the Family Educational Rights and Privacy Act (FERPA), 20 U.S. Code Section 1232g; 34 Code Federal Regulations Part 99.15. The District will inform the complainant if it cannot maintain confidentiality.

**Investigation Steps:** The District will fairly and objectively investigate harassment and discrimination complaints. Employees designated to serve as investigators under this policy shall have adequate training on what constitutes sexual harassment, including sexual violence, and that they understand how the District's grievance procedures operate. The investigator may not have any real or perceived conflicts of interest and must be able to investigate the allegations impartially.

Investigators will use the following steps: interviewing the complainant(s); interviewing the accused individual(s); identifying and interviewing witnesses and evidence identified by each party; identifying and interviewing any other witnesses, if needed; reminding all individuals interviewed of the District's no-retaliation policy; considering whether any involved person should be removed from the campus pending completion of the investigation; reviewing personnel/academic files of all involved parties; reach a conclusion as to the allegations and any appropriate disciplinary and remedial action; and see that all recommended action is carried out in a timely fashion. When the District evaluates the complaint, it shall do so using a preponderance of the evidence standard. Thus, after considering all the evidence it has gathered, the District will decide whether it is more likely than not that discrimination or harassment has occurred.

**Timeline for Completion:** The District will undertake its investigation promptly and swiftly as possible. To that end, the investigator shall complete the above steps, and prepare a written report within 90 days of the District receiving the complaint.

**Cooperation Encouraged:** All employees are expected to cooperate with a District investigation into allegations of harassment or discrimination. Lack of cooperation impedes the ability of the District to investigate thoroughly and respond effectively. However, lack of cooperation by a complainant or witnesses does not relieve the District of its obligation to investigate. The District will conduct an investigation if it is discovered that harassment is, or may be occurring, with or without the cooperation of the alleged victim(s) and regardless of whether a complaint is filed. No employee will be retaliated against as a result of lodging a complaint or participating in any workplace investigation.

#### **Written Report**

The results of the investigation of a complaint shall be set forth in a written report that will include at least all of the following information:

- A description of the circumstances giving rise to the Formal Complaint;
- A summary of the testimony provided by each witness interviewed by the investigator;
- An analysis of relevant evidence collected during the course of the investigation;
- A specific finding as to whether there is probable cause to believe that discrimination, harassment, or retaliation occurred with respect to each allegation in the complaint; and
- Any other information deemed appropriate by the District.

#### **Confidentiality of the Process**

Investigations are best conducted within a confidential climate. Therefore, the District does not reveal information about ongoing investigations except as necessary to fulfill its legal obligations. The District will

keep the investigation confidential to the extent possible, but it cannot guarantee absolute confidentiality because release of some information on a "need-to-know-basis" is essential to a thorough investigation and to protect the rights of Accused students and employees during the investigation process and any ensuing discipline.

#### **Administrative Determination**

- In any case not involving employment discrimination, within 90 days of receiving a formal complaint, the district shall complete its investigation and forward a copy of the investigative report to the Chancellor of the California Community Colleges, a copy or summary of the report to both parties, and written notice setting forth all of the following to both the complainant and the Chancellor:
- The determination of the ~~Chancellor~~ Chancellor or his/her designee as to whether there is probable cause to believe discrimination occurred with respect to each allegation in the complaint;
- A description of actions taken, if any, to prevent similar problems from occurring in the future;
- The proposed resolution of the complaint; and
- The complainant's right to appeal to the District governing board and the Chancellor

#### ~~California Community Colleges.~~

#### **Discipline and Corrective Action**

If harassment, discrimination or retaliation occurred in violation of the policy or procedure, the District shall take disciplinary action against the accused and any other remedial action it determines to be appropriate. The action will be prompt, effective, and commensurate with the severity of the offense. Remedies for the complainant might include, but are not limited to:

- providing an escort to ensure that the complainant can move safely between classes and activities;
- ensuring that the complainant and alleged perpetrator do not attend the same classes or work in the same work area;
- preventing offending third parties from entering campus;
- providing counseling services or a referral to counseling services;
- providing medical services or a referral to medical services;
- providing academic support services, such as tutoring;
- arranging for a student-complainant to re-take a course or withdraw from a class without penalty, including ensuring that any changes do not adversely affect the complainant's academic record; and
- reviewing any disciplinary actions taken against the complainant to see if there is a causal connection between the harassment and the misconduct that may have resulted in the complainant being disciplined.

If the District imposes discipline, the nature of the discipline will not be communicated to the complainant. However, the District may disclose information about the sanction imposed on an individual who was found to have engaged in harassment when the sanction directly relates to the complainant; for example, the District may inform the complainant that the harasser must stay away from the complainant.

Disciplinary actions against faculty, staff, and students will conform to all relevant statutes, regulations, personnel policies and procedures, including the provisions of any applicable collective bargaining agreement.

The District shall also take reasonable steps to protect the complainant from further harassment, or discrimination, and to protect the complainant and witnesses from retaliation as a result of communicating the complaint or assisting in the investigation.

The District will ensure that complainants and witnesses know how to report any subsequent problems, and should follow-up with complainants to determine whether any retaliation or new incidents of harassment have

occurred. The District shall take reasonable steps to ensure the confidentiality of the investigation and to protect the privacy of all parties to the extent possible without impeding the District's ability to investigate and respond effectively to the complaint.

If the District cannot take disciplinary action against the accused individual because the complainant refuses to participate in the investigation, it should pursue other steps to limit the effects of the alleged harassment and prevent its recurrence.

### **Appeals**

If the District imposes discipline against a student or employee as a result of the findings in its investigation, the student or employee may appeal the decision using the procedure for appealing a disciplinary decision.

If the complainant is not satisfied with the results of the administrative determination, he/she may, within fifteen days, submit a written appeal to the Board of Trustees. The Board shall review the original complaint, the investigative report, the administrative decision, and the appeal. The Board shall issue a final District decision in the matter within 45 days after receiving the appeal. A copy of the decision rendered by the Board shall be forwarded to the complainant and to the California Community Colleges Chancellor's Office. The complainant shall also be notified of his/her right to appeal this decision.

If the Board does not act within 45 days the administrative determination shall be deemed approved and shall become the final decision of the District in the matter.

In any case not involving workplace discrimination, harassment, or retaliation, the complainant shall have the right to file a written appeal with the California Community Colleges Chancellor's Office within thirty days after the Board issued the final District decision or permitted the administrative decision to become final. Such appeals shall be processed pursuant to the provision of Title 5 Section 59350.

In any case involving employment discrimination, including workplace harassment, the complainant may, at any time before or after the issuance of the final decision of the District, file a complaint with the Department of Fair Employment and Housing.

### **Extension of Time**

Within 150 days of receiving a formal complaint that does not involve employment discrimination, the District shall forward to the California Community Colleges Chancellor's Office the original complaint, the investigative report, a copy of the written notice to the complainant setting forth the results of the investigation, a copy of the final administrative decision rendered by the Board or indicating the date upon which the decision became final, and a copy of the notification to the complainant of his/her appeal rights. If, due to circumstances beyond its control, the District is unable to comply with the 150-day deadline for submission of materials, it may file a written request for an extension of time no later than ten days prior to the expiration of the deadline.

### **File Retention**

The District will retain on file for a period of at least three years after closing the case copies of:

- the original complaint;
- the investigatory report;
- the summary of the report if one is prepared;
- the notice provided to the parties, of the District's administrative determination and the right to appeal;
- any appeal; and
- the District's final decision.

The District will make such documents available to the Chancellor of the California Community Colleges upon request.

Where the complaint allegation consists of Sexual Misconduct, as defined by Title IX, the following applies:

**Sexual Misconduct:**

Sexual misconduct includes sexual harassment and sexual violence.

- Sexual harassment may include unwelcome sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature, made by someone from or in the work or education setting.
- Sexual violence refers to physical sexual acts perpetrated against a person's will or when a person is incapable of giving consent due to the victim's use of drugs or alcohol or due to an intellectual or other disability. Sexual violence includes rape, sexual assault, sexual battery, and sexual coercion.
- Affirmative consent means an affirmative, conscious, and voluntary agreement to engage in sexual activity.

Sexual misconduct creates a hostile environment if the conduct is sufficiently serious that it interferes with or limits a student's ability to participate in or benefit from the District's program. A single or isolated incident may create a hostile environment if the incident is sufficiently severe.

**Complaint Procedure:**

Where the complaint involves a minor, the District will comply with California mandated reporting requirements.

All responsible employees are required to report all actual or suspected sexual misconduct to the Title IX Coordinator immediately. A responsible employee is any employee who has the authority to take action to redress sexual misconduct, who has been given the duty of reporting incidents of sexual misconduct to the Title IX Coordinator or **Executive Director, Human Resources**, or whom a student or employee could reasonably believe has this authority or duty. The District is on notice if a responsible employee knew, or in the exercise of reasonable care should have known, about the sexual misconduct.

Any person may make a complaint by contacting the Title IX Coordinator directly. The District's Title IX Coordinator is the **Human Resources Manager, located at the Human Resources Department at the District Office**. The Title IX Coordinator will receive all relevant details about the alleged sexual misconduct reported to the District responsible employee in order to determine what occurred and how to resolve the situation. This includes the names of alleged victim and alleged perpetrator (if known), and the date, time, and location of the alleged sexual misconduct.

**Privileged or Confidential Reporting:**

A District employee or responsible employee should, whenever possible, before a student or employee reveals information that he/she may wish to keep confidential, ensure that the person making the report understands the employees obligations to report to the Title IX Coordinator, the victims option to request confidentiality, which the District will take into consideration, and the victims ability to share the information confidentially with designated District employees.

Professional, licensed, mental health counselors and pastoral counselors, who provide mental-health counseling to members of the District community, or interns, graduate students, and others supervised by professional licensed counselors, are not required to report any information to the Title IX Coordinator.

Non-professional counselors who work or volunteer in the health center including front desk personnel and

student employees in the course of their duties, may maintain confidentiality. They are not required to report actual or suspected sexual misconduct to the Title IX Coordinator in a way that identifies the student without the victim's consent.

**Authority over Parties:**

The District has authority over students, employees, and third parties for alleged violations of this policy that occur on District property. The District has authority over District employees and students for alleged violations of this policy that occur at District activities or events. The District may exercise authority over events that occur off- campus to determine if the conduct occurred in the context of an education program or activity or had continuing effects on campus or in an off-campus education program or activity.

**Standard of Proof:**

The District will use a "preponderance of the evidence" standard of proof in determining whether there has been a violation of this policy. This standard of proof is also known as "more likely than not" standard.

**Upon Receiving the Complaint – Health and Safety:**

The Title IX Coordinator will make an immediate assessment concerning the health and safety of the victim and campus community as a whole. The District will provide the reporting party and responding party with immediate, interim measures necessary to protect his/her health and safety. These immediate, interim measures may include providing an escort to ensure that the victim can move safely between classes, ensuring that the victim and perpetrator do not attend the same classes or work in the same area, preventing offending third parties from entering campus, providing counseling services or a referral to counseling services, providing academic support services, such as tutoring, arranging for a victim to retake a course or withdraw from a course without penalty, including ensuring that any changes do not adversely affect the victims' academic record, and reviewing any disciplinary actions taken against the victim to see *if there is a causal connection between the harassment, discrimination, or retaliation*.

Where the District determines that there is a substantial threat to the campus community, it will issue a timely warning. The District will issue the warning according to District Administrative Procedures. The District will not ~~te~~-disclose the victim's name or other identifying information when issuing the warning.

**Communicating that the Conduct is Unwelcome:**

The employee or student may, but is not required to let the offending person know immediately and firmly that the conduct or behavior is unwelcome, offensive, in poor taste, or inappropriate. This is not required.

**Intake and Processing of the Complaint:**

If the District determines that a sexual misconduct complaint is appropriate for informal resolution, it may permit an informal resolution, including mediation. All parties, including the complainant and respondent, must receive full disclosure of the allegations and information about options for formal resolution before voluntarily agreeing to participate in an informal resolution. If all parties agree to an informal resolution, the District does not have to complete a full investigation and adjudication of a report of sexual misconduct.

**Confidentiality:**

Where the victim requests confidentiality regarding a reportable incident , the District will take all reasonable steps to comply with the victim's request or inform the victim when it cannot ensure confidentiality . The District will not disclose the name of the victim unless the victim provides written consent after being informed of his/ her right to have the information withheld. Where the victim insists that the District not disclose his/her name or

other identifiable information to the alleged perpetrator, the District will inform the victim that its ability to respond will be limited. The District will evaluate this request in the context of its responsibility to provide a safe and nondiscriminatory environment for all employees and students. When weighing a request for confidentiality against the seriousness of the alleged harassment, the Title IX Coordinator will take the factors listed above into consideration.

**Fact-Finding Investigation:**

Where the victim has filed a criminal complaint with local law enforcement, the District will consider what information the District is able to share, pursuant to state and federal law, to ensure that victims are not unnecessarily required to give multiple statements about a traumatic event. The District will continue to conduct its own thorough, reliable, prompt, and impartial investigation. The District will normally complete its sexual misconduct investigation within 90 days of receiving the complaint, unless extended by the Title IX Coordinator for good cause. The Title IX Coordinator will notify the victim and accused in writing of the reason for the extension and the projected new timeline.

The victim and accused will have equal opportunity to present relevant witnesses and other evidence to the District investigator. The District will provide the same opportunities to the victim and accused,

The results of the fact-finding investigation will be set out in a formal investigative report, which will include the requirements listed above and a credibility determination of the victim, accused, and witnesses.

**Reporting to California Community Colleges Chancellor's Office:**

The District considers all sexual misconduct complaints to be formal complaints. The **Title IX Coordinator or designee** must notify the State Chancellor's Office of any sexual misconduct complaints. Upon completing the investigation, the District shall forward to the California Community Colleges Chancellor's Office a copy of the investigative report and administrative determination and to the parties a copy or summary of the investigative report and administrative determination.

**Dissemination of Policy and Procedures**

District Policy and Procedures related to harassment will include information that specifically addresses sexual violence. District policy and procedures will be provided to all students, faculty members, members of the administrative staff and members of the support staff, and will be posted on campus and on the District's website.

When hired, employees are required to sign that they have received the policy and procedures, and the signed acknowledgment of receipt is placed in each employee's personnel file. In addition, these policies and procedures are incorporated into the District's course catalogs and orientation materials for new students.

**Training**

By January 1, 2020, the District shall provide at least two hours of classroom or other effective interactive training and education regarding sexual harassment to all supervisory employees and at least one hour of classroom or other effective interactive training and education regarding sexual harassment to all nonsupervisory employees. All new employees must be provided with the training and education within six months of their assumption of his/her position. After January 1, 2020, the District shall provide sexual harassment training and education to each employee once every two years.

The training and education required by this procedure shall include information and practical guidance regarding the federal and state statutory provisions concerning the prohibition against and the prevention and correction of sexual harassment and the remedies available to victims of sexual harassment in employment, a



review of "abusive conduct," and harassment based on gender identity, gender expression, and sexual orientation. The training and education shall also include practical examples aimed at instructing supervisors in the prevention of harassment, discrimination, and retaliation, and shall be presented by trainers or educators with knowledge and expertise in the prevention of harassment, discrimination, and retaliation. Supervisor's harassment training must also address potential exposure and liability for employers and individuals, supervisor's obligation to report sexual harassment, discrimination, and retaliation when they become aware of it, appropriate remedial measures to correct harassing behavior.

The District will maintain appropriate records of the training provided, including the names of the supervisory employees trained, the date of training, sign in sheets, copies of all certificates of attendance or completion issued, the type of training provided, a copy of all written or recorded training materials, and the name of the training provider. If the training is provided by webinar, the District will maintain a copy of the webinar, all written materials used by the training and all written questions submitted during the webinar, and document all written response or guidance the trainer provided during the webinar. The District will retain these records for at least two years.

The District will also provide training to students who lead student organizations. The District should provide copies of the sexual harassment policies and training to all District law enforcement unit employees regarding the grievance procedures and any other procedures used for investigating reports of sexual violence.

In years in which a substantive policy or procedural change has occurred, all District employees will attend a training update or receive a copy of the revised policies and procedures.

Participants in training programs will be required to sign a statement that they have either understood the policies and procedures, their responsibilities, and their own and the District's potential liability, or that they did not understand the policy and desire further training.

### **Education and Prevention for Students**

In order to take proactive measures to prevent sexual harassment and violence toward students, the District will provide preventive education programs and make victim resources, including comprehensive victim services, available. The District will include such programs in their orientation programs for new students, and in training for student athletes and coaches. These programs will include discussion of what constitutes sexual harassment and sexual violence, the District's policies and disciplinary procedures, and the consequences of violating these policies. A training program or informational services will be made available to all students at least once annually.

The education programs will also include information aimed at encouraging students to report incidents of sexual violence to the appropriate District and law enforcement authorities. Since victims or third parties may be deterred from reporting incidents if alcohol, drugs, or other violations of District or campus rules were involved, the District will inform students that the primary concern is for student safety and that use of alcohol or drugs never makes the victim at fault for sexual violence. If other rules are violated, the District will address such violations separately from an allegation of sexual violence.

~~Revised 7/02, 2/03, 2/05, 2/06, 3/12, 6/13, 10/15, 4/16, 10/16, 10/17, 10/18, 3/19~~

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## **References:**

[Education Code Sections 212.5, 231.5, 66281.5, and 67386; Government Code Section 12950.1;](#)

[Title 5 Sections 59320, 59324, 59326, 59328, and 59300 et seq.; Title 2 Sections 11023 and 11024; 20 U.S. Code Sections 1681 et seq.; 34 Code of Federal Regulations Part 106.8\(b\)](#)

**Attachments:**

[AP 3435 Discrimination and Harassment Investigation - Comments](#)  
[AP 3435 Discrimination and Harassment Investigation - Legal Citations](#)  
[AP3435-OLD.pdf](#)  
[SBCCD - Overview for Legal Update 31 Final Version.docx](#)  
[SBCCD - Overview for Legal Update 31 Final Version.docx](#)  
[SBCCD - Overview for Legal Update 31 Final Version.docx](#)  
[SBCCD - Overview for Legal Update 31 Final Version.docx](#)



Origination:	11/2016
Last Approved:	11/2016
Last Revised:	11/2016
Next Review:	09/2019
Owner:	<i>Kristina Hannon</i>
Policy Area:	<i>Chapter 3 General Institution</i>
References:	<i>Brand New - required</i>

## AP 3440 Service Animals

The District will allow an individual with a disability to use a service animal in District facilities and on District campuses in compliance with state and federal law.

The District will allow an individual with a disability to use a miniature horse as a service animal in District facilities and on District campuses if the miniature horse has been individually trained to do work or perform tasks for the benefit of the individual with a disability and the District has determined, based on the assessment factors provided in this procedure, that a reasonable accommodation can be made.

The District will allow an individual with a disability to be accompanied by his/her service animal in all areas of the District's facilities where members of the public, invitees, clients, customers, patrons, or participants in services, programs or activities, as relevant, are allowed to go.

These procedures shall also be applicable to an individual who is training a service animal.

### Service Animal Defined

A "service animal" for purposes of this procedure means any dog (or miniature horse, as provided herein) that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability.

Other species of animals, whether wild or domestic, trained or untrained, are not service animals for the purposes of this definition.

The work or tasks performed by a service animal must be directly related to the handler's disability. The crime deterrent effects of an animal's presence and the provision of emotional support, well-being, comfort, or companionship do not constitute work or tasks for the purposes of this definition.

### Exceptions

The District may ask an individual with a disability to remove a service animal from the premises if:

- The animal is out of control and the animal's handler does not take effective action to control it; or
- The animal is not housebroken.

If a service animal is excluded under one of these exceptions, the District will give the individual with a disability the opportunity to obtain goods, services, and accommodations or to participate in the service, program, or activity without having the service animal on the premises.

# Assessment Factors for Miniature Horses

The District shall consider the following factors:

- The type, size, and weight of the miniature horse and whether the facility can accommodate these features;
- Whether the handler has sufficient control of the miniature horse;
- Whether the miniature horse is housebroken; and
- Whether the miniature horse's presence in a specific facility compromises legitimate safety requirements that are necessary for safe operation.

## Control

The service animal must have a harness, leash, or other tether, unless either the handler is unable because of a disability to use a harness, leash, or other tether, or the use of a harness, leash, or other tether would interfere with the service animal's safe, effective performance of work or tasks, in which case the service animal must be otherwise under the handler's control (e.g., voice control, signals, or other effective means).

## Care or Supervision

The District is not responsible for the care or supervision of the animal.

## Inquiries by the District

The District may make two inquiries to determine whether an animal qualifies as a service animal:

- Whether the animal is required because of a disability; and
- What work or task the animal has been trained to perform.

The District will not make either of these inquiries when it is readily apparent that an animal is trained to do work or perform tasks for an individual with a disability (e.g., the dog is observed guiding an individual who is blind or has low vision, pulling a person's wheelchair, or providing assistance with stability or balance to an individual with an observable mobility disability).

An individual may choose to produce a county service dog license or identification tag as proof that the animal is a service animal. Licensure or certification is not required in order to meet the definition of service animal under this procedure. There are no licensing or certification requirements for miniature horses.

## No Surcharge

The District will not ask or require an individual with a disability to pay a surcharge, even if people accompanied by pets are required to pay fees, or to comply with other requirements generally not applicable to people without pets. If the District normally charges individuals for damage caused by pets, an individual with a disability may be charged for damage caused by his/her service animal.

## References:

Civil Code Sections 54 et seq.;

Penal Code Section 365.5;

42 United States Code Sections 12101 et seq. (The Americans with Disabilities Act of 1990);

28 Code of Federal Regulations Part 35;



Current Status: *Pending*

PolicyStat ID: 6786335



Origination:	11/2016
Last Approved:	N/A
Last Revised:	11/2016
Next Review:	<i>6 years after approval</i>
Owner:	<i>Kristina Hannon</i>
Policy Area:	<i>Chapter 3 General Institution</i>
References:	<i>Brand New - required</i>

## BP 3440 Service Animals

In order to prevent discrimination on the basis of disability, the District will allow an individual with a disability to use a service animal or miniature horse in District facilities and on District campuses in compliance with state and federal law.

### References:

The Americans with Disabilities Act of 1990 -- 42 United States Code Sections 12101 et seq.;

28 Code of Federal Regulations Part 35;

28 Code of Federal Regulations Part 36;

34 Code of Federal Regulations Part 104.44(b)

### Attachments:

[AP 3440 Service Animals.docx](#)



Current Status: Active

PolicyStat ID: 5223298



**Origination:** 08/2018  
**Last Approved:** 01/2019  
**Last Revised:** 01/2019  
**Next Review:** 09/2019  
**Owner:** *Policy Stat*  
**Policy Area:** *Chapter 6 General Institution*  
**References:**

## BP 6751 Parking Citation Payment Plan

The Board shall establish an Administrative Procedure where a registered owner (CVC 460, 505) or person responsible for vehicle citations received on San Bernardino Community College District property shall be eligible to enroll in a payment plan when they have multiple unpaid parking citations.

### Reference:

California Assembly Bill No. 503 (Chapter 741)

### Attachments:

No Attachments

### Approval Signatures

Step Description	Approver	Date
	Stacey Nikac: Administrator	08/2018
	Stacey Nikac: Administrator	08/2018
	Stacey Nikac: Administrator	08/2018
	Stacey Nikac: Administrator	08/2018
	Stacey Nikac: Administrator	08/2018
	Stacey Nikac: Administrator	08/2018



**Origination:** N/A  
**Last Approved:** N/A  
**Last Revised:** N/A  
**Next Review:** N/A  
**Owner:** *Human Resources Human Resources*  
**Policy Area:** *Chapter 7 Human Resources*  
**References:**

## AP 7450 Mileage Reimbursement

(Replaces current SBCCD AP 7450)

~~**NOTE:** AP 7450 is unique to SBCCD.~~

- ~~From current SBCCD AP 7450 titled Mileage Reimbursement~~

### Reimbursement Eligibility

#### A. **Reimbursement Eligibility**

1. Mileage reimbursement is granted only when employees are required to use their personal vehicles in connection with their assignments and in performance of their duties.
2. Full-time employees who report to a second worksite in one day other than their primary site for performance of duties may claim reimbursement travel subject to the calculation method described below. Full-time employees who teach at a second site as an overload, and hourly employees shall be responsible for their own transportation costs.
3. To be eligible for mileage reimbursement, employee must be on the approved drivers' list maintained by Human Resources.

#### B. **Reimbursement Rate**

Mileage reimbursement shall be made at the Internal Revenue Service standard mileage rate.

#### C. **Reimbursement Claims**

1. Mileage reimbursement is granted only after a Mileage Reimbursement Claim is submitted and there is a purchase order with sufficient balance to process against it. Reimbursement claims should be submitted monthly, but no less than once per semester. Second semester mileage must be submitted by July 1.
2. Employees authorized to use their personal automobiles for District daily business should maintain daily records with supporting documentation of the trips authorized during the month. Documentation shall include a daily mileage trip log and parking fee receipts.

#### D. **Mileage Calculation**

1. ~~Reimbursable mileage shall be calculated from the primary worksite of the employee to the various destinations and return to the primary worksite. In the event an employee does not visit the regular place of work prior to the first stop on college business in any one day, mileage shall be calculated using the distance from home or primary work site to the first business stop, whichever is~~

~~less.~~ Mileage is reimbursed only for miles incurred beyond employees' normal commute to their regular worksite.

2. In the event an employee proceeds from this last destination on college business in any one day to home, mileage shall be calculated using the distance from home or primary work site to the first business stop, whichever is less.

#### E. Verification

Signatures required are: Employee, Responsibility Center Manager, if claimant is the Responsibility Manager, signature of claimant's supervisor is required.

~~Also see BP/AP 4300 titled Field Trips and Excursions, AP 6530 titled District Vehicles, and BP/AP 7400 titled Travel~~ Also see BP/AP 4300 titled Field Trips and Excursions, AP 6530 titled District Vehicles, and BP/AP 7400 titled Travel

## ~~References:~~

### References:

~~No references~~ No references

## Attachments:

AP 7450 Mileage Reimbursement - Comments  
AP 7450 Mileage Reimbursement - Legal  
Citations  
AP7450 -OLD.pdf





Current Status: *Draft*

PolicyStat ID: 6978821



Origination:	N/A
Last Approved:	N/A
Last Revised:	N/A
Next Review:	N/A
Owner:	<a href="#">Human Resources Human Resources</a>
Policy Area:	<a href="#">Chapter 7 Human Resources</a>
References:	<a href="#">Legally Required</a>

## BP 7450 Mileage Reimbursement

*(Replaces current SBCCD BP 7450)*

Employees may receive reimbursement for authorized business mileage only under the terms and conditions recommended by the Chancellor.

Also see BP/AP 4300 titled **Field Trips and Excursions**, AP 6530 titled **District Vehicles**, and BP/AP 7400 titled **Travel**

### Reference:

No specific reference

### Attachments:

- [BP 7450 Mileage Reimbursement- Comments](#)
- [BP 7450 Mileage Reimbursement- Legal Citations](#)
- [BP7450 -OLD.pdf](#)

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Bruce Baron, Chancellor

**PREPARED BY:** Stacey K. Nikac, Administrative Officer

**DATE:** November 14, 2019

**SUBJECT:** Consideration of Final Approval of Board Policies

### **RECOMMENDATION**

It is recommended that the Board of Trustees approve the Board Policies for second reading. Administrative Procedures are submitted for information and review for consistency with Board policies.

AP/BP 3550 Drug Free Environment and Drug Prevention Program

### **OVERVIEW**

The SBCCD has a process of continuous review of its Board Policies and Administrative Procedures to ensure compliance with Title 5, California Education Code and current district/college needs. The attached policies and procedures have been modified and or reviewed and have gone through the collegial consultation process as outlined in Board Policy 2410.

### **ANALYSIS**

The Board approved first reading on October 10, 2019. The changes to these policies include requirements of the Education Code, current laws, and those determined to be necessary for the efficient operation of the district.

### **INSTITUTIONAL VALUES**

- I. Institutional Effectiveness
- II. Enhanced and Informed Governance and Leadership

### **FINANCIAL IMPLICATIONS**

None.



<b>Origination:</b>	N/A
<b>Last Approved:</b>	N/A
<b>Last Revised:</b>	N/A
<b>Next Review:</b>	N/A
<b>Owner:</b>	<i>Chancellor's Cabinet</i> <i>Chancellor's Cabinet:</i>
<b>Policy Area:</b>	<i>Chapter 3 General Institution</i>
<b>References:</b>	<i>Legally Required</i>

## AP 3550 Drug Free Environment and Drug Prevention Program

The District is committed to providing its employees and students with a drug free workplace and campus environment. It emphasizes prevention and intervention through education.

### Prohibition of Drugs

The unlawful manufacture, distribution, dispensing, possession or use of alcohol or any controlled substance is prohibited on District property, during District-sponsored field trips, activities or workshops, and in any facility or vehicle operated by the District.

Violation of this prohibition will result in appropriate action up to and including termination of employment, expulsion, and referral for prosecution, or, as permitted by law, may require satisfactory participation in an alcohol or drug abuse assistance or rehabilitation program.

### Employee Notification of Workplace Criminal Drug Statute Violation

The Drug-Free Workplace Act of 1988 (Public Law 100-690, Title V, Subtitle D) requires that district faculty and staff directly engaged in the performance of work on a Federal contract or grant shall abide by this policy as a condition of employment and shall notify the district within five days if they are convicted of any criminal drug statute violation occurring in the workplace or while on district business. The district is required to notify the Federal contracting or granting agency within ten days of receiving notice of such conviction, take appropriate corrective action, or require the faculty or staff member to participate satisfactorily in an approved drug-abuse assistance or rehabilitation program. In addition, employees must notify the District with five days of any conviction for violating a criminal drug statute while in the workplace. The District is required to inform any agencies that require this drug-free policy within ten days after receiving notice of a workplace drug conviction.

### Assistance, Resources and Referrals

Drug or alcohol counseling, treatment, or rehabilitation or re-entry programs or referrals are available to employees or students. The College District provides confidential referrals through an Employee-Assistance Program (EAP) for employees and their families needing assistance with drug or alcohol abuse. Please contact the Benefits Office for more information regarding EAP. Students should contact Health Services for resources or for assistance.

# Pre-Employment Drug Testing

The District requires pre-employment drug testing of finalists for positions that are safety and/or security sensitive. The following positions require pre-employment drug testing: police officers, dispatchers, campus security officers, drivers, maintenance jobs involving driving and/or use of potentially dangerous tools, jobs involving dangerous chemicals or substances. The District shall use an independent testing laboratory and results will only be made available to Human Resources staff.

## Drug Testing Current Employees

The District's drug prevention efforts are meant to focus on prevention and assistance, however the District may require drug tests under certain circumstances. If an employee is employed in a safety or security sensitive position (as described in the foregoing paragraph), post-accident/injury drug testing is allowed and may be conducted. If the employee is not in a safety or security sensitive position, reasonable suspicion must be established in order to test someone. Reasonable suspicion shall be established and documented by a District police officer based on the following factors:

- Observable phenomena, such as direct observation of drug or alcohol use or possession and/or the physical symptoms of being under the influence of drugs or alcohol. The factors listed below may demonstrate physical symptoms of being under the influence of drugs or alcohol (this list is not intended to be exhaustive):
  - Equilibrium – does the person stagger, sway side to side or backward and forward when standing? Does the person stagger when walking?
  - Speech – is the person's manner of speech slurred, rapid, or slow when compared to the person's normal manner of speech?
  - Mental Reaction – during conversations with the person or by observing the person in conversations with others, are the person's statements responsive or consistent with the topic or the sequence of the conversation? Does the person's attention appear to wander?
  - Odor of alcohol or controlled substance on breath, body or clothing – is there any suspicious odor, or is there a lack of such an odor?
  - Eyes – are the person's eyes normal? Are the pupils constricted or dilated? Are the eyes extremely red or red rimmed? Does the person have difficulty focusing his or her eyes?
  - Physical Actions – is a normally calm person hyperactive or nervous? Does he or she appear to act nervous or in a nervous way? Is a normally energetic, active, gregarious person lethargic, inattentive, or withdrawn?
  - Mood – is the person abnormally hostile, angry or short with others, or abnormally sad, or given to uncontrolled crying or depression when compared to the person's normal mood?
- A pattern of abnormal conduct or erratic behavior.
- Conviction for a drug-related or alcohol-related offense, or the identification of an employee as the focus of a criminal investigation into illegal drug possession, use or distribution, while on compensable work time.
- Information provided either by reliable or credible sources or independently corroborated by other sources, to include self-admission of drug/alcohol use.
- Evidence that the employee tampered with a previous drug test.

Refusal to be drug tested based upon evidence of reasonable suspicion may constitute insubordination, and the employee may be subject to discipline up to and including termination from employment.

Drug testing, as arranged by the District, shall be tailored towards the specific signs/symptoms being exhibited

by the employee.

## References:

Drug Free Schools and Communities Act Amendment of 1989;

20 U.S. Code Section ~~1145g~~[1011j](#);

34 Code of Federal Regulations 86.1 et seq.;

Federal Drug-Free Workplace Act of 1988;

41 U.S. Code Section ~~7028~~[103](#)

## Attachments:

[AP 3550 Drug Free Environment and Drug Prevention Program - Comments](#)

[AP 3550 Drug Free Environment and Drug Prevention Program - Legal Citation](#)

[Legal Update 33 Overview Rev. 10-25-18.docx](#)



Current Status: *Active*

PolicyStat ID: 3411484



Origination:	04/2004
Last Approved:	04/2017
Last Revised:	03/2017
Next Review:	04/2023
Owner:	<a href="#">Chancellor's Cabinet</a>
	<a href="#">Chancellor's Cabinet:</a>
Policy Area:	<a href="#">Chapter 3 General Institution</a>
References:	<a href="#">Legally Required</a>

## BP 3550 Drug Free Environment and Drug Prevention Program

*(Replaces current SBCCD BP 3550)*

The District shall be free from all drugs and from the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees.

The unlawful manufacturing, distribution, dispensing, possession, or use of a controlled substance is prohibited in all facilities under the control and use of the District.

Any student or employee who violates this policy will be subject to disciplinary action, (consistent with local, state, or federal law), which may include referral to an appropriate rehabilitation program, suspension, demotion, expulsion, or dismissal.

The District shall provide specific procedures, which prohibit the unlawful possession, use, distribution, manufacturing, or dispensing of illicit drugs and alcohol by students and employees on District property or as a part of District activities.

The Chancellor shall assure that the District distributes annually to each student and employee the information required by the Drug Free Schools and Communities Act Amendments of 1989 and complies with other requirements of the Act.

### References:

Drug Free Schools and Communities Act, 20 U.S. Code Section 1145g;  
 34 Code of Federal Regulations Sections 86.1 et seq.;

Drug Free Workplace Act of 1988, 41 U.S. Code Section 702

### Attachments:

[BP 3550 Drug Free Environment and Drug Prevention Program- Comments](#)  
[BP 3550 Drug Free Environment and Drug Prevention Program- Legal Citations](#)  
[BP3550 -OLD.pdf](#)  
[Legal Update 33 Overview Rev. 10-25-18.docx](#)

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Bruce Baron, Chancellor  
**PREPARED BY:** Jose F. Torres, Executive Vice Chancellor  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval to Accept a Community Benefits Agreement (CBA) for Second Read and Final Approval

**RECOMMENDATION**

It is recommended that the Board of Trustees accept the Community Benefits Agreement (CBA) for Measure M and Measure CC projects, as attached, for second read and final approval.

**OVERVIEW**

On December 11, 2014, the Board of Trustees approved a Community Benefits Agreement for Measure M projects with a total cost of \$1,000,000 or more. The attached document was revised to include Measure CC projects and was submitted for a first read by the Board of Trustees on October 10, and further discussed at a study session on October 24. The attached version is being submitted for final approval.

**ANALYSIS**

Upon approval of the Board of Trustees, the CBA would apply to all Measure M and Measure CC projects with a cost of \$1,000,000 or more. The CBA would not apply to projects under \$1,000,000, or projects that have been bid or are in progress.

**INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

**FINANCIAL IMPLICATIONS**

There are no direct costs associated with this board item, however, a CBA would need to be managed by an outside vendor, the cost of which would be paid for by bond measure proceeds.

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
COMMUNITY BENEFITS AGREEMENT**

[v.10.31.2019.p.1/37]

This Community Benefits Agreement (hereinafter “**CBA**” or “**Agreement**”) is entered into by and between the San Bernardino Community College District (hereinafter “**District**”) and the San Bernardino/Riverside Counties Building and Construction Trades Council, AFL-CIO (hereinafter “**Council**”), and the signatory Craft Unions (hereinafter, together with the Council, collectively, the “**Union**” or “**Unions**”). This CBA establishes the labor relations policies and procedures for the District, the Contractors awarded contracts for Project Work, and for the craft persons employed by the Contractors and represented by the Unions while engaged in the Project Work defined in Section 2.2. The District, the Council, and the Unions are referred to herein as “**Party**,” or collectively as “**Parties**.”

It is understood by the Parties that by virtue of the approval of this Agreement by the District’s Board of Trustees, it will become the practice of the District for the Project Work to be contracted exclusively to Contractors who agree to be bound by the terms of this CBA through a Letter of Assent (see Exhibit “A”), and to require each of its subcontractors, of whatever tier, to become bound as well. The District shall include, directly or by incorporation by reference, the requirements of this CBA in the advertisement of and/or specifications for every contract for Project Work awarded by the District

It is further understood that the District shall actively administer and enforce its obligations under this Agreement to ensure that the benefits envisioned from it flow to the Parties, the Contractors, the craft persons working under it, Local Residents, and taxpayers of the District. The District ~~shall~~ may retain the services of a CBA Administrator to act as a consultant to the District to monitor compliance with this Agreement; to assist, as the authorized representative of the District, in developing and implementing the programs referenced herein, all of which are critical to fulfilling the intent and purpose of the Parties and this CBA; and to otherwise implement and administer the CBA. The District, as it sees fit, shall have the exclusive right to retain or dismiss the CBA Administrator. The CBA Administrator shall not have the right to expand, terminate, or modify this Agreement without the express written approval of the District. The term “**Project Work**” as used in this CBA includes all construction work undertaken on behalf of the District for the “Project” as defined in Section 2.2

The term “**Contractor**” as used in this CBA includes any Contractor to whom the District awards a construction contract for Project Work, and also to subcontractors, of whatever tier, utilized by such Contractors for Project Work. The term “Contractor” includes any individual, firm, partnership/corporation, or combination thereof, including joint ventures, which have entered into a contract with the District with respect to the Project Work or with another Contractor as a subcontractor for Project Work.

The term “**Labor/Management Apprenticeship Program**” as used in this Agreement shall be defined as an apprenticeship program jointly administered by representatives of labor and construction organizations and certified by the State of California.

The term “**Local Business**” as used in this CBA is defined as those businesses having either their principal office in, or functioning within, the Inland Empire, pursuant to District Board Policy 6610 as defined by the zip codes listed in “Exhibit “B”, and actively engaged in their principal line(s) of business within the Inland Empire on the date that this CBA was approved by the District’s Board of Trustees, or for six months prior to the award of covered work.



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COMMUNITY BENEFITS AGREEMENT**

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The term “**Local Resident**” as used in this CBA is defined as residents of the Inland Empire, pursuant to District Board Policy 6610 (as defined by the zip codes listed in Exhibit “B”).

No Contractor is or will be required to sign or otherwise become a party to any collective bargaining agreement with a Union as a condition of performing work within the scope of this Agreement. No practice, understanding, or agreement between a Contractor and a Union which is not specifically set forth in this CBA shall be binding on any third party contractor or union on Project Work unless endorsed in writing by the CBA Administrator.

The Parties agree that this CBA will be made available to, and will fully apply to, any successful bidder for Project Work, without regard to whether that successful bidder performs work at other sites on either a union or non-union basis. This CBA shall not apply to any work of any Contractor other than that on Project Work specifically covered by this Agreement. The use of masculine or feminine gender or titles in this CBA should be construed as including both genders and not as gender limitations unless the CBA clearly requires a different construction. Further, the use of Article titles and or Section headings are for information only, and carry no legal significance.

**ARTICLE 1. INTENT AND PURPOSE**

**Section 1.1 Purpose.** It is the purpose and intent of the Parties to make every cooperative effort to achieve the timely, safe, and economical construction of the facilities designated as the Project, and to provide opportunities and programs for the Local Residents and Local Businesses to participate in the Project. With this CBA, the Parties have established a framework for fair wages, hours, and working conditions through which these goals may be achieved, which will permit the utilization of the most modern (e.g., LEED Certified), efficient, and effective procedures for construction, which will assure a sufficient supply of skilled craft persons, and which will reduce or eliminate the causes of disruptions or interference with Project Work.

It is critical to the Local Residents, to the taxpayers of the District, and to the District, that the Project Work be completed in as timely and economical manner as possible; that the Project Work provide employment opportunities for Local Residents, as well as opportunities for students and graduates of the District to enter the construction industry through pre-apprenticeship and apprenticeship programs sponsored by Parties to this CBA; that business opportunities be enhanced for Local Businesses; and that this CBA facilitate the achievement of these goals.

Finally, it is the purpose and intent of the Parties to make every cooperative effort to achieve the timely, safe, and economical construction of the facilities designated as the Project, to provide the opportunities and programs for Local Residents and Local Businesses to participate in the Project, and to enforce compliance with the established prevailing wages, benefits, and working conditions affecting the craft employees employed on the Project.

**Section 1.2 Identification and Retention of Skilled Labor and Employment of Local Residents.** The Parties to this CBA support the development of increased numbers of skilled construction workers from among residents of the District to meet the labor needs of covered projects specifically and the requirements of the local construction industry generally. Towards that end the Parties agree to cooperate respecting the establishment of a work opportunities program for District Residents, the primary goals of which shall be to maximize (1) construction

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
COMMUNITY BENEFITS AGREEMENT**

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work opportunities, and (2) business opportunities for traditionally underrepresented members of the community, minority and women-owned business, and disabled veteran-owned businesses in the construction industry, the latter goal being consistent with the Government Code requirement that public agencies promote and encourage the use of these organizations. In furtherance of the foregoing, the Building Trades Council will expand and enhance construction career apprenticeship opportunities through continued sponsorship of North America Building Trades Unions Multi-Craft Core Curriculum (MC3) and Unions specifically agree to:

- (a) Encourage the referral and utilization, to the extent permitted by law and hiring hall practices, of qualified District Residents as journeymen, and apprentices on Covered Projects and entrance into such qualified apprenticeship and training programs as may be operated by signatory Unions; and
- (b) Work cooperatively with the District, the Project Labor Coordinator, and other District consultants to identify, or establish and maintain, effective programs, events and procedures for persons interested in entering the construction industry; and
- (c) Participate in District based job fairs, career days and outreach events; and
- (d) Provide speakers to speak at District programs and Academies as requested; and
- (e) Assist District Residents in contacting the Apprenticeship Training Committee for the crafts and trades they are interested in. The Unions shall assist District Residents who are seeking Union jobs on the Project and Union membership in assessing their work experience and giving them credit for provable past experience in their relevant craft or trade, including experience gained working for non-union Contractors. The Unions shall put on their rolls qualified bona fide District Residents for work on this Project; and
- (f) Allow tours of their Joint Apprenticeship Committee as requested; and
- (g) Provide a contact information list for all Union representatives and Joint Apprenticeship Committee representatives; and
- (h) Support local events and programs designed to recruit and develop adequate numbers of competent workers in the construction industry; and The Unions will otherwise carry out the commitments contained in Exhibit C.
- (i) Support the district's policy and intent to encourage the use of "paid or unpaid" student interns in "non-covered" Community Benefits Agreement positions related to the construction projects (i.e. Drafting, EMT, Administrative positions).

~~The Project Work will require large numbers of craft personnel and other supporting employees. It is therefore the explicit understanding and intention of the Parties to use the opportunities provided by the extensive amount of work to be covered on these Projects to identify and promote, through cooperative efforts, programs and procedures (which may include, for example, programs to prepare persons for entrance into formal labor/management apprenticeship and/or training programs) or outreach programs to the community describing opportunities available as a result of the Project Work, for involvement of Local Residents in the construction industry, to assist them in entering the construction trades, and, through utilization of labor/management apprenticeship and/or training programs, to provide training opportunities for Local Residents and students and graduates of the District wishing to pursue a career in construction. Further, with assistance of the CBA Administrator, the District, the Contractors, and the Unions will work together to develop and implement promptly procedures for the identification of craft needs, the scheduling of work to~~

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~~facilitate the utilization of available craft employees, and the securing of services of craft employees in sufficient numbers to meet the demand of the Project Work to be undertaken.~~

**Section 1.3 Encouragement of Local Businesses.** The Project Work will provide many opportunities for Local Businesses to participate as Contractors or suppliers, and the Parties agree that they will cooperate with all efforts of the District, the CBA Administrator, and any other organizations retained by the District for the purpose of encouraging and assisting the participation of District in accordance with District Policy 6610. The Parties agrees that they shall employ demonstrable efforts to encourage participation in an effort to achieve such goals. This may include, for example, participation in outreach programs (including for minority, disabled, women, and veteran businesses and employees as defined by California Public Contract Code 2050-2051), education, and assistance to businesses not familiar with working on a public works project, and the encouragement of Local Residents to participate in Project Work through programs and procedures jointly developed to prepare and encourage Local Residents for participation in labor/management apprenticeship and/or training programs, and employment on the Project Work through the referral programs sponsored or supported by the Parties.

The District Council, the Unions hereby commit to supporting and advancing the cooperative efforts as required in AB554, which requires the California Workforce Investment Board (CWIB) and each local board to develop a policy of fostering collaboration between community college and approved apprenticeship programs in the “local hire” area to provide pre-apprenticeship training, apprenticeship training, and continuing education in appreciable occupations, through the approved apprenticeship programs, coordinate efforts through local WIB Youth Councils, community organization and groups to address education, skill and employment needs resulting in career placement of disadvantaged and at-risk youth, low-income and underemployed residents, and dislocated workers.

**Section 1.4 Project Work Cooperation.** The construction to take place under this CBA involves unique and special circumstances which dictate the need for the Parties to develop specific procedures to promote high quality, rapid, and uninterrupted construction methods and practices. The smooth operation and successful and timely completion of the work is vitally important to the Local Residents. The Parties therefore agree that maximum cooperation among the Parties is required; and that, with multiple Contractors and crafts performing Project Work on multiple sites over an extended period of time, it is essential that the Parties work in a spirit of harmony and cooperation and with an overriding commitment to maintain the continuity of Project Work.

**Section 1.5 Peaceful Resolution of All Disputes.** In recognition of the special needs of the Project Work, and to maintain a spirit of harmony, labor-management peace and stability during the term of the CBA, the Parties agree to establish effective and binding methods for the settlement of all misunderstandings, disputes, and grievances; and in recognition of such methods and procedures, the Unions agree not to engage in any strike, slowdowns, or interruption or disruption of Project Work, and the Contractors agree not to engage in any lockout.

**ARTICLE 2. SCOPE OF THE AGREEMENT**

**Section 2.1 General.** This Agreement shall apply and is limited to all new construction, rehabilitation, and/or renovation work for the development of the District’s facilities and

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infrastructure components that have been designated by the District for inclusion in the Project, as specifically described in Section 2.2, and performed by those Contractors of whatever tier who have contracts awarded for such work more than 30 days after the effective date of this Agreement.

**Section 2.2 Specific Facilities/Construction Contained in the Project.** The “Project” is defined and limited to all new construction, rehabilitation, and renovation work with a total cost of One Million Dollars (\$1,000,000) or more, and for which Measure “M” or Measure “CC” funds are used (which includes, when an integral part of the Project, demolition, site clearing, and hazard abatement work).

It is understood by the Parties that the District may, at any time, at its sole discretion, determine to add, delete, or modify construction, renovation, or remodeling of any facilities or infrastructure components of the Project , or to modify or not to build any one or more of the particular segments proposed to be covered.

**Section 2.3 Exclusions.** Items specifically excluded from the scope of this Agreement include the following:

- (a) Work of Contractors’ non-manual employees, including, but not limited to superintendents, supervisors, staff engineers, quality control and quality assurance personnel, time keepers, mail carriers, clerks, office employees, interns, messengers, guards, safety personnel, emergency medical and first aid technicians, and other professional engineering, administrative, supervisory, and management employees (not covered by the master labor agreement of one of the Unions);
- (b) Equipment and machinery owned or controlled and operated by the District;
- (c) All off-site manufacture and handling of materials, equipment, or machinery; provided, however, that lay down or storage areas for equipment or material and manufacturing (prefabrication) sites dedicated solely to the Project or Project Work, and the movement of materials or goods between locations on a Project site, are within the scope of this Agreement;
- (d) All employees of the District, the CBA Administrator, design teams (including, but not limited to architects, engineers, and master planners), and any other consultants for the District (including, but not limited to, program or Project managers, construction managers and their employees, building/construction inspectors, and field soils and materials testers/inspectors) and their sub- consultants, and other employees of professional service organizations not performing manual labor within the scope of this CBA; provided, however, that it is understood and agreed that building or construction inspectors and field soils and material testers (“Inspectors”) as defined in the State of California wage determination for that craft are covered under the CBA when employed by a Contractor and engaged on the Project site in Project Work. Nothing in this Section will be construed to include inspectors certified by the Department of State Architects within the scope of this Agreement;
- (e) Any work performed on or near or leading to or into a site of Project Work and undertaken by state, county, or other governmental bodies, or their agents or contractors, or by public

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
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utilities, or their contractors; and/or by the District, or its contractors, work for which is not within the scope of this CBA:

- (f) Off-site Maintenance of leased equipment and on-site supervision of such work;
- (g) Work by employees of a manufacturer or vendor necessary to maintain such manufacturers' or vendors' warranty or guaranty;
- (h) Non-construction support services contracted by the District, District consultants, the CBA Administrator, or a Contractor in connection with this Project;
- (i) All work by employees of the District or its contractors involving general maintenance, repair, or cleaning work, except as specifically covered by this CBA; and
- (j) Laboratory work for testing.

**Section 2.4 Awarding of Contracts.**

- (a) The District or the Contractors, as appropriate, have the absolute right to award contracts or subcontracts on this Project to any Contractor notwithstanding the existence or non-existence of any agreements between such Contractor and any Union, provided only that such Contractor is willing, ready, and able to execute and comply with this CBA should such Contractor be awarded work covered by this CBA.
- (b) It is agreed that all Contractors and subcontractors of whatever tier, who have been awarded contracts for work covered by this CBA, shall be required to accept and be bound by the terms and conditions of this CBA, and shall evidence their acceptance by the execution the Letter of Assent as set forth in Exhibit "A", prior to the commencement of work. No Contractor or subcontractor shall commence Project Work without having first provided a copy of the Letter of Assent as executed by it to the CBA Administrator and to the Council 48 hours before the commencement of Project Work, or within 48 hours after the award of the Project Work to that Contractor or subcontractor, whichever occurs later.

**Section 2.5 Coverage Exception.** The Parties agree and understand that this CBA shall not apply to any work that would otherwise be Project Work when a governmental agency or granting authority partially or fully funding such Project Work determines that it will not provide this funding if such Project Work is covered by this Agreement, or when a law, regulation, proposition, or measure prohibits such coverage or the use by the District or for its benefit of particular funds. The District agrees that it will make every effort with any such governmental agency or granting authority to permit the implementation of this Agreement with regard to Project Work that the agency or authority may be partially or fully funding

**Section 2.6 Schedule A' s.**

- (a) The provisions of this Agreement, including the Schedule A's, which are the collective bargaining agreements of the signatory Unions having jurisdiction over the work on the Project, as such may be changed from time-to-time consistent with Section 20.3, and which are incorporated herein by reference, shall apply to the work covered by this

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Agreement, notwithstanding the provisions of any other local, area, and/or national agreement which may conflict with or differ from the terms of the Agreement; provided, however, that such does not apply to work performed under the National Cooling Tower Agreement, the National Stack Agreement, the National Transit Division (NTD), all instrument calibration work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians, and the National Agreement of the International Union of Elevator Constructors, with the exception of Article 6, 7, and 9 of this Project Agreement, which shall apply to such work. Where a subject covered by the provisions of this Agreement is also covered by a Schedule A, the provisions of this Agreement shall prevail. Where a subject is covered by a provision of a Schedule A and not covered by this Agreement, the provision of the Schedule A shall prevail. Any dispute as to the applicable source between this Agreement and any Schedule A for determining the wages, hours, or working conditions of employees on this Project shall be resolved under the procedures established in Article 9.

- (b) It is understood that this CBA, together with the referenced Schedule A's, constitutes a self-contained, stand-alone Agreement, and by virtue of having become bound to this CBA, a Contractor will not be obligated to sign any other local or national collective bargaining Agreement as a condition of performing work within the scope of this CBA; provided, however, that the Contractor will be required to sign a uniformly applied, non-discriminatory participation agreement at the request of the trustees or administrator of a trust fund established pursuant to Section 302 of the Labor Management Relations Act, and to which such Contractor is bound to make a contribution under this CBA as a result of his employment of persons working within the craft for which the trust fund provides coverage; but provided further, however, that the Contractor shall have no obligation to execute a participation agreement that binds, or attempts to bind, the Contractor beyond the terms and conditions of this CBA and/or expands the Contractor's obligation to make contributions pursuant thereto. It shall be the responsibility of the Contractor to have each of its subcontractors of whatever tier sign documents as appropriate.

**Section 2.7 Binding Signatories Only.** This CBA shall be binding only on the Parties, and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any Party.

**Section 2.8 Other District Work.** This Agreement shall be limited to the Project Work. Nothing contained herein shall be interpreted to prohibit, restrict, or interfere with the performance of any other operation, work, or function not covered by this Agreement which may be performed by District employees or contracted for by the District for its own account on its property or in and around a Project site.

**Section 2.9 Separate Liability.** It is understood that the liability of the Contractors, and the liability of the Unions under this Agreement shall be several and not joint. The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among the District, the CBA Administrator, and any Contractor.

**Section 2.10 Completed Project Work.** As areas of Project Work are accepted by the District, this CBA shall have no further force or effect on such items or areas except where the

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Contractor is directed by the District, or its representatives, to engage in repairs, modifications, check-out, or warranty functions required by its contract with the District.

**ARTICLE 3. UNION RECOGNITION AND EMPLOYMENT**

**Section 3.1 Recognition.** The Contractors recognize the Unions as the sole and exclusive bargaining representatives of all craft employees within their respective jurisdictions working on the Project within the scope of this Agreement.

**Section 3.2 Contractor Selection of Employees.** The Contractor shall have the right to determine the competency of all employees, the number of employees required, and the duties of such employees within their craft jurisdiction, and shall have the sole responsibility for selecting employees to be laid off, consistent with Sections 3.9 and 4.3 herein. The Contractor also shall have the right to reject any applicant referred by a Union for any lawful reason, provided, however, that such right is exercised in good faith and not for the purpose of avoiding the Contractor's commitment to employ qualified employees through the procedures endorsed in this CBA.

**Section 3.3 Referral Procedures.**

- (a) For Unions having a job referral system contained in a Schedule A, the Contractor agrees to comply with such system, and it shall be used exclusively by such Contractor, except as modified by this CBA. Such job referral system will be operated in a nondiscriminatory manner and in full compliance with federal, state, and local laws and regulations which require equal and non-discriminatory employment opportunities. All hiring procedures, including related practices affecting apprenticeship, shall be operated so as to consider the goals of the District to encourage employment of Local Residents, and utilization of Local Businesses on the Project, and to facilitate the ability of all Contractors to meet their employment needs.
- (b) The Unions will exert their best efforts to recruit and refer sufficient numbers of skilled craft employees to fulfill the labor requirements of the Contractors, including specific employment obligations to which the Contractors may be legally or contractually obligated, and to refer apprentices as requested to develop a larger, skilled workforce and to meet apprenticeship ratios. The Unions will work with their affiliated regional and national Unions, and jointly with the CBA Administrator and any others designated by the District, to identify and refer competent crafts persons as needed for Project Work, and to identify Local Residents for entrance into Joint Labor/Management Apprenticeship Programs, or for participation in other identified programs to assist individuals in qualifying and becoming eligible for such apprenticeship programs, all maintained to increase the available supply of skilled craft personnel for Project Work and future construction, renovation, and rehabilitation work to be undertaken by the District.
- (c) The Unions shall not knowingly refer an employee currently employed by a Contractor on Project Work to any other employer.

**Section 3.4 Employment of Local Residents.** In recognition of the District's mission to serve Local Residents, the Unions and Contractors agree that, to the extent allowed by law, and as long as they possess the requisite skills and qualification, Local Residents shall be referred

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first for Project Work, including journey-person, apprentice, or other positions which may be established under a Schedule A and covered by applicable prevailing wage for utilization on Project Work, until at least 50% of the positions for Project Work for a particular Contractor (including Contractor's Core Employees), by craft, have been filled with Local Residents.

The CBA Administrator shall work with the Unions and contractors in the administration of this local residency preference; and the contractors and Unions shall cooperate by maintaining adequate records to demonstrate to the CBA Administrator that such preferences have been pursued.

Contractors shall utilize "Exhibit D" Craft Request Form for requests in order to ensure maximum local hire

**Section 3.25 Non-Discrimination in Referral, Employment, and Contracting.** The Unions and Contractors agree that they will not unlawfully discriminate against any employee or applicant for employment on the basis of race, color, religion, gender, national origin, age, union status, sexual orientation, marital status, or disability, or political affiliation.

**Section 3.36 Core Employees.** The Parties recognize and support the District's commitment to provide opportunities for all businesses to participate on the Project. In furtherance of this commitment, the Parties agree that a Contractor who is not a party to a current collective bargaining agreement with a Union shall have the opportunity to employ its experienced Core Employees on the Project, and that, therefore,

- (a) A Contractor or subcontractor may directly employ, as needed, first, a member of its core workforce, then an employee through a referral from the appropriate union hiring hall, then a second Core Employee, then a second through the referral system, and so on until a maximum of five Core Employees are employed, after which all further employment shall be pursuant to the referral provisions of this Article. On layoff, the reverse process shall be followed if and when the workforce is to be reduced below 10.
- (b) A Contractor's core workforce is comprised of those employees:
  - (i) Whose names appeared on the Contractor's active payroll for 50 of the 100 working days before award of Project Work to the Contractor;
  - (ii) Who possess any license or certification required by state or federal law for the Project work to be performed.
  - (iii) Who have the ability to safely perform the basic functions of the applicable trade, and;
  - (iv) Who are Local Residents on the effective date of this Agreement, or who have been Local Residents for the 100 working days prior to the award of the Project Work to the Contractor.
- (c) A Contractor desiring to use its Core Employees on the Project must identify them at the time it receives the Notice to Proceed, and provide proof of their eligibility to the CBA Administrator who shall provide such proof to the Council at request. For proof of employment eligibility, quarterly tax records or payroll records normally maintained by the contractor (or officially recognized substitutes) shall be utilized; and for residency, proof is demonstrated by a driver's license, voter registration, postal address, utility statements, or other official acknowledgment.



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**Section 3.47 Time for Referral.** If any Union's referral system does not fulfill the requirements for specific classifications of covered employees (including residency standards) requested by any Contractors within 48 hours (excluding Saturdays, Sundays, and holidays), that Contractor may use employment sources other than Union registration and referral services, and may employ applicants meeting such standards from any other available source. The Contractor should promptly inform the Union of any applicants hired from other sources.

**Section 3.58 Lack of Referral Procedure.** If a signatory local Union does not have a job referral system as set forth in Section 3.3 above, the Contractors shall give the Union equal opportunity to refer applicants. The Contractors shall notify the Union of employees so hired, as set forth in Section 3.5.

**Section 3.69 Union Membership.** No employee covered by this Agreement shall be required to join any Union as a condition of being employed, or remaining employed, for the completion of Project Work; provided, however, that any employee who is a member of the referring Union at the time of referral shall maintain that membership in good standing while employed under this CBA. All employees shall, however, be required to comply with the Union security provisions of the applicable Schedule A for the period during which they are performing on-site Project Work. This includes rendering payment of the applicable monthly working dues and any non-initiation or application fees uniformly required of members in the Union.

**Section 3.710 Individual Seniority.** Except as provided in Section 4.3, individual seniority shall not be recognized or applied to employees on the Project; provided, however, that group or classification seniority in a Union's Schedule A as of the effective date of this Agreement shall be recognized for purposes of layoffs.

**Section 3.811 Foremen.** The selection and number of craft foremen or general foreman shall be the responsibility of the Contractor. All foremen shall take orders exclusively from the designated Contractor representatives. Craft foremen shall be designated as working foremen at the request of the Contractors.

**ARTICLE 4. UNION ACCESS AND STEWARDS**

**Section 4.1 Access to Project Sites.** Authorized representatives of the Union shall have access to the Project sites, provided they do not interfere with the work and further provided such representatives fully comply with posted visitor, security, and safety rules, including checking/signing in with the Contractor representatives on site and with the appropriate construction manager, if present on the site, prior to entering into the Project construction areas.

**Section 4.2 Stewards.**

- (a) As part of the referral process of Article 3, above, each Union shall have the right to designate a working journeyman as a steward for each shift, and shall notify the Contractor in writing of the identity of the designated steward or stewards prior to the assumption of such person's duties as steward. Such designated steward or stewards shall not exercise any supervisory functions.

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- (b) In addition to his/her work, the steward shall have the right to receive, but not to solicit, complaints or grievances and to discuss and assist in the adjustment of the same with the employee's appropriate supervisor. Each steward shall be concerned only with the employees of the steward's Contractor and, if applicable, subcontractors, and not with the employees of any other Contractor. Contractors shall not discriminate against the steward in the proper performance of his/her Union duties.
- (c) When a Contractor has multiple, non-continuous work locations at one site, the Contractor may request, and the Union shall appoint, such additional stewards as the Contractor may request to provide independent coverage of one or more such locations. In such cases, a steward may not service more than one work location without the approval of the Contractor.
- (d) The stewards shall not have the right to determine when overtime shall be worked or who shall work overtime.

**Section 4.3 Steward Layoff/Discharge.** The Contractors agree to notify the appropriate Union 24 hours before the layoff of a steward, except in the case of disciplinary discharge for cause. If the steward is protected against such layoff by the provisions of the applicable Schedule A, such provisions shall be recognized when the steward possesses the necessary qualifications to perform the remaining work. In any case in which the steward is discharged or disciplined for cause, the appropriate Union will be notified promptly by the Contractor, and such discharge or discipline shall not become final (subject to any later filed grievance) until 24 hours after such notice has been given.

**Section 4.4 Employees on Non-Project Work.** On work where the personnel of the District may be working in close proximity to the construction activities covered by this CBA, the Union agrees the Union representatives, stewards, and individual employees will not interfere with the District personnel or with personnel employed by any other employer not a party to this CBA.

**ARTICLE 5. WAGES AND BENEFITS**

**Section 5.1 Wages.** All employees covered by this Agreement shall be classified in accordance with work performed and paid the hourly wage rates for those classifications in compliance with the applicable prevailing wage rate determination established pursuant to the California Labor Code by the Department of Industrial Relations, and not pursuant to the Schedule A's. If a prevailing rate increases under state law, the Contractor shall pay that rate as of its effective date under the law. If the prevailing wage laws are repealed during the term of this Agreement, the Contractor shall pay the wage rates established under the Schedule A's, except as otherwise provided in this CBA.

**Section 5.2 Benefits.**

- (a) Contractors shall pay contributions to the established employee benefit funds in the amounts designated in the appropriate Schedule A, and make all worker- authorized deductions in the amount designated in the appropriate Schedule A for all covered employees. The Parties further agree that, unless otherwise mandated by the applicable

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prevailing wage determination, only such bonafide benefits as accrue to the direct benefit of the employees (such as pension and annuity, health, and welfare, vacation, apprenticeship, and training funds, etc.) shall be included in this requirement and required to be paid on the Project. Such contributions for each benefit shall not exceed the amounts specified for such in the applicable prevailing wage determination. Contractors directly signatory to one or more of the Schedule A's are required to make all contributions set forth in those Schedule A's without reference to the forgoing. Bonafide jointly-trusted benefit plans or authorized employee deductions programs established or negotiated under the applicable Schedule A or by the parties to his Agreement during the life of this Agreement may be added, subject to the limitations upon such negotiated changes contained in Sections 21.3, and provided that the contributions do not exceed the amounts set forth in the applicable prevailing wage determination.

- (b) The Contractor adopts and agrees to be bound by the written terms of the applicable, legally established, trust agreements specifying the detailed basis on which payments are made into, and benefits paid out of, such trust funds for its employees. The Contractors authorize the parties to such trust funds to appoint trustees and successor trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed as if made by the Contractor.
- (c) Each Contractor and subcontractor is required to certify to the CBA Administrator that it has paid all benefit contributions due and owing to the appropriate employee benefit trust fund or fringe benefit programs prior to the receipt of its final payment or retention. Further, upon timely notification by a Union to the CBA Administrator, the CBA Administrator shall work with any Contractor or subcontractor who is delinquent in payments to assure that proper benefit contributions are made, to the extent of requesting the District or the Contractor to withhold payments otherwise due such Contractor, until such contributions have been made or otherwise guaranteed.

**Section 5.3 Wage Premiums.** Wage premiums, including, but not limited to, pay based on height of work, hazard pay, scaffold pay, and special skills, shall not be applicable to work under this CBA, except to the extent provided for in any applicable prevailing wage determination.

**Section 5.4 Compliance with Prevailing Wage Laws.** The Parties agree that the CBA Administrator shall monitor the compliance by all Contractors and subcontractors with all applicable federal and state prevailing wage laws and regulations, and that such monitoring shall not include Contractors engaged in what would otherwise be Project Work but for the exceptions to coverage set forth in Section 2.3. All complaints regarding possible prevailing wage violations shall be referred to the CBA Administrator for processing, investigation, and resolution, and if not resolved within 30 calendar days, may be referred by any Party to the state labor commissioner.

**ARTICLE 6. WORK STOPPAGES AND LOCK-OUTS**

**Section 6.1** During the term of this Agreement, there shall be no strikes, picketing, work stoppages, slowdowns, or other disruptive activity for any reason by the Unions, or by any employee covered by this Agreement, and there shall be no lockout by the Contractors. The establishment of any activity disrupting work, including strikes, pickets, work stoppages, or

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slowdowns, or the failure of any Union or worker to cross any picket line established at the Project site constitutes a material breach of this Agreement.

The Unions shall not sanction, aid, abet, encourage, or continue any work stoppage, strike, picketing, or other disruptive activity, and shall undertake all reasonable means to prevent or to terminate any such activity. No worker covered by this Agreement shall engage in activities which violate this Article. Any worker who participates in or encourages any activities which interfere with the normal operation of the Project shall be subject to disciplinary action, including discharge.

The Unions shall not be liable for acts of employees for whom it has no responsibility. The International Union General President or Presidents shall immediately instruct, order, and use the best efforts of his office to cause the Unions to cease any violations of this Article. An International complying with this obligation shall not be liable for unauthorized acts of its local Union. The principal officer or officers of a local Union will immediately instruct, order and use the best efforts of his office to cause the employees that the local Union represents to cease any violations of this Article. A local Union complying with this obligation shall not be liable for unauthorized acts of employees it represents. The failure of the Contractor to exercise its right in any instance shall not be deemed a waiver of its right in any other instance.

**Section 6.2 Worker Violations.** The Contractor may discharge any worker in violation of Section 6.1, and any such worker will not be eligible for rehire under this Agreement.

**Section 6.3 Standing to Enforce.** The District, the CBA Administrator, or any Contractor affected by an alleged violation of Section 6.1 shall have standing and the right to enforce the obligations established therein.

**Section 6.4 Expiration of Schedule A's.** All employees shall continue to work and to perform all their obligations with respect to the Project Work despite the expiration of a Schedule "A" Agreement. Any renegotiated Schedule A shall be implemented on Project Work pursuant to Section 20.3.

**Section 6.5 No Lockouts.** Contractors shall not cause, incite encourage, condone or participate in any lock-out of employees with respect to Project Work during the term of this Agreement. The term "lock-out" refers only to a Contractor's exclusion of employees in order to secure collective bargaining advantage, and does not refer to the discharge, termination or layoff of employees by the Contractor for any reason in the exercise of rights pursuant to any provisions of the Agreement, or any other agreement, nor does "lock-out" include the District's decision to stop, suspend, or discontinue any Project Work or any portion thereof for any reason.

**Section 6.6 Best Efforts to End Violations.**

- (a) If a Contractor contends there is any violation of this Article, Section 7.3, or the Section 20.4, it shall notify, in writing, the Executive Secretary of the Council, the Senior Executive of the involved Union(s), and the CBA Administrator. The Executive Secretary and the leadership of the involved Union(s) will immediately instruct, order, and use their best efforts, to cause the cessation of any violation of the relevant provision.

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- (b) If the Union contends that any Contractor has violated this Article, it will notify the Contractor and the CBA Administrator, setting forth the facts which the Union contends violate the CBA, at least 24 hours prior to invoking the procedures of Section 6.7. The CBA Administrator shall promptly order the involved Contractor(s) to cease any violation of the Article.

**Section 6.7 Expedited Enforcement Procedure.** Any Party or the CBA Administrator, may institute the following procedures in lieu of, or before any other action at law or equity, when breach of Sections 6.1, 6.5, 7.3, or 20.4 is alleged.

- (a) The Parties will negotiate in good faith to select a mutually agreeable, unbiased individual to serve as the Permanent Arbitrator under this procedure, as well as two alternate arbitrators who shall be identified as Alternate #1 and Alternate #2. The Party invoking this procedure shall notify the Permanent Arbitrator. If the Permanent Arbitrator is unavailable, the Party invoking this procedure shall first notify Alternate #1. If Alternate #1 is not available, then Alternate #2 shall be selected. Notice to the Arbitrator shall be by the most expeditious means available, with notices to the Parties as well. For purposes of this Article, written notice may be given by facsimile, hand delivery, or overnight mail, and will be deemed effective upon receipt.
- (b) Upon receipt of said notice, the Arbitrator, or his/her alternate, shall sit and hold a hearing within 24 hours if it is contended that the violation still exists, but not sooner than 24 hours after notice has been dispatched to the Executive Secretary and the Senior Official(s), as required by Section 6.6.
- (c) The arbitrator shall notify the Parties of the place and time chosen for this hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the Arbitrator's discretion, shall not exceed 24 hours unless otherwise agreed upon by all Parties. A failure of any Party or Parties to attend said hearings shall not delay the hearing of evidence or issuance of any decision by the Arbitrator.
- (d) The sole issue at the hearing shall be whether or not a violation of Sections 6.1, 6.5, 7.3, or 20.4 has, occurred. The Arbitrator shall have no authority to consider any matter in justification, explanation, or mitigation of such violation, or to assess damages (except for damages as set forth in 6.8 below) which issue is reserved for court proceedings, if any. The Arbitrator's decision shall be issued in writing within three hours after the close of the hearing, and may be issued without an opinion. If any Party desires a written opinion, one shall be issued within 15 days, but its issuance shall not delay compliance with, or enforcement of, the decision. The Arbitrator may order cessation of the violation of the Agreement and other appropriate relief, and such decision shall be served on all Parties by personal delivery, facsimile, or overnight mail to the address or facsimile number that each Party provides to the other Parties. Such decision shall be final and binding on all Parties, and may be enforced by any court of competent jurisdiction. Written notice of the filing of such enforcement proceedings shall be given to the other party. In any judicial proceeding to obtain a temporary order enforcing the Arbitrator's decision as issued under Section 6.7(d), above, all Parties waive the right to a hearing and agree that such proceedings may be conducted on an ex parte basis. Such agreement does not waive any party's right to participate in a hearing for final order of enforcement. The court's order or orders enforcing the Arbitrator's decision shall be served on all Parties pursuant to law.

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- (e) Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which would interfere with compliance hereto, are hereby waived by the Parties to whom they accrue.
- (f) The fees and expenses of the Arbitrator shall be equally divided between the Party or Parties initiating this procedure and the respondent Party or Parties.
- (g) The CBA Administrator shall be sent copies of all notifications required by this Article, and, at its option, may participate as a full party in any proceeding initiated under these Articles.

**Section 6.8 Liquidated Damages.**

- (a) If the arbitrator determines, in accordance with Section 6.7 above, that a work stoppage has occurred, the respondent Union(s) shall, within eight hours of receipt of the decision, direct all of the employees that they represent on the Project to immediately return to work. If these employees do not return to work by the beginning of the next regularly scheduled shift following such eight hour period after receipt of the Arbitrator's decision, and the respondent Union(s) have not complied with their obligations to immediately instruct, order, and use their best efforts to cause a cessation of the violation and return the employees that they represent to work, then the non-complying respondent Union(s) shall each pay a sum as liquidated damages to the District, and each will pay an additional sum per shift, as set forth in sub-section "c" below, for each shift thereafter on which the craft(s) have not returned to work.
- (b) If the Arbitrator determines, in accordance with Section 6.7, that a lock-out has occurred, the respondent Contractor(s) shall, within eight hours after receipt of the decision, return all the affected employees to work on the Project, or otherwise correct the violation found by the arbitrator. If the respondent Contractor(s) do not take such action by the beginning of the next regularly schedule shift following the eight hour period, each non-complying respondent Contractor shall pay or give as liquidated damages, to the affected Union(s) (to be apportioned among the affected employees and the benefit funds to which contributions are made on their behalf, as designated by the arbitrator) and each shall pay an additional sum per shift, as set forth in sub-section "c" below, for each shift thereafter in which compliance by the respondent Contractor(s) have not been completed.
- (c) The Arbitrator shall retain jurisdiction to determine compliance with this Section and to establish the appropriate sum of liquidated damages, which shall be not less than \$1,000.00, nor more than \$5,000.00 per shift for each non-complying entity.

**ARTICLE 7. WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES**

**Section 7.1 Assignments of Work.** The assignment of work will be solely the responsibility of the Contractor performing the work involved; and such work assignments will be

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in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (“Plan”), or any successor plan.

**Section 7.2 Resolution of Jurisdictional Disputes.** All jurisdictional disputes on this Project, between or among Building and Construction Trades Unions and the Contractors shall be settled and adjusted according to the Plan or any other plan, method, or procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding, and conclusive on the Parties.

**Section 7.2.1.** If dispute arising under this Article involves the Southwest Regional Council of Carpenters or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, ~~thomas-Thomas~~ ~~angele~~ Angelo, Robert Hirsch, and Thomas Pagan, and the Arbitrator's hearing on the dispute shall be held at the offices of the applicable Building and Construction Trades Council within 14 days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.”

**Section 7.3 No Work Disruption Over Jurisdiction.** All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slowdown of any nature and the Contractor's assignments shall be adhered to until the dispute is resolved. Individuals violating this provision shall be subject to immediate discharge.

**Section 7.4 Pre-Construction Conference.** As provided in Article 15, each Contractor and construction manager shall conduct a pre-construction conference with the appropriate affected Union(s) prior to commencing work.

**Section 7.5 Resolution of Jurisdictional Disputes.** If any actual or threatened strike, sympathy strike, work stoppage, slowdown, picketing, hand-billing, otherwise advising of the public that a labor dispute exists, or any other interference with the progress of Project Work by reason of a jurisdictional dispute, the Parties first shall exhaust the expedited procedures set forth in the Plan, if such procedures are in the Plan then currently in effect, or otherwise as in Article 6 above.

**ARTICLE 8. MANAGEMENT RIGHTS**

**Section 8.1 Contractor and District Rights.** The Contractors and the District have the sole and exclusive right and authority to oversee and manage construction operations on Project Work. Where possible, and as allowed by law, purchases are to be made locally unless costs locally differentiate by 5% or greater. In addition to the following and other rights of the Contractors enumerated in this CBA, the Contractors expressly reserve their management rights and all the rights conferred upon them by law. The Contractors' rights include, but are not limited to, the right to:

- (a) Plan, direct, and control operations of all work;
- (b) Hire, promote, transfer, and layoff their own employees as deemed appropriate to satisfy work or skill requirements;

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- (c) Promulgate and require all employees to observe reasonable job rules and security and safety regulations;
- (d) Discharge, suspend, or discipline their own employees for just cause;
- (e) Utilize work methods, procedures, or techniques, and select, use and install any types or kinds of materials, apparatus, or equipment, regardless of source of manufacture or construction; assign and schedule work at their discretion, unless specifically disapproved by the District or its authorized representative; and
- (f) Assign overtime, determine when it will be worked, and determine the number and identity of employees engaged in such work, subject to such provisions in this Agreement and the applicable Schedule A's requiring such assignments be equalized or otherwise made in a non-discriminatory manner.

**Section 8.2 Specific District Rights.** In addition to the following and other rights of the District enumerated in this Agreement, the District expressly reserves its management rights and all the rights conferred on it by law or contract. The District rights (and those of the CBA Administrator on its behalf) include, but are not limited to, the right to:

- (a) Inspect any construction site, facility, or project to ensure that the Contractor follows the applicable safety and other work requirements;
- (b) Require Contractors to establish a different work week or shift schedule for particular employees as required to meet the operational needs of the District and/or Project Work at a particular location, or in order to accommodate any difficulties at the Project site where schedules may interfere with District or resident requirements during construction activity;
- (c) At its sole option, terminate, delay, or suspend any portion of the Project Work at any time; prohibit some or all work on certain days or during certain hours of the day to accommodate the ongoing operations of the District's facilities or to mitigate the effect of ongoing Project Work on businesses and residents in the neighborhood of the Project site; and require such other operational or schedule changes it deems necessary, in its sole judgment, to effectively maintain its primary mission and remain a good neighbor to those in the area of its facilities. In order to permit the Contractors and Unions to make appropriate scheduling plans, the District will provide the CBA Administrator and the affected Contractors and Unions with reasonable notice of any changes it requires pursuant to this section;
- (d) Approve any work methods, procedures, and techniques used by Contractors, whether or not these methods, procedures, or techniques are part of industry practices or custom; and
- (e) Investigate and process complaints, through its CBA Administrator, in the manner set forth in Sections 6 and 9.

**Section 8.3 Use of Materials.** There should be no limitations or restrictions by the Unions upon a Contractor's choice of materials or design, regardless of source or location, or



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upon the use and utilization of equipment, machinery, packaging, precast, prefabricated, pre-finished, or pre-assembled materials, tools or other labor saving devices, subject to the application of law, in reference to off-site construction. Generally, the on-site installation or application of such items shall be performed by the craft having jurisdiction over such work. The District and its CBA Administrator shall advise all Contractors of, and enforce as appropriate, the off-site application of the prevailing wage law as it affects Project Work.

**Section 8.4 Special Equipment, Warranties, and Guaranties.**

- (a) It is recognized that certain equipment of a highly technical and specialized nature may be installed at Project Work sites. The nature of the equipment, together with the requirements for manufacturer's warranties, may dictate that it be prefabricated, pre-piped and/or pre-wired and that it be installed under the supervision and direction of the District's or manufacturer's personnel. The Unions agree that such equipment is to be installed without incident.
- (b) The Parties recognize that the Contractor will initiate from time-to-time the use of new technology, equipment, machinery, tools, and other labor-saving devices and methods of performing Project Work. The Union agrees that they will not restrict the implementation of such devices or work methods. The Unions will accept and will not refuse to handle, install, or work with any standardized or catalog parts, assemblies, accessories, prefabricated items, pre-assembled items, partially assembled items, or materials, whatever their source of manufacture or construction.
- (c) If any disagreement between the Contractor and the Unions concerning the methods of implementation or installation of any equipment, device, item, or method of work arises, or whether a particular part or pre-assembled item is standardized or a catalog part or item, the work will proceed as directed by the Contractor, and the Parties shall promptly consult over the matter. If the disagreement is not resolved, the affected Unions shall have the right to proceed through the procedures set forth in Article 9.

**Section 8.5 No Less Favorable Treatment.** The Parties expressly agree that Project Work will not receive less favorable treatment than that on any other Project which the Unions, Contractors, and employees work.

**ARTICLE 9. SETTLEMENT OF GRIEVANCES AND DISPUTES**

**Section 9.1 Cooperation and Harmony on Site.**

- (a) This Agreement is intended to establish and foster continued close cooperation between management and labor. The Council shall assign a representative to this Project for the purpose of assisting the local Unions, and working with the CBA Administrator, together with the Contractors, to complete the construction of the Project economically, efficiently, continuously, and without any interruption, delays or work stoppages.
- (b) The CBA Administrator, the Contractors, and the Unions, and the employees, collectively and individually, realize the importance to all Parties of maintaining continuous and uninterrupted performance Project Work, and agree to resolve disputes in accordance

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with the grievance provisions set forth in this Article, or, as appropriate, those of Articles 6 or 9.

- (c) The CBA Administrator shall oversee the processing of grievances under this Article and Articles 6 and 9, including the scheduling and arrangements of facilities for meetings, selection of the arbitrator from the agreed-upon panel to hear the case, and any other administrative matters necessary to facilitate the timely resolution of any dispute; provided, however, that it is the responsibility of the Parties to any pending grievance to insure the time limits and deadlines are met.

**Section 9.2 Processing Grievances.**

**Part 1.** This Agreement is intended to provide close cooperation between management and labor. Each of the Unions will assign a representative to this Project for the purpose of completing the construction of the Project economically, efficiently, continuously, and without interruptions, delays, or work stoppages.

**Part 2.** The Contractors, the Unions, and the employees, collectively and individually, realize the importance to all parties to maintain continuous and uninterrupted performance of the work of the Project, and agree to resolve disputes in accordance with the grievance-arbitration provisions set forth in this Article.

**Part 3.** Any question or dispute arising out of and during the term of this Agreement (other than trade jurisdictional disputes) shall be considered a grievance and subject to resolution under the following procedures:

**Step 1.**

**(a) Employee Grievances.** When any employee subject to the provisions of this Agreement feels aggrieved by an alleged violation of this Agreement, the employee shall, through his/her local union business representative or job steward, within ten working days after the occurrence of the violation, give notice to the work site representative of the involved Contractor stating the provision alleged to have been violated. A representative of the Union or the job steward, and the work site representative of the involved Contractor shall meet and endeavor to adjust the matter within ten working days after timely notice has been given. If they fail to resolve the matter within the prescribed period, the grieving party may, within ten working days, provide relevant information, including a short description, the date on which the alleged violation occurred, and the provisions of the Agreement alleged to have been violated. Grievances and disputes settled at Step 1 shall be non- precedential except to the Parties directly involved.

**(b) Union or Contractor Grievances.** Should the Union(s) or any Contractor have a dispute with any other Party, and, if after conferring within ten working days after the disputing Party knew or should have known of the facts or occurrence given rise to the dispute, a settlement is not reached within five working days, the dispute shall be reduced to writing and processed to Step 2 in the same manner as outlined in 1(a) above for the adjustment of an employee grievance.

**Step 2.** The business manager of the involved local Union or his/her designee, together with the site representative of the involved Contractor, and a representative of the CBA Administrator, shall meet within seven working days of the referral of the dispute to this second step to arrive at a satisfactory settlement. If the parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provision of Step 3 within seven working days after the initial meeting at Step 2.

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**Step 3.**

(a) If the grievance had been submitted but not adjusted under Step 2, either party may request in writing, within seven calendar days thereafter, that the grievance be submitted to an Arbitrator mutually agreed upon by them. The Contractor and the involved Union shall attempt mutually to select an Arbitrator, but if they are unable to do so, they shall request the American Arbitration Association to provide them with a list of arbitrators from which the Arbitrator shall be selected. The rules of the American Arbitration Association shall govern the conduct of the arbitration hearing. The decision of the Arbitrator shall be final and binding on all Parties. The fee and expenses of such Arbitration shall be borne equally by the Contractor and the involved local Union(s).

(b) Failure of the grieving party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of the Parties involved at the particular step where the extension is agreed upon. The Arbitrator shall have the authority to make decisions only on issues presented to him or her, and he or she shall not have authority to change, amend, add to, or detract from any of the provisions of this Agreement.

**Part 4.** The Contractor and District, through the CBA Administrator, shall be notified of all actions at Steps 2 and 3 and shall, upon their request, be permitted to participate in all proceedings at these steps.

**Section 9.3 Limit on Use of Procedures.** Procedures contained in this Article shall not be applicable to any alleged violation of Article 6 or 7, with the single exception that any employee discharged for violation of Section 6.1 or 7.3 may resort to the procedures of this Article to determine only if he or she was, in fact, engaged in that violation.

**Section 9.4 Notice.** The CBA Administrator (and the District, in the case of any grievance regarding the scope of this Agreement), shall be notified by the involved Contractor of all actions at Steps 2 and 3, and further, the CBA Administrator shall, upon its own request, be permitted to participate fully as a party in all proceedings at such steps.

**ARTICLE 10. REGULATORY COMPLIANCE**

**Section 10.1 Compliance with All Laws.** The Council, the Unions, Contractors, subcontractors, and their employees shall comply with all applicable federal and state laws, ordinances, and regulations, including, but not limited to those relating to safety and health, employment, and applications for employment, and all applicable District Policies and Administrative Procedures, as currently exist and as may be subsequently revised or added. All employees shall also comply with the safety regulations established by the District, the CBA Administrator, or the Contractor. Employees must promptly report any injuries or accidents to a supervisor.

**Section 10.2 Monitoring Compliance.** The Parties agree that the District shall require, and that the CBA Administrator shall monitor, compliance by all Contractors and subcontractors with all federal and state laws and regulations that, from time-to-time, may apply to Project Work. It shall be the responsibility of the CBA Administrator to investigate or monitor compliance with these various laws and regulations. The Council may recommend to the CBA Administrator or the District procedures to encourage and enforce compliance with these laws and regulations.

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**Section 10.3 Prevailing Wage Compliance.** The Council or the Unions shall refer all complaints regarding potential prevailing wage violation to the CBA Administrator which shall process, investigate, and resolve such complaints, consistent with Section 5.4. The Council or Union, as appropriate, shall be advised in a timely manner with regard to the facts and resolution, if any, of any complaint. It is understood that this Section does not restrict any individual rights as established under the law, including the rights of an individual to file a complaint with the State Labor Commissioner.

**Section 10.4 Violations of Law.** Should there be a finding by a court or administrative tribunal of competent jurisdiction that a Contractor has violated federal and or state law or regulation (including any finding of non-compliance with the California prevailing wage obligations as enforced pursuant to DIR regulations), the District, upon notice to the Contractor, that it, or its subcontractors, are in such violation, and on the failure of the Contractor or subcontractor to remedy such violation promptly, may take such action as is permitted by law or contract to encourage or require the Contractor or the subcontractor to come into compliance. Such action may include, if permitted by contract and or law, removing the Contractor or subcontractor from Project Work.

**ARTICLE 11. SAFETY AND PROTECTION OF PERSON AND PROPERTY**

**Section 11.1 Safety.**

- (a) It shall be the responsibility of each Contractor to ensure safe working conditions and employee compliance with any safety rules contained herein or established by the District, the CBA Administrator, or the Contractor. It is understood that employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the Contractor and the District.
- (b) Employees shall be bound by the safety, security, and visitor rules established by the Contractor and construction manager, the CBA Administrator, and the District. These rules will be published and posted. An employee's failure to satisfy his/her obligations under this section will subject himself/herself to discipline, up to and including discharge. The Parties may establish and implement reasonable substance-abuse testing procedures and regulations, which may include pre-hire, reasonable cause, and random and post-accident testing, to the extent permitted by law. Should the CBA Administrator approve an established program to which the Unions are currently a party, such program may become the Project-wide substance abuse testing program, after consultation with the Unions. Until there is such a Project-wide substance abuse testing procedure negotiated or otherwise adopted by the CBA Administrator, such substance abuse testing procedures as are contained in the Schedule A's shall be applicable to work on the Project, pursuant to their terms.

**Section 11.2 Inspection.** The inspection of incoming shipments of equipment, machinery, and construction materials of every kind shall be performed at the discretion of the Contractor by individuals of its choice.

**Section 11.3 Suspension of Work for Safety.** A Contractor may suspend all or a portion of the job to protect the life and safety of the employees. In such cases, employees shall be

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compensated only for the actual time worked; provided, however, that where the Contractor requests employees to remain at the site and be available for work, the employees will be compensated for stand-by time at the applicable rate of pay.

**Section 11.4 Water and Sanitary Facilities.** The Contractor shall provide adequate supplies of drinking water and sanitary facilities for all employees as required by state law.

**ARTICLE 12. TRAVEL AND SUBSISTENCE**

Travel expenses, travel time, subsistence allowances, zone rates, and parking reimbursements shall not be applicable to work under this CBA, except to the extent provided for in any applicable prevailing wage determination. Parking for employees covered by this CBA shall be provided by the Contractors according to the provision of the Schedule A's., and upon presentation of proof of any expense incurred.

**ARTICLE 13. APPRENTICES**

**Section 13.1 Importance of Training.** The Parties recognized the need to maintain continuing support of the programs designed to develop adequate members of competent employees in the construction industry, the obligation to capitalize on the availability of the local work force in the area served by the District, and the opportunity to provide employment at fair wages and working conditions on Project Work. To these ends, the Parties will facilitate, encourage, and assist Local Residents to enter and progress in labor/management apprenticeship or training programs in the construction industry leading to participation in such apprenticeship programs. The District, the CBA Administrator, other District consultants, and the Council, will work cooperatively to identify, establish, and maintain, effective programs and procedures for persons interested in entering the construction industry which will help prepare them for the formal joint labor/management apprenticeship programs maintained by the Unions.

**Section 13.2 Use of Apprentices.**

- (a) Apprentices may comprise up to 30% of each craft's work force at any time, unless the standards of the applicable joint apprenticeship committee confirmed by the State Labor Commissioner establish a lower maximum percentage, and where such is the case, the applicable Unions should use their best efforts with the committee and, if necessary, the commissioner to permit up to 30% apprentices on the Project. When available and capable of undertaking the tasks involved, 40% of such apprentice workforce of each craft may consist of first-year apprentices.
- (b) The Unions agree to cooperate with the Contractors in furnishing apprentices as requested up to the maximum percentage. The apprentice ratio for each craft shall be in compliance, at a minimum, with the applicable provisions of the Labor Code relating to the utilization of apprentices. The District shall encourage such utilization, and, both as to apprentices and the overall supply of experienced employees, the CBA Administrator will work with the Council to assure appropriate and maximum utilization of apprentices and the continuing availability of both apprentices and journey persons.

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- (c) The Parties agree that apprentices will not be dispatched to Contractors working under this CBA unless there is a journey person, or other Contractor employee, working on the Project where the apprentice is to be employed who is qualified to assist and oversee the apprentice's progress through the program in which he/she is participating.

**Section 13.3 Joint Subcommittee on Training and Apprenticeship.** In order to carry out the intent and purpose of this Article, a subcommittee of the Labor Management Committee ("**Subcommittee**") pursuant to Article 16 shall be established, jointly chaired by a designee of the District and a designee of the Council, to oversee the identification and/or effective development of procedures and programs leading to the full utilization of apprenticeship programs, and to work with representatives of each signatory Union's Joint Apprenticeship Committee ("**JAC**") and representatives of the District to establish appropriate criteria for recognition by such JAC's of the educational and work experience possessed by Local Residents toward qualifying for entry or advanced level in the apprenticeship programs under the direction of such JAC's. Specific emphasis will be placed on coordination of the District's existing or planned educational programs with the apprenticeship training programs of the signatory Unions, and the cooperation of the District and the Unions, and the representatives of their JAC's, to encourage District graduates, students, and prospective students to participate in such apprenticeship programs, for the improvement of the construction industry. The Subcommittee will meet as necessary at the call of the joint chairs to promptly facilitate its purposes in an expeditious manner as soon as this CBA becomes effective. In addition to the joint chairs, the membership of the Subcommittee will consist of at least three representatives of the Unions and three representatives of the Contractors.

**Section 13.4 Helmets to Hardhats.**

- (a) The Parties recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry. The Parties agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center"), and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities, and other needs as identified by the Parties.
- (b) The Unions and the Contractors agree to coordinate with the Center to create and maintain an integrated database of veterans interested in working on this Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Unions will give credit to such veterans for bonafide, provable past experience.

**ARTICLE 14. WORKING CONDITIONS**

**Section 14.1 Rest Periods.** There will be no non-working times established during working hours except as may be required by applicable law. Individual coffee containers will be permitted at the work locations.

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**Section 14.2 Work Rules.** The District, the CBA Administrator, and the Contractors or construction manager shall establish such reasonable work rules as they deem appropriate and not inconsistent with this Agreement. These rules will be posted at the work sites by the Contractor and may be amended thereafter as necessary. Failure to observe these rules and regulations may be grounds for discipline up to and including discharge. Said work rules shall include the prohibition of the playing of portable radios.

**Section 14.3 Emergency Use of Tools and Equipment.** There should be no restrictions on the emergency use of any tools by any qualified employee or supervisor, or on the use of any tools or equipment for the performance of work within the jurisdiction, provided that the employee can safely use the tools or equipment involved in compliance with law and regulations.

**Section 14.4 Access to District Property and Facilities.** Recognizing the nature of the work being conducted on the site, employee access by private automobile may be limited by the District to certain roads and parking areas. Further, unless expressly permitted otherwise by the District or its authorized representative, covered employees shall not utilize the public areas of the District's facilities, including without limitation, sanitary and eating facilities.

**ARTICLE 15. PRE-CONSTRUCTION CONFERENCES**

Consistent with Section 7.4, all work assignments should be disclosed by the Contractor and construction manager at a pre-construction conference held in accordance with industry practice. The Contractor shall notify the CBA Administrator at least two weeks before starting work under this CBA, and the CBA Administrator shall coordinate the scheduling of a pre-construction conference with the Council, the Contractors, and the affected Unions. Should there be any formal jurisdictional dispute raised under Article 7, the CBA Administrator shall be promptly notified. At the pre-construction conference, the CBA Administrator shall review the District's employment and contracting programs and goals with the participants.

**ARTICLE 16. LABOR/MANAGEMENT AND COOPERATION**

**Section 16.1 Joint Committee.** The Parties will form a Joint Committee consisting of representatives selected by Council and the CBA Administrator, respectively, to be chaired jointly by a representative of the CBA Administrator and of the Council. The purpose of the Joint Committee shall be to promote harmonious and stable labor management relations on this Project, to ensure effective and constructive communication between labor and management, to advance the proficiency of work in the industry, and to evaluate and ensure an adequate supply of skilled labor for all Project Work. Representatives of the District may participate upon its request.

**Section 16.2 Functions of Joint Committee.** The Joint Committee shall meet on a schedule to be determined by the Joint Committee, or at the call of the co-chairs, to discuss the administration of this Agreement, the progress of the Project, general labor management problems that may arise, outreach programs (including for minority, disabled, women, and veteran businesses and employees), and any other matters consistent with this CBA. Substantive

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grievances or disputes arising under Articles 6, 7 or 9 shall not be reviewed or discussed by the Joint Committee, but shall be processed pursuant to the provisions of the appropriate Article.

The CBA Administrator shall be responsible for the arrangements for the meetings, and the preparation of the agenda topics (with input from the Unions, the Contractors, and the District). Notice of the date, time, and place of meetings, shall be given to the Joint Committee members at least three days prior to the meeting. The District should be notified of the meetings and invited to send a representative(s) to participate.

The CBA Administrator shall prepare quarterly reports on apprentice utilization and the training and employment of Local Residents, and a schedule of Project Work and estimated number of craft employees needed. The Joint Committee or an appropriate subcommittee, may review such reports and make any recommendations for improvement, if necessary, including increasing the availability of skilled trades, and the employment of Local Residents or other individuals who should be assisted with appropriate training to qualify for apprenticeship programs.

**ARTICLE 17. SAVINGS AND SEPARABILITY**

**Section 17.1 Savings Clause.** As it is not the intention of the District, the CBA Administrator, or the Unions to violate any laws governing the subject matter of this Agreement, the Parties agree that in the event that any provision of this Agreement is finally held or determined to be illegal or void as being in contravention of any applicable law or regulation, the remainder of the Agreement shall remain in full force and effect unless the part or parts determined to be void are wholly inseparable from the remaining portions of this Agreement. Further, the Parties agree that if and when any provision of this Agreement is finally determined to be illegal or void by a court of competent jurisdiction, the Parties will promptly enter into negotiations concerning the substantive effect of such decision, for the purpose of achieving conformity with the requirements of any laws and the intent of the Parties. If the legality of this Agreement is challenged and injunctive relief is granted by any court, suspending temporarily or permanently the implementation of this Agreement, then the Parties agree that all Project Work that would otherwise be covered by this Agreement should be continued to be bid and constructed without application of this Agreement so that there is no delay or interference with the ongoing planning, bidding and construction of any Project Work.

**Section 17.2 Effect of Injunctions or Other Court Orders.** The Parties recognize the right of the District to withdraw, at its absolute discretion, the utilization of this CBA as part of any bid specification should a Court of competent jurisdiction issue any order, or any applicable statute be enacted, which could result temporarily or permanently in delay of the bidding, awarding, or construction of the Project. Notwithstanding such an action by the District, or such court order or statutory provision, the Parties agree that the CBA shall remain in full force and effect on covered Project Work to the maximum extent legally possible.

**ARTICLE 18. WAIVER**

A waiver of or a failure to assert any provisions of this CBA by any Party shall not constitute a waiver of such provision for the future. Any such waiver shall not constitute a modification of



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the CBA or a change in the terms and conditions of the CBA, and shall not relieve, excuse, or release any of the Parties from any of their rights, duties, or obligations hereunder.

**ARTICLE 19. AMENDMENTS**

The provisions of this CBA can be renegotiated, supplemented, rescinded, or otherwise altered only by mutual agreement in writing, hereafter signed by the Parties.

**ARTICLE 20. DURATION OF THE AGREEMENT**

**Section 20.1 Duration and Final Termination.**

This CBA shall be effective on January 1, 20~~2015~~2019, and shall continue in effect through December 31, 20~~2019~~2019, or until the Project Work is completed, whichever occurs first. All Project Work awarded prior to the latter date shall continue to be covered by this CBA until the turnover and final acceptance of such work, subject to the specifications, pursuant to Section 20.2. Final termination of all obligations, rights, and liabilities, under this CBA shall occur upon receipt by the Council of a notice from the District saying that no work remains within the scope of the CBA, or on December 31, 20~~2019~~2019 (except for Project Work awarded prior to that date and not yet completed and turned over, or unless there is a mutually agreed upon extension), whichever occurs first. This CBA may be extended by mutual written consent of the Parties after approval by the SBCCD Board of Trustees

**Section 20.2 Turnover and Final Acceptance of Completed Work.**

- (a) Construction on any phase, portion, section, or segment of Project Work shall be deemed complete when such phase, portion, section, or segment has been turned over to the District by the Contractor, and the District has accepted such phase, portion, section, or segment. As areas and systems of the Project are inspected and construction-tested, or approved and accepted by the District or third parties with the approval of the District, the Agreement shall have no further force or effect on such items or areas, except when the Contractor is directed by the District to engage and repairs or modifications are required by its contract with the District.
- (b) Notice of each final acceptance received by the Contractor will be provided to the Council with the description of what portion, segment, etc. has been accepted. Final acceptance may be subject to a "punch" list, and in such case, this CBA will continue to apply to each such item on the list until it is completed to the satisfaction of the District and Notice of Acceptance is given by the District or its representative to the Contractor. At the request of the Union, complete information describing any "punch" list work, as well as any additional work required of a Contractor at the direction of the District pursuant to "a" above, involving otherwise turned-over and completed facilities which have been accepted by the District, will be available from the CBA Administrator.

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**Section 20.3 Continuation of Schedule A's.** Schedule A's incorporated as part of this Agreement shall continue in full force and effect until the Contractor and Union notify the CBA Administrator of the mutually agreed upon changes in such Agreements and their effective dates.

The Parties agree to recognize and employ all applicable changes on their effective dates, except as otherwise provided by this CBA; provided, however, that any such provisions negotiated in said collective bargaining agreements will not apply to work covered by this CBA if such provisions are less favorable to the Contractor under the CBA than those uniformly required of Contractors for construction work normally covered by those agreements; nor shall any provision be recognized or applied if it may be construed to apply exclusively or predominately to work covered by this CBA. Any disagreement among the Parties over the incorporation into a Schedule A of any such provision agreed upon in a negotiation of the local collective bargaining agreement, which is the basis for a Schedule A, shall be resolved under the procedures established in Article 9.

**Section 20.4 No Work Stoppages.** The Unions agree that there will be no strikes, work stoppages, sympathy strikes, picketing, slowdowns, or any other disruptive activity affecting the Project by any Union involved in the negotiations of the local collective bargaining agreement and resulting Schedule A's, nor shall there be any lock- out on this Project of the involved Unions during the course of such negotiations

**Section 20.5 Notices.** Notices under this Agreement to the Parties may be given by personal delivery, facsimile, or overnight mail to the address or facsimile number that each Party provides to the other Parties.

**ARTICLE 21. TAXPAYER PROTECTION**

**Section 21.1** Pursuant to Public Contract Code Section 2500(a), the following additional taxpayer protection provisions are incorporated into this Agreement, to the extent not already expressed herein:

- (a) This Agreement prohibits discrimination based on race, national origin, religion, sex, sexual orientation, political affiliation, or membership in a labor organization in hiring and dispatching employees for the Project.
- (b) This Agreement permits all qualified Contractors and subcontractors to bid for and be awarded work on the Project without regard to whether they are otherwise parties to collective bargaining agreement.

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**EXHIBIT A - AGREEMENT TO BE BOUND**

The undersigned hereby certifies and agrees that:

1. It is a "Contractor" as defined in the Community Benefits Agreement ("Agreement") of the San Bernardino Community College District.
2. In consideration of the award of a contract or subcontract, and in further consideration of the promises made in the Agreement, and, when appropriate, in the referenced Schedule A's, it accepts and agrees to be bound by the terms and conditions of the Agreement.
3. If it performs Project Work, as defined in the Agreement, it will be bound by the referenced trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust fund, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
4. It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.

Dated: \_\_\_\_\_ Name of Contractor: \_\_\_\_\_  
(Print/Stamp)

Project: \_\_\_\_\_ Address: \_\_\_\_\_

\_\_\_\_\_ City/State/Zip Code: \_\_\_\_\_

\_\_\_\_\_  
(Authorized Officer & Title)

\_\_\_\_\_  
(Signature)

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EXHIBIT B  
Inland Empire Zip Codes

Riverside

92501  
92503  
92504  
92505  
92506  
92507  
92508  
92509

Corona

92879  
92880  
92881  
92882  
92883

Norco

92860

Chino

91708  
91710

Ontario

91710  
91758  
91761  
91762  
91764

Montclair

91763

Claremont

91711

Temecula

92590  
92591  
92592

Murrieta

92562  
92563

Lake Elsinore

92530  
92532

San Bernardino

92401  
92403  
92404  
92405  
92407  
92408  
92410  
92411

Redlands

92373  
92374

Grand Terrace

92313  
92324

Highland

92343~~6~~

Colton

92324

Rancho Cucamonga

91701  
91730  
91737  
91739

Pomona

91765  
91766  
91767  
91768

Upland

91784  
91785  
91786

Victorville

92392  
92394  
92395

Hesperia

92344  
92345

Barstow

92310  
92311  
92312

Palm Springs

92262  
92264

Palm Desert

92210  
92211  
92260

Cathedral City

92234

Rancho Mirage

92270

Beaumont

92223

Banning

92220

Fontana

92331  
92334  
92335  
92336  
92337

Rialto

92376  
92377

**EXHIBIT C**  
**WORKFORCE OPPORTUNITY LETTER**

San Bernardino & Riverside Counties Building and Construction Trades Council, AFL-CIO ("Council") and its affiliated unions (collectively "Unions") are committed to facilitating and promoting pathways for students and residents of San Bernardino Community College District ("District") to enter the building and construction trades. Specifically, the Unions commit to taking the following actions to promote work opportunities for students and residents of the District:

1. The Council and the Unions will work with the District to arrange for tours by District's career counselors at the affiliated Unions apprenticeship programs in the District's boundaries, so that the counselors are aware of the career opportunities that exist for District students within the building and construction trades;
2. The Council will coordinate with its affiliated Unions to arrange for presentations at the District regarding the Unions apprenticeship programs and opportunities for careers in the construction industry;
3. The Council and the Unions will, in coordination with the District, participate in orientations at least once a quarter for local contractors regarding this CBA;
4. The Council will work with its affiliated Unions to inform local signatory contractors of the opportunities to bid on Projects under this CBA; and
5. The Council and the Unions will work with the District to identify additional opportunities (such as career fairs, in-class presentations, etc.) for outreach to District students and residents regarding construction careers.

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**Exhibit D**

**San Bernardino Community College District  
CRAFT REQUEST FORM**

**TO THE CONTRACTOR:** Please complete and fax this form to the applicable union to request craft workers that fulfill the hiring requirements for this project. After faxing your request, please call the Local to verify receipt and substantiate their capacity to furnish workers as specified below. Please print your Fax Transmission Verification Reports and keep copies for your records.

The San Bernardino Community College District Community Benefits Agreement establishes a goal that 50% of all the labor and craft positions shall be from workers residing: in the Exhibit B zip codes. For Dispatch purposes, employees residing within any of these zip codes shall be referred to as Local Residents.

**TO THE UNION:** Please complete the "Union Use Only" section on the next page and fax this form back to the requesting Contractor. Be sure to retain a copy of this form for your records.

**CONTRACTOR USE ONLY**

To: Union Local # \_\_\_\_\_ Fax# ( ) \_\_\_\_\_ Date: \_\_\_\_\_  
Cc: Project Labor Coordinator Fax# ( ) \_\_\_\_\_ Date: \_\_\_\_\_  
From: Company: \_\_\_\_\_ Issued By: \_\_\_\_\_  
Contact Phone: ( ) \_\_\_\_\_ Contact Fax#: ( ) \_\_\_\_\_

**PLEASE PROVIDE ME WITH THE FOLLOWING UNION CRAFT WORKERS.**

Craft Classification (i.e. plumber, painter, etc.)	Journeyman or Apprenticeship	Local Resident or General Dispatch	Numbers of workers needed	Report Date	Report Time
TOTAL WORKERS REQUESTED = _____					

Please have worker(s) report to the following work address indicated below:

Project Name: \_\_\_\_\_ Site: \_\_\_\_\_ Address: \_\_\_\_\_

Report to: \_\_\_\_\_ On-site Tel: \_\_\_\_\_ On-site Fax: \_\_\_\_\_

Comment or Special Instructions: \_\_\_\_\_

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**EXHIBIT D (continued)**

**UNION USE ONLY**

Date dispatch request received:
Dispatch received by:
Classification of worker requested:
Classification of worker dispatched:

**WORKERS REFERRED**

Name:	
Date worker was dispatched	
Is the worker referred a:	
JOURNEYMAN	Yes _____ No _____
APPRENTICE	Yes _____ No _____
LOCAL RESIDENT	Yes _____ No _____
GENERAL DISPATCH FROM OUT OF WORK LIST	Yes _____ No _____

[This form is not intended to replace a Local Union's Dispatch or Referral Form normally given to the employee when being dispatched to the job-site.]

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**Signatures**

Date: \_\_\_\_\_

**San Bernardino Community College District**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

**San Bernardino & Riverside Counties Building and  
Construction Trades Council, AFL-CIO**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_



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**Signatory Unions**

Date: \_\_\_\_\_

**Heat and Frost Insulators & Allied Workers Local 5**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Boilermakers Local 92**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Bricklayers Local 4**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Cement Masons Local 500**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Drywall Finishers Local 36/D.C. #36**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Electrical Workers Local 477**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Iron Workers Local 416**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Iron Workers Local 433**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

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**Signatory Unions** *(continued)*

Date: \_\_\_\_\_

**Laborers Local 300**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Laborers Local 783**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Laborers Local 1184**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Operating Engineers Local 12**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Painters & Allied Trades Local 775/D.C. #36**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Plasterers Local 200**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Plaster Tenders Local 1414**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

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**Signatory Unions** *(continued)*

Date: \_\_\_\_\_

**Roofers & Waterproofers Local 220**

Signature: \_\_\_\_\_ Name

& Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Sheet Metal Local 105**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Sprinkler Fitters (Road) Local 669**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Teamsters Local 166**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Tile, Marble, Terrazo Local 18**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Resilient Floor & Decorative Covering Local 1247**

Signature: \_\_\_\_\_ Name

& Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Pipefitters Local 250**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Plumbers & Fitters Local 364**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

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**Signatory Unions** *(continued)*

Date: \_\_\_\_\_

**Plumbers & Steamfitters Local 398**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Landscape/Irrigation Local 345**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

Date: \_\_\_\_\_

**Southwest Regional Council of Carpenters**

Signature: \_\_\_\_\_

Name & Position: \_\_\_\_\_

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor

**PREPARED BY:** Lawrence P. Strong, Director of Fiscal Services

**DATE:** November 14, 2019

**SUBJECT:** Consideration of Approval to Adopt Resolution #2019-11-14-FPC01  
Authorizing Issuance of 2019 General Obligation Refunding Bonds

### **RECOMMENDATION**

It is recommended that the Board of Trustees adopt Resolution #2019-11-14-FPC01 authorizing the issuance of San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2019 General Obligation Refunding Bonds.

### **OVERVIEW**

On November 5, 2002, the voters of the San Bernardino Community College District (the "District") approved the issuance of not-to-exceed \$190,000,000 of general obligation bonds ("Measure P"). Pursuant to Measure P, the District previously issued \$50,000,000 of its Election of 2002 General Obligation Bonds, Series A (the "2002 Series A Bonds"), \$20,000,000 of its Election of 2002, General Obligation Bonds, Series B (the "2002 Series B Bonds"), and \$100,000,000 of its Election of 2002 General Obligation Bonds, Series C (the "2002 Series C Bonds").

On February 5, 2008, the voters of the District approved the issuance of not-to-exceed \$500,000,000 of general obligation bonds ("Measure M"). Pursuant to Measure M, the District previously issued \$140,000,000 of its Election of 2008 General Obligation Bonds, Series A (the "2008 Series A Bonds") and \$37,536,960.30 of its Election of 2008 General Obligation Bonds, Series D (the "2008 Series D Bonds").

On April 7, 2005, the District issued general obligation refunding bonds in the aggregate principal amount of \$56,562,550.30 for the purpose of refunding portions of the 2002 Series A Bonds and 2002 Series B Bonds (the "2005 Refunding Bonds").

On May 2, 2013, the District issued general obligation refunding bonds in the aggregate principal amount of \$198,570,000 for the purpose of refunding portions of the 2002 Series C Bonds and 2008 Series A Bonds (the "2013 Refunding Bonds, Series A"). On October 14, 2015, the District issued general obligation refunding bonds in the aggregate principal amount of \$55,975,000 for the purpose of refunding portions of the 2005 Refunding Bonds and 2002 Series C Bonds (the "2015 Refunding Bonds", and, together with the 2008 Series D Bonds and 2013 Refunding Bonds, Series A, the "Prior Bonds").

## **ANALYSIS**

The District now desires to refinance portions of the outstanding Prior Bonds (so refunded, the “Refunded Bonds”) through the issuance of general obligation refunding bonds (the “Refunding Bonds”) in an aggregate principal amount not-to-exceed \$300,000,000. All benefits from the refunding will be delivered to the property owners in the District. The final maturity of the Refunding Bonds will not be later than the maturity date of the Refunded Bonds (August 1, 2048).

- a) **Bond Resolution.** This Resolution authorizes the issuance of the Refunding Bonds, in one or more series of federally taxable or federally tax-exempt bonds. The Resolution authorizes the issuance of the Refunding Bonds, specifies the basic terms, parameters and forms of the Refunding Bonds, and approves the form of Purchase Contract, Continuing Disclosure Certificate, Escrow Agreement and Preliminary Official Statement described below. In particular, Section 1 of the Resolution establishes the maximum aggregate principal amount of the Refunding Bonds to be issued (\$300,000,000). Section 4 of the Resolution states the maximum underwriting discount (0.40%) with respect to the Refunding Bonds, and authorizes the Refunding Bonds to be sold at a negotiated sale to Piper Jaffray & Co. (the “Underwriter”). The Resolution authorizes the issuance of current interest bonds only.
- b) **Form of Purchase Contract.** Pursuant to the Purchase Contract, the Underwriter will agree to buy the Refunding Bonds from the District. All of the conditions of closing the transaction are set forth in this document, including the documentation to be provided at the closing by various parties. Upon the pricing of the Refunding Bonds, the final execution copy of the Purchase Contract will be prepared following this form.
- c) **Form of Preliminary Official Statement.** The Preliminary Official Statement (“POS”) is the offering document describing the Refunding Bonds which may be distributed to prospective purchasers of the Refunding Bonds. The POS discloses information with respect to, among other things, (i) the proposed uses of proceeds of the Refunding Bonds, (ii) the terms of the Refunding Bonds (interest rate, transfer terms, etc.), (iii) the bond insurance policy for the Refunding Bonds, if any, (iv) the security for repayment of the Refunding Bonds (the tax levy), (v) information with respect to the District’s tax base (upon which such ad valorem taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Refunding Bonds and the District, and (viii) absence of litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Refunding Bonds. Following the pricing of the Refunding Bonds, a final Official Statement for the Refunding Bonds will be prepared, substantially in the form of the POS.
- d) **Form of the Continuing Disclosure Certificate.** The form of the Continuing Disclosure Certificate can be found in APPENDIX C to the POS. Effective July 3, 1995, all underwriters of municipal bonds are obligated to procure from a bond issuer a covenant that such public agency will annually file “material financial information and operating data with respect to the District” through the web-based Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (which is the federal agency that regulates “broker-dealers,” including investment banking firms that underwrite municipal obligation issuance). This requirement is expected to be satisfied by the filing of the District’s audited financial statements and other operating information about the District, in the same manner the District has filed in connection with prior bond issuances. The purpose of the law is to provide investors in the Refunding Bonds with current information regarding the District. Similar laws have governed the corporate debt market for many years.

- e) **Escrow Agreement.** Pursuant to the Escrow Agreement, proceeds from the sale of the Refunding Bonds in an amount sufficient to redeem the Refunded Bonds will be deposited in the escrow funds (the “Escrow Fund”) held by U.S. Bank National Association (acting as “Escrow Agent”). The monies in the Escrow Fund will be used by the Escrow Agent to refund all or a portion of the Prior Bonds on the first respective available optional redemption dates following the closing of the Refunding Bonds (August 1, 2023 with respect to the 2013 Refunding Bonds, Series A and August 1, 2025 with respect to the 2008 Series D Bonds and 2015 Refunding Bonds). As a result of the deposit and application of funds so provided in the Escrow Agreement, the Refunded Bonds will be defeased and the obligation of San Bernardino and Riverside Counties to levy ad valorem taxes for payment of the Refunded Bonds will cease.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

### **FINANCIAL IMPLICATIONS**

There is no fiscal impact to the General Fund resulting from the issuance of the Refunding Bonds.

RESOLUTION **#2019-11-14-FPC01** OF THE BOARD OF TRUSTEES OF THE  
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
**AUTHORIZING THE ISSUANCE OF THE**  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)**  
**2019 GENERAL OBLIGATION REFUNDING BONDS**

**WHEREAS**, a duly called election (the “2002 Election”) was held in the San Bernardino Community College District (the “District”), San Bernardino County (the “County”) and Riverside County (“Riverside County”, and together with the County, the “Counties”), State of California, on November 5, 2002 and thereafter canvassed pursuant to law;

**WHEREAS**, at such election there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$190,000,000, payable from the levy of an *ad valorem* property tax against the taxable property in the District (the “2002 Authorization”);

**WHEREAS**, pursuant to the 2002 Authorization, the District previously caused the issuance of (i) \$50,000,000 of San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2002 General Obligation Bonds, Series A (the “2002 Series A Bonds”), (ii) \$20,000,000 of the San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2002 General Obligation Bonds, Series B, and (iii) \$100,000,000 of San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2002 General Obligation Bonds, Series C (the “2002 Series C Bonds”);

**WHEREAS**, on April 7, 2005, the District issued \$56,562,550.30 of San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2005 General Obligation Refunding Bonds pursuant to Section 53550 et seq. 53580 et seq. of the Government Code (the “Act”) to refund portions of then-outstanding 2002 Series A Bonds and 2002 Series B Bonds (the “2005 Refunding Bonds”);

**WHEREAS**, a duly called election (the “2008 Election”, and together with the 2002 Election, the “Elections”) was held in the District on February 5, 2008 and thereafter canvassed pursuant to law;

**WHEREAS**, at such election there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$500,000,000, payable from the levy of an *ad valorem* property tax against the taxable property in the District (the “2008 Authorization”);

**WHEREAS**, pursuant to the 2008 Authorization, the District previously caused the issuance of (i) \$140,000,000 of San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A (the “2008 Series A Bonds”), and (ii) \$37,536,960.30 of the San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series D (the “2008 Series D Bonds”);

**WHEREAS**, on May 2, 2013, the District issued \$198,570,000 of San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2013 General Obligation Refunding Bonds, Series A (Federally Tax-Exempt) pursuant to the Act to refund portions of then-outstanding 2002 Series C Bonds and 2008 Series A Bonds (the “2013 Refunding Bonds, Series A”);



**WHEREAS**, on October 14, 2015, the District issued \$55,975,000 of San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2015 General Obligation Refunding Bonds pursuant to the Act to refund portions of then-outstanding 2005 Refunding Bonds and 2002 Series C Bonds (the “2015 Refunding Bonds”, and together with the 2008 Series D Bonds and 2013 Refunding Bonds, Series A the “Prior Bonds”)

**WHEREAS**, pursuant to the Act (defined herein), this Board of Trustees (the “Board”) finds that the District is authorized to issue general obligation refunding bonds (the “Refunding Bonds”) to refund all or a portion of the outstanding Prior Bonds (so refunded, the “Refunded Bonds”);

**WHEREAS**, this Board desires to authorize the issuance of the Refunding Bonds in one or more Series of Taxable or Tax-Exempt Current Interest Bonds (as such terms are defined herein);

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation refunding bonds of the District, and whereas the indebtedness of the District, including this proposed issue of Refunding Bonds, is within all limits prescribed by law; and

**WHEREAS**, at this time the Board desires to appoint professionals related to the issuance of the Refunding Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT, SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA AS FOLLOWS:**

**SECTION 1. Purpose.** To refund all or a portion of the currently outstanding principal amount of the Prior Bonds and to pay all necessary legal, financial, and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Refunding Bonds pursuant to the Act in an aggregate principal amount not-to-exceed \$300,000,000, in one or more Series of Taxable or Tax-Exempt Current Interest Bonds (each as defined herein), to be styled as the “San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2019 General Obligation Refunding Bonds” (the “Refunding Bonds”) (or such other name as set forth in the Purchase Contract (defined herein) with appropriate additional Series designation if more than one Series of Refunding Bonds are issued. Additional costs authorized to be paid from the proceeds of the Refunding Bonds are all of the authorized costs of issuance set forth in Government Code Section 53550(e) and (f) and Section 53587. Pursuant to Government Code Sections 53584 and 53587, the Board hereby determines it to be reasonably required to fund capitalized interest from proceeds of the Refunding Bonds for the purpose of paying interest on all or a portion of the Refunding Bonds.

**SECTION 2. Paying Agent.** The Board hereby appoints the Paying Agent, as defined herein, to act as paying agent, bond registrar, authentication agent and transfer agent for the Refunding Bonds on behalf of the District. The Board hereby authorizes the payment of the reasonable fees and expenses of the Paying Agent, as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Refunding Bonds may be paid in each year from *ad valorem* property taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically Education Code Section 15232.

**SECTION 3. Terms and Conditions of Sale.** The Refunding Bonds are hereby authorized to be sold at a negotiated sale to the Underwriter (defined herein) upon the direction of the Chancellor or the Executive Vice Chancellor of the District, or such other officer or employee of the District as may be designated by the Chancellor or the Executive Vice Chancellor (collectively, the “Authorized Officers”).

The Refunding Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below.

**SECTION 4. Approval of Purchase Contract.** The Purchase Contract, by and between the Underwriter (as defined herein) and the District, substantially in the form on file with the Secretary to the Board, is hereby approved and the Authorized Officers, each alone, are hereby authorized to execute and deliver the Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that (i) the maximum interest rates on the Refunding Bonds shall not exceed that authorized by law, and (ii) the underwriting discount, excluding original issue discount, shall not exceed 0.40% of the aggregate principal amount of the Refunding Bonds actually issued. The Authorized Officers, each alone, are further authorized to determine the principal amount of the Refunding Bonds to be specified in the Purchase Contract for sale by the District up to \$300,000,000 and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied.

**SECTION 5. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

- (a) **“Act”** means Government Code Sections 53550 *et seq.*
- (b) **“Authorizing Documents”** means the authorizing resolution(s), indenture, agreement or other legal document(s) pursuant to which the Prior Bonds were authorized and issued.
- (c) **“Beneficial Owner”** means, when used with reference to book-entry Refunding Bonds registered pursuant to Section 6 hereof, the person who is considered the beneficial owner of such Refunding Bonds pursuant to the arrangements for book-entry determination of ownership applicable to the Depository.
- (d) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of principal of and interest on the Refunding Bonds.
- (e) **“Bond Payment Date”** means, unless otherwise provided by the Purchase Contract, February 1 and August 1 of each year commencing February 1, 2020 with respect to the interest on the Refunding Bonds, and August 1 of each year commencing August 1, 2020 with respect to the principal payments on the Refunding Bonds.
- (f) **“Bond Register”** means the registration books which the Paying Agent shall keep or cause to be kept on which the registered ownership, transfer and exchange of Refunding Bonds will be recorded.
- (g) **“Code”** means the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.
- (h) **“Continuing Disclosure Certificate”** means that certain contractual undertaking executed by the District in connection with the issuance of the Refunding Bonds pursuant to paragraph (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, dated as of the date of issuance of the Refunding Bonds, as amended from time to time in accordance with the provisions thereof.
- (i) **“County”** means San Bernardino County.

(j) **“Current Interest Bonds”** means Refunding Bonds, the interest on which is payable semiannually on each Bond Payment Date specified for each such Refunding Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(k) **“Date of Delivery”** means the date of initial issuance and delivery of the Refunding Bonds, or such other date as shall be set forth in the Purchase Contract or Official Statement.

(l) **“Depository”** means, the entity acting as securities depository for the Refunding Bonds pursuant to Section 6(c) hereof.

(m) **“DTC”** means The Depository Trust Company, New York, New York, 55 Water Street, New York, New York 10041, a limited purpose trust company organized under the laws of the State of New York, in its capacity as the initial Depository for the Refunding Bonds.

(n) **“Escrow Agent”** means U.S. Bank National Association, or any other successor thereto, in its capacity as escrow agent for the Refunded Bonds.

(o) **“Escrow Agreement”** means that certain agreement relating to the deposit and investment of funds to refund the Refunded Bonds, by and between the District and the Escrow Agent.

(p) **“Federal Securities”** means securities as permitted, in accordance with the respective Authorizing Documents, to be deposited with the Escrow Agent for the purpose of defeasing the Prior Bonds.

(q) **“Holder”** or **“Owner”** means the registered owner of a Refunding Bond as set forth in the Bond Register maintained by the Paying Agent pursuant to Section 6 hereof.

(r) **“Information Services”** means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or, in the absence of such written designation, as the Paying Agent may select.

(s) **“Moody’s”** means Moody’s Investors Service, Inc. a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

(t) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

(u) **“Official Statement”** means the Official Statement for the Refunding Bonds, as described in Section 17 hereof.

(v) **“Outstanding”** means, when used with reference to the Refunding Bonds, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

(i) Refunding Bonds canceled at or prior to such date;

(ii) Refunding Bonds in lieu of or in substitution for which other Refunding Bonds shall have been delivered pursuant to Section 8 hereof; or

(iii) Refunding Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Refunding Bonds), in accordance with Section 19 of this Resolution.

(w) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(x) **“Paying Agent”** means initially U.S. Bank National Association, or such other Paying Agent as shall be named as such in the Purchase Contract or Official Statement, and afterwards any successor financial institution, serving as the authentication agent, bond registrar, transfer agent and Paying Agent.

(y) **“Purchase Contract”** means the contract or contracts for purchase and sale of the Refunding Bonds, by and between the District and the Underwriter. To the extent the Refunding Bonds are sold pursuant to more than one Purchase Contract, each shall be substantially in the form presented to the Board, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve.

(z) **“Record Date”** means the close of business on the 15<sup>th</sup> day of the month preceding each Bond Payment Date.

(aa) **“Series”** means any Refunding Bonds executed, authenticated and delivered pursuant to the provisions hereof and identified as a separate Series of Refunding Bonds.

(bb) **“S&P”** means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, its successors and their assigns, or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

(cc) **“Taxable Bonds”** means any Refunding Bonds the interest on which is not excludable from gross income for federal income tax purposes.

(dd) **“Tax-Exempt Bonds”** means any Refunding Bonds the interest on which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Refunding Bonds.

(ee) **“Term Bonds”** means those Refunding Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Contract.

(ff) **“Treasurer-Tax Collector”** means the Treasurer-Tax Collector of the County or other comparable officer of the County.

(gg) **“Underwriter”** means Piper Jaffray & Co., as Underwriter of the Refunding Bonds.

## **SECTION 6. Terms of the Refunding Bonds.**

(a) Denomination, Interest, Date of Delivery. The Refunding Bonds shall be issued as fully-registered book-entry bonds, registered as to principal in denominations of \$5,000 principal amount or any integral multiple thereof. The Refunding Bonds will be initially registered in the name of “Cede & Co.,” as the Nominee of DTC.

Each Refunding Bond shall be dated the Date of Delivery, and shall bear interest at the rates set forth in the Purchase Contract from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Date of Delivery. Interest on the Refunding Bonds shall be payable on the respective Bond Payment Dates and shall be computed on the basis of a 360-day year of 12, 30-day months.

No Refunding Bond shall mature later than the final maturity date of the Refunded Bonds to be refunded from proceeds of such Refunding Bond.

(b) Redemption.

(i) Optional Redemption. The Refunding Bonds shall be subject to optional redemption prior to maturity as provided in the Purchase Contract or the Official Statement.

(ii) Mandatory Redemption. Any Refunding Bonds issued as Term Bonds shall be subject to mandatory sinking fund redemption as provided in the Purchase Contract or the Official Statement.

(iii) Selection of Refunding Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Refunding Bonds and less than all Outstanding Refunding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Refunding Bonds for redemption as so directed by the District and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Refunding Bonds for redemption as directed by the District and, if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any Refunding Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

The Purchase Contract may provide that (i) in the event that a portion of any Term Bond is optionally redeemed prior to maturity pursuant to Section 6(b)(i) hereof, the remaining mandatory sinking fund payments with respect to such Term Bonds shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect to the portion of such Term Bond optionally redeemed, or (ii) within a maturity, Refunding Bonds shall be selected for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided further that, such pro-rata redemption is made in accordance with the operational arrangements of DTC then in effect.

(iv) Redemption Notice. When optional redemption is authorized or required pursuant Section 6(b) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a “Redemption Notice”) of the redemption of the Refunding Bonds. Such Redemption Notice shall specify: the Refunding Bonds or designated portions thereof (in the case of redemption of the Refunding Bonds in part but not in whole) which are to be redeemed; the date of redemption; the place or places where the redemption will be made, including the name and address of the Paying Agent; the redemption price; the CUSIP numbers (if any) assigned to the Refunding Bonds to be redeemed, the Refunding Bond numbers of the Refunding Bonds to be redeemed in whole or in part and, in the case of any Refunding Bond to be redeemed in part only, the portion of the principal amount of such Refunding Bond to be redeemed; and the original issue date, interest rate and stated maturity date of each Refunding Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Refunding

Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date thereon, and that from and after such date, interest thereon shall cease to accrue.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(A) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Refunding Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(B) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service to the Depository.

(C) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service to one of the Information Services.

(D) Such Redemption Notice shall be given to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

A certificate of the Paying Agent or District that a Redemption Notice has been given as provided herein shall be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Refunding Bonds. Each transfer of funds made by the Paying Agent for the purpose of redeeming Refunding Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Refunding Bonds being redeemed with the proceeds of such check or other transfer. Such Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon, or on the Refunding Bonds.

With respect to any Redemption Notice of Refunding Bonds (or portions thereof) pursuant to this section, unless upon the giving of such notice such Refunding Bonds or portions thereof shall be deemed to have been defeased pursuant to Section 19 hereof, such notice shall state that such redemption shall be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, premium, if any, and interest on, such Refunding Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect, no portion of the Refunding Bonds shall be subject to redemption on such date and such Refunding Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice, to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for redemption. The Paying Agent shall distribute a notice of the rescission of such Redemption Notice in the same manner as such notice was originally provided.

(v) Partial Redemption of Refunding Bonds. Upon the surrender of any Refunding Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Refunding Bond or Refunding Bonds of like tenor and maturity and of authorized denominations equal in principal amounts to the unredeemed portion of the Refunding Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(vi) Effect of Redemption Notice. Notice having been given as aforesaid, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as provided in Section 19 hereof, the Refunding Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Refunding Bonds to be redeemed as provided in Section 6(b)(i) hereof, together with interest accrued to such redemption date, shall be held in trust as provided in Section 19 hereof, so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as aforesaid, then from and after such redemption date, interest on the Refunding Bonds to be redeemed shall cease to accrue and become payable. All money held for the redemption of Refunding Bonds shall be held in trust for the account of the Owners of the Refunding Bonds so to be redeemed.

(vii) Refunding Bonds No Longer Outstanding. When any Refunding Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be irrevocably held in trust for the payment of the redemption price of such Refunding Bonds or portions thereof, and accrued interest thereon to the date fixed for redemption, all as provided in this Resolution, then such Refunding Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

All Refunding Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Refunding Bond purchased by the District shall be cancelled by the Paying Agent.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Refunding Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Refunding Bonds in an authorized denomination. The ownership of each such Refunding Bond shall be registered in the Bond Register maintained by the Paying Agent in the name of the Nominee, as nominee of the Depository and ownership of the Refunding Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

With respect to book-entry Refunding Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Refunding Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Refunding Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect

to book-entry Refunding Bonds, including any Redemption Notice; (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Refunding Bonds to be prepaid in the event the District redeems such Refunding Bonds in part; (iv) or the payment by the Depository or any Participant or any other person, of any amount with respect to principal, premium, if any, or interest on book-entry Refunding Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Refunding Bond is registered in the Bond Register as the absolute Owner of such Refunding Bond for the purpose of payment of principal of and premium and interest on and to such Refunding Bond, for the purpose of giving Redemption Notices and other matters with respect to such Refunding Bond, for the purpose of registering transfers with respect to such Refunding Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on book-entry Refunding Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on book-entry Refunding Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of principal of, premium, if any, and interest on book-entry Refunding Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word "Nominee" in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Refunding Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in such book-entry Refunding Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the book-entry Refunding Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for the book-entry Refunding Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the Beneficial Owners of the Refunding Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such Outstanding book-entry Refunding Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Refunding Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Refunding Bonds shall designate, in accordance with the provisions of this Section 6(c).

3. Payments and Notices to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all Outstanding Refunding Bonds are held in book-entry form and registered in the name of the Nominee, all payments by the District or Paying Agent with



respect to principal of and premium, if any, or interest on book-entry Refunding Bonds and all notices with respect to such Refunding Bonds, including Redemption Notices, shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise required or instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Refunding Bonds to Substitute Depository.

(A) The Refunding Bonds shall be initially issued as described in the Official Statement. Registered ownership of such Refunding Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its Nominee, or of any substitute depository designated pursuant to Section 6(c)(i)(4)(A)(2) (“Substitute Depository”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (b) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (a) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (b) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(1) or (2), upon receipt of all Outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Refunding Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Refunding Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(3), upon receipt of all Outstanding Refunding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Refunding Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Refunding Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or advance refunding of any Refunding Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Refunding Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository’s failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Refunding Bond is registered as the Owner thereof for all purposes of this Resolution and

any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Refunding Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such Beneficial Owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Refunding Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Refunding Bonds.

**SECTION 7. Execution of Refunding Bonds.** The Refunding Bonds shall be signed by the President of the Board, or such other member of the Board authorized to sign on behalf of the President, by his or her manual or facsimile signature, and countersigned by the manual or facsimile signature of the Secretary to or Clerk of the Board, or the designees thereof, all in their official capacities. No Refunding Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Refunding Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Refunding Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

**SECTION 8. Paying Agent; Transfer and Exchange.** So long as any of the Refunding Bonds remain Outstanding, the District will cause the Paying Agent to maintain and keep at its designated office all books and records necessary for the registration, exchange and transfer of the Refunding Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Refunding Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Refunding Bond for all purposes of this Resolution. Payment of or on account of the principal of, premium, if any, and interest on any Refunding Bond shall be made only to or upon the order of such Owner; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Refunding Bonds, including interest, to the extent of the amount or amounts so paid.

Any Refunding Bond may be exchanged for Refunding Bonds of like tenor, Series, maturity and principal amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Refunding Bond may be transferred on the Bond Register only upon presentation and surrender of the Refunding Bond at the designated corporate trust office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Refunding Bond or Refunding Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Refunding Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

If any Refunding Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like Series, tenor, maturity and principal amount in exchange and substitution for the Refunding Bond so mutilated, but only upon surrender to the Paying Agent of the Refunding Bond so mutilated. If any Refunding Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like Series, tenor, maturity and principal amount in lieu

of and in substitution for the Refunding Bond so lost, destroyed or stolen (or if any such Refunding Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Refunding Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Refunding Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Refunding Bonds only after the new Refunding Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Refunding Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Refunding Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Refunding Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Refunding Bonds surrendered upon that exchange or transfer.

Any Refunding Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Refunding Bonds that the District may have acquired in any manner whatsoever, and those Refunding Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Refunding Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Refunding Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Refunding Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) to transfer any Refunding Bonds which have been selected or called for redemption in whole or in part.

**SECTION 9. Payment.** Payment of interest on any Refunding Bond on any Bond Payment Date shall be made to the person appearing on the Bond Register of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to such Owner on the Bond Payment Date to the bank and account number as it appears on such Bond Register or at such other address as he or she may have filed with the Paying Agent for that purpose on or before the Record Date. The principal of and redemption premium, if any, payable on the Refunding Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The principal of, premiums, if any, and interest on the Refunding Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Refunding Bonds when duly presented for payment at maturity, and to cancel all Refunding Bonds upon payment thereof. Unless as otherwise provided for in the Act regarding crossover refunding bonds, the Refunding Bonds are obligations of the District payable solely from the levy of *ad valorem* property taxes upon all property subject to taxation within the District, which taxes are unlimited as to rate or amount. The Refunding Bonds do not constitute an obligation of the Counties and no part of any fund of the Counties is pledged or obligated to the payment of the Refunding Bonds.

**SECTION 10. Form of Refunding Bonds.** The Refunding Bonds shall be in substantially the form attached as Exhibit A, allowing those officials executing the Refunding Bonds to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution, the Purchase Contract and the

Official Statement, or to correct or cure any defect, inconsistency, ambiguity or omission therein. The Paying Agent is authorized to deliver the Refunding Bonds in temporary form and, if so, the Paying Agent shall execute and deliver definitive Bonds in an equal aggregate principal amount of authorized denominations, when available, and thereupon the temporary Refunding Bonds shall be surrendered to the Paying Agent. Until so exchanged, the temporary Refunding Bonds shall be entitled to the same benefits hereunder as definitive Refunding Bonds.

**SECTION 11. Delivery of Refunding Bonds.** The proper officials of the District shall cause the Refunding Bonds to be prepared and, following their sale, shall have the Refunding Bonds signed and delivered, together with a final transcript of proceedings with reference to the issuance of the Refunding Bonds, to the Underwriter upon payment of the purchase price therefor.

**SECTION 12. Deposit of Proceeds of Refunding Bonds; Escrow Agreements.** An amount of proceeds from the sale of the Refunding Bonds necessary to purchase certain Federal Securities, or to otherwise refund the Refunded Bonds, shall be transferred to the Escrow Agent for deposit in the escrow funds established under the respective Escrow Agreements (the “Escrow Funds”), which amounts, if uninvested, shall be sufficient, or if invested, together with an amount or amounts of cash held uninvested therein, shall be sufficient to refund the Refunded Bonds all as set forth in a certificate of an Authorized Officer. The Board hereby authorizes the deposit of all or a portion of the premium received from the sale of the Refunding Bonds into the respective Escrow Funds. Premium or proceeds received from the sale of the Refunding Bonds desired to pay all or a portion of the costs of issuing the Refunding Bonds may be deposited in the fund of the District held by a fiscal agent selected thereby and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying costs of issuance of the Refunding Bonds.

Any accrued interest received by the District from the sale of the 2019 Refunding Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the “San Bernardino Community College District, 2019 General Obligation Refunding Bonds Debt Service Fund” (the “Debt Service Fund”) for the Refunding Bonds and used only for payments of principal of and interest on the Refunding Bonds. The Debt Service Fund shall be held by the County, and shall contain subaccounts thereof, with appropriate Series designation, to the extent the Refunding Bonds are sold in more than one Series. A portion of the premium received by the District from the sale of the Refunding Bonds may be transferred to the Debt Service Fund or applied to the payment of cost of issuance of the Refunding Bonds, or some combination of deposits. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of the principal of and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain any such excess proceeds, such amounts shall be transferred to any other debt service fund for general obligation bond indebtedness of the District, and in the event there is no such debt outstanding, shall be transferred to the general fund of the District, upon the order of the County Auditor-Controller, as provided in Education Code Section 15234.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the Refunding Bonds. DTC will thereupon make payments of principal of and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of such principal and interest to the Beneficial Owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District.

Except as required below to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal of and interest on the Refunding Bonds when due.

**SECTION 13. Rebate Fund.** The following provisions shall apply to any Bonds issued as Tax-Exempt Bonds.

(a) General. If necessary, with respect to the Refunding Bonds, there shall be created and established a special fund designated the “San Bernardino Community College District Refunding Bonds Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code, as the same may be amended from time to time, and the Treasury Regulations promulgated thereunder (the “Rebate Regulations”). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and Section 14 of this Resolution and by the that certain tax certificate concerning certain matters pertaining to the use and investment of proceeds of the Refunding Bonds, executed and delivered to the District on the date of issuance of the Refunding Bonds, including any and all exhibits attached thereto (the “Tax Certificate”).

(b) Deposits.

(i) Within forty-five (45) days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate) (1) the District shall calculate or cause to be calculated with respect to the Refunding Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Rebate Regulations, using as the “computation date” for this purpose the end of such five Bond Years, and (2) the District shall deposit to the Rebate Fund from deposits from the District or from amounts available therefor on deposit in the other funds established hereunder, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated.

(ii) The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section.

(iii) The District shall not be required to calculate the “rebate amount” and the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Refunding Bonds (including amounts treated as the proceeds of the Refunding Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148 (f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations or the small issuer exception of Section 148(f)(4)(D) of the Code, whichever is applicable, and otherwise qualify for the exception of the Rebate Requirement pursuant to whichever of said sections is applicable, or (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Withdrawal Following Payment of Refunding Bonds. Any funds remaining in the Rebate Fund after redemption of all the Refunding Bonds and any amounts described in paragraph (ii) of subsection (d) of this Section, including accrued interest, shall be transferred to the general fund of the District.

(d) Withdrawal for Payment of Rebate. Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(i) not later than sixty (60) days after the end of (a) the fifth (5th) Bond Year, and (b) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Rebate Regulations; and

(ii) not later than sixty (60) days after the payment of all Refunding Bonds, an amount equal to one hundred percent (100%) of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Rebate Regulations.

(e) Rebate Payments. Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by or on behalf of the District.

(f) Deficiencies in the Rebate Fund. In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(g) Withdrawals of Excess Amount. In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, upon written instructions from the District, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) Record Retention. The District shall retain records of all determinations made hereunder until three years after the retirement of the Refunding Bonds.

(i) Survival of Defeasance. Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Refunding Bonds.

**SECTION 14. Security for the Refunding Bonds.** Except as provided in the Act, there shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* property tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, which moneys when collected will be deposited in the Debt Service Fund of the District and used for the payment of the principal of and interest on the Refunding Bonds when and as the same falls due, and for no other purpose. The District covenants to cause the Counties to take all actions necessary to levy such *ad valorem* property tax in accordance with this Section 14 and Section 53559 of the Act.

Pursuant to Government Code Section 53515, the Refunding Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* taxes for the payment of the Refunding Bonds.

Pursuant to Government Code Sections 5450 and 5451, the District hereby pledges all revenues received from the levy and collection of *ad valorem* property taxes for the payment of each Series of Refunding Bonds and all amounts on deposit in the corresponding Debt Service Fund created pursuant to Section 12 to the payment of such Series of Refunding Bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in such Debt Service Fund. This pledge shall constitute an agreement between the District and the Owners of such Series of Refunding Bonds to provide security for the payment of such Refunding Bonds in addition to any statutory lien that may exist.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay such principal and interest. DTC will thereupon make payments of principal of and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of such principal and interest to the Beneficial Owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District.

**SECTION 15. Arbitrage Covenant.** The District will restrict the use of the proceeds of the Refunding Bonds issued as Tax-Exempt Bonds in such manner and to such extent, if any, as may be necessary, so that the Refunding Bonds issued as Tax-Exempt Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section.

**SECTION 16. Legislative Determinations.** The Board hereby determines that all acts and conditions necessary to be performed by the District or the Board or to have been met precedent to and in the issuing of the Refunding Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Refunding Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Refunding Bonds. Furthermore, the Board hereby finds and determines pursuant to Section 53552 of the Act that the prudent management of the fiscal affairs of the District requires that it issue the Refunding Bonds without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District.

**SECTION 17. Official Statement.** The Preliminary Official Statement relating to the Refunding Bonds, substantially in the form on file with the Secretary to the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriter to be used in connection with the offering and sale of the Refunding Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Refunding Bonds and is directed to deliver copies of any final Official Statement to the purchasers of

the Refunding Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

**SECTION 18. Insurance.** In the event the District purchases bond insurance for the Refunding Bonds, and to the extent that the Bond Insurer makes payment of the principal of or interest on the Refunding Bonds, it shall become the Owner of such Refunding Bonds with the right to payment of principal of or interest on the Refunding Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims of past due interest, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Bond Register for the Refunding Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register for the Refunding Bonds maintained by the Paying Agent upon surrender of the Refunding Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 19. Defeasance.** All or any portion of the Outstanding maturities of the Refunding Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Refunding Bonds Outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with cash and amounts transferred from the Debt Service Fund, if any, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Refunding Bonds Outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Refunding Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated Outstanding Refunding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Refunding Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, "Government Obligations" shall mean:

Direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the



custodian, or any person to whom the custodian may be obligated; provided that all such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either Moody's or S&P.

**SECTION 20. Other Actions, Determinations and Approvals.**

(a) Officers of the Board, District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Refunding Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby finds and determines that both the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds will be less than the total net interest cost to maturity on the Refunded Bonds plus the principal amount of the Refunded Bonds.

(c) The Board anticipates that each series of the Refunded Bonds will be redeemed on the respective first optional redemption dates therefor following the issuance of the Refunding Bonds.

(d) The Board hereby appoints U.S. Bank National Association as Escrow Agent for the Refunding Bonds, or such Escrow Agent as shall be named in the Escrow Agreement, and approves the form of the Escrow Agreement substantially in the form on file with the Secretary to the Board. The Authorized Officers, each alone, are hereby authorized to execute the Escrow Agreement with such changes as they shall approve, such approval to be conclusively evidenced by either individual's execution and delivery thereof.

(e) The Board hereby appoints Piper Jaffray & Co., as Underwriter and Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel and Disclosure Counsel with respect to the issuance of the Refunding Bonds.

(f) The provisions of this Resolution as they relate to the terms of the Refunding Bonds may be amended by the Purchase Contract and the Official Statement. If the Purchase Contract so provides, the Refunding Bonds may be issued as crossover refunding bonds pursuant to Government Code Section 53558(b). All or a portion of the Refunding Bonds are further authorized to be issued on a forward delivery basis, pursuant to a Purchase Contract with such changes therein and modifications thereto necessary to effectuate such forward delivery as the Authorized Officer executing the same shall approve.

(g) Based on a good faith estimate received by the District from the Underwriter, the Board hereby finds that (i) the True Interest Cost of the Refunding Bonds (as defined in Government Code Section 5852.1(a)(1)(A)) is expected to be approximately 2.80%, (ii) the total Finance Charge of the Refunding Bonds (as defined in Government Code Section 5852.1(a)(1)(B)) is expected to be \$1,350,384, (iii) the total proceeds expected to be received by the District from the sale of the Refunding Bonds, less the Finance Charge of the Refunding Bonds and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$281,376,321, and (iv) the District expects that the Total Payment Amount (as defined in Government Code Section 5852.1(a)(1)(D)), calculated to the final maturity of the Refunding Bonds, will be \$360,455,457. The information presented in this section is included in satisfaction of Government Code Section 5852.1, and shall not abrogate or otherwise limit any other provision of this Resolution.

**SECTION 21. Resolution to Treasurers.** The Secretary to the Board is hereby directed to provide a certified copy of this Resolution to the Treasurers of each of the Counties immediately following its adoption.

**SECTION 22. Request to Counties to Levy Tax.** The Boards of Supervisors and officers of the Counties are obligated by statute to provide for the levy and collection of *ad valorem* property taxes in each year sufficient to pay all principal of and interest coming due on the Refunding Bonds in such year, and to pay from such taxes all amounts due on the Refunding Bonds. The District hereby requests the Boards of Supervisors of the Counties to annually levy a tax upon all taxable property in the District sufficient to pay all such principal and interest coming due on the Refunding Bonds in such year, and to pay from such taxes all amounts due on the Refunding Bonds. The Board hereby finds and determines that such *ad valorem* taxes shall be levied specifically to pay the Refunding Bonds being issued to finance specific projects authorized by the voters of the District at the Elections.

**SECTION 23. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the Date of Delivery, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Board hereby approves the form of the Continuing Disclosure Certificate appended to the form of Preliminary Official Statement on file with the Clerk of or Secretary to the Board as of the date hereof, and the Authorized Officers, each alone, are hereby authorized to execute and deliver such Continuing Disclosure Certificate with such changes therein and modifications thereto as shall be approved by the Underwriter and the Authorized Officer executing the same, such approval to be conclusively evidenced by such execution and delivery. Any Refunding Bond Holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Refunding Bonds.

**SECTION 24. Recitals.** All the recitals in this Resolution above are true and correct and the Board so finds, determines and represents.

**SECTION 25. Further Actions Authorized.** It is hereby covenanted that the District, and its appropriate officials, have duly taken all actions necessary to be taken by them, and will take any additional actions necessary to be taken by them, for carrying out the provisions of this Resolution.

**SECTION 26. Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED, ADOPTED AND APPROVED this 14<sup>th</sup> day of November, 2019, by the following vote:

AYES: MEMBERS \_\_\_\_\_

NOES: MEMBERS \_\_\_\_\_

ABSTAIN: MEMBERS \_\_\_\_\_

ABSENT: MEMBERS \_\_\_\_\_

\_\_\_\_\_  
President of the Board of Trustees

ATTEST:

\_\_\_\_\_  
Secretary to the Board of Trustees

## SECRETARY'S CERTIFICATE

I, Bruce R. Barron, Secretary to the Board of Trustees (the "Board") of the San Bernardino Community College District (the "District"), hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board duly and regularly and legally held at the regular meeting place thereof on November 14, 2019, of which meeting all of the members of the Board had due notice and at which a quorum was present.

An Agenda of said meeting was posted at least 72 hours before said meeting at a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: November \_\_\_, 2019

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Secretary to the Board of Trustees  
San Bernardino Community College District

**EXHIBIT A**

**FORM OF REFUNDING BONDS**

**UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE PAYING AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN**

**REGISTERED  
NO.**

**REGISTERED  
\$**

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)  
2019 GENERAL OBLIGATION REFUNDING BONDS  
(FEDERALLY TAXABLE)**

INTEREST RATE:                      MATURITY DATE:                      DATED AS OF:                      CUSIP  
\_\_\_% per annum                      August 1, \_\_\_\_,                      \_\_\_\_\_, 2019                      \_\_\_\_\_

REGISTERED OWNER:                      CEDE & CO.

PRINCIPAL AMOUNT:

The San Bernardino Community College District (the "District") in San Bernardino and Riverside Counties, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing February 1, 2020. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2020, in which event it shall bear interest from the Date of Delivery. Interest on this bond shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association. Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest is payable by wire transfer by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and to the bank and account number on file at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date").

This bond is one of an authorization of bonds issued by the District pursuant to Government Code Section 53550 *et seq.* (the “Act”) for the purpose of refunding certain of the District’s outstanding 2013 General Obligation Refunding Bonds, Series A, Election of 20018 General Obligation Bonds, Series D and 2015 General Obligation Refunding Bonds (iii) paying all necessary legal, financial, and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Trustees of the District adopted on November 14, 2019 (the “Bond Resolution”). This bond and the issue of which this bond is one are general obligation bonds of the District payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

The bonds of this issue comprise \$ \_\_\_\_\_ Principal Amount of current interest bonds, of which this bond is a part (each a “Refunding Bond”).

This bond is exchangeable and transferable for bonds of like Series, tenor, maturity and principal amount and in authorized denominations at the designated office of the Paying Agent by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute Owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Refunding Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their fixed maturity dates. The Refunding Bonds maturing on or after August 1, 20\_\_ are subject to redemption on or after August 1, 20\_\_ or on any date thereafter at the option of the District, as a whole or in part, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, plus interest accrued thereon to the date fixed for redemption, without premium.

The Refunding Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption on August 1 of each year on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Refunding Bonds to be so redeemed and the dates therefore and the final payment date is as indicated in the following table:

Redemption Dates

Principal Amounts

TOTAL

\$

The principal amount to be redeemed in each year shown above will be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000, by any portion of the Refunding Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

If less than all of the Refunding Bonds of any one maturity shall be called for redemption, the particular Refunding Bonds or portions thereof to be redeemed shall be selected by lot by the Paying Agent in such manner as the Paying Agent in its discretion may determine; provided, however, that the portion of any Refunding Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the Refunding Bonds stated to mature on different dates shall be called for redemption, the particular Refunding Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order of maturity as directed by the District or, if the Paying Agent is not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Refunding Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

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

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the San Bernardino Community College District, San Bernardino and Riverside Counties, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chair of the Board of Trustees of the District and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of Trustees of the District, all as of the date stated above.

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

By: \_\_\_\_\_ (Facsimile Signature)  
President, Board of Trustees

COUNTERSIGNED:

\_\_\_\_\_  
(Facsimile Signature)  
[Secretary to]/[Clerk,] the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2019.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: \_\_\_\_\_  
Authorized Representative



ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Unless this bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)  
[Secretary to/Clerk,] Board of Trustees

(Form of Legal Opinion)

§ \_\_\_\_\_  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**2019 General Obligation Refunding Bonds**  
**(Federally Taxable)**

**PURCHASE CONTRACT**

\_\_\_\_\_, 2019

San Bernardino Community College District  
550 East Hospitality Lane, Suite 200  
San Bernardino, California 92408

Ladies and Gentlemen:

The undersigned, Piper Jaffray & Co. (the “Underwriter”), offers to enter into this Purchase Contract (the “Purchase Contract”) with the San Bernardino Community College District (the “District”), which, upon the District’s acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Resolution (defined below).

The District acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District, (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the District or any other person or entity and has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters), (iii) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission (“SEC”) or the rules of the Municipal Securities Rulemaking Board (“MSRB”), and (iv) the District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G 17 of the MSRB.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$ \_\_\_\_\_ aggregate principal amount of the District’s 2019 General Obligation Refunding Bonds (Federally Taxable) (the “Bonds”). The

Bonds shall bear interest at the rates, shall mature in the years and shall be subject to redemption as shown on Appendix A hereto, which is incorporated herein by this reference. The Bonds shall be dated the date of delivery thereof (the “Date of Delivery”) and shall bear interest from such date, payable semiannually on each February 1 and August 1, commencing February 1, 2020. The Underwriter shall purchase the Bonds at a price of \$\_\_\_\_\_ (consisting of the principal amount of the Bonds of \$\_\_\_\_\_ and less Underwriter’s discount of \$\_\_\_\_\_). The final maturity dates, interest rates, yields (or yields to redemption, as applicable) and redemption provisions of the Bonds are shown in Appendix A hereto, which appendix is incorporated by reference herein.

2. **The Bonds.** The Bonds shall be dated their Date of Delivery. The Bonds shall mature on the dates and in the years shown on Appendix A hereto, shall otherwise be as described in the Official Statement (defined herein), and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on November 14, 2019 (the “Resolution”), and Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”).

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Resolution. The Bonds shall bear CUSIP numbers, and shall be in fully registered book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). The Bonds shall initially be in authorized denominations of Five Thousand Dollars (\$5,000) principal amount, or any integral multiple thereof.

The net proceeds of the Bonds will be used to advance refund portions of the outstanding (i) San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series D, (ii) San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2013 General Obligation Refunding Bonds, Series A, and (iii) San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2015 General Obligation Refunding Bonds (collectively, the “Refunded Bonds”) pursuant to an Escrow Agreement dated as of December 1, 2019 (the “Escrow Agreement”), by and between the District and U.S. Bank National Association, as escrow bank (the “Escrow Agent”). The net proceeds of the Bonds will be deposited into an escrow fund held pursuant to the Escrow Agreement and invested in certain Federal Securities, as such term is defined in the Resolution, the principal of and interest on which shall be used, together with funds deposited with the Escrow Agent as cash, to pay the redemption price of the Refunded Bonds on their respective first available redemption dates, and interest due thereon on and before such dates.

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Certificate (defined herein), the Preliminary Official Statement (defined herein) and the Official Statement (defined below), the Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

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

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated \_\_\_\_\_, 2019 (the “Preliminary Official Statement”). The District represents that it has duly authorized and prepared the Preliminary Official Statement for use by the Underwriter in connection with the sale of the Bonds, and that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, redemption provisions, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the SEC promulgated under the Securities Exchange Act of 1934, as amended (the “Rule”).

The Underwriter agrees that prior to the time the final Official Statement (the “Official Statement”) relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriter agrees to file the Official Statement with the MSRB through its Electronic Municipal Market Access (“EMMA”) system within one business day after receipt thereof from the District, but in no event later than the Closing (as defined below).

6. **Closing.** At 9:00 A.M., California Time, on \_\_\_\_\_, 2019, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the “Closing”), the District will deliver to the Underwriter, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Bond Counsel, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Bonds identified in Section 1 above in immediately available funds to the account or accounts designated by the District.

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

(a) **Due Organization.** The District is a community college district duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) **Due Authorization.** (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to refund the Refunded Bonds, to enter into this Purchase Contract, the Continuing Disclosure Certificate (as defined herein) and the Escrow Agreement, to adopt the Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement and to carry out and effectuate the transactions contemplated by this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Certificate and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Resolution, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the

Closing; (iv) this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Certificate, assuming the due authorization, execution and delivery by the other parties thereto, constitute valid and legally binding obligations of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Contract, and the Continuing Disclosure Certificate, the adoption of the Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) Internal Revenue Code. The District has complied with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the Bonds.

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

(f) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the District or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, the levy or collection of *ad valorem* property taxes contemplated by the Resolution available to pay the principal of and interest on the Bonds, or, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Certificate or the Resolution or contesting the powers of the District or its authority with respect to the Bonds, the Resolution, the Escrow Agreement, the Continuing Disclosure Certificate or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations or financial condition of the District or the consummation of the transactions contemplated by this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Certificate or the Resolution, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exemption of the interest paid on the Bonds from California personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District, nor any person on behalf of the District,

will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

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

(i) Continuing Disclosure. In accordance with the requirements of Rule 15c2-12 (the "Rule"), at or prior to the Closing, the District shall have duly authorized, executed and delivered a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement (as defined herein). The Continuing Disclosure Certificate shall comply with the provisions of the Rule and be substantially in the form attached to the Official Statement as Appendix C. Except as otherwise disclosed in the Official Statement and based on a review of its previous undertakings, the District has not, within the past five years, failed to comply in a material respect with any of its previous undertakings pursuant to the Rule to provide annual reports or notice of certain listed events.

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

If the Official Statement is supplemented or amended pursuant to paragraph (f) of Section 9 of this Purchase Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which made, not misleading.

(k) Levy of Tax. The District hereby agrees to take any and all actions as may be required by San Bernardino County (the "County") or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the Treasurer-Tax Collector and Auditor-Controller of the County a copy of the Resolution, a copy of Appendix A hereto, and the full debt service schedule for the Bonds, in accordance with Education Code Section 15140(c) and policies and procedures of the County.

(l) Representation Regarding Refunded Bonds. The District hereby represents that it has not entered into any contract or agreement that would limit or restrict the District's ability to refund the Refunded Bonds or enter into this Purchase Contract for the sale of the Bonds to the Underwriter.

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

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

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

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Resolution and as described in the Official Statement;

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

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District, until the date which is twenty-five (25) days following the Closing;

(e) References. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (or such other period as may be agreed to by the

District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

(1) For purposes of this Agreement, the “End of the Underwriting Period” is used as defined in the Rule and shall occur on the later of (A) the date of Closing Date or (B) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the District and the Underwriter, the District may assume that the End of the Underwriting Period is the Closing Date.

**9. Representations, Warranties and Agreements of the Underwriter.** The Underwriter represents to and agrees with the District that, as of the date hereof and as of the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Contract and to take any action under this Purchase Contract required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and is not prohibited thereby from acting as the underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship, as that term is defined in Government Code Section 53590 (c) or MSRB Rule G-23, with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

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

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto



shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Certificate and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Stradling Yocca Carlson & Rauth, bond counsel (“Bond Counsel”), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of their obligations required under or specified in the Resolution, this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 7(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices of the Bonds set forth in the Official Statement, shall not have been materially adversely affected in the evidenced judgment of the Underwriter by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, with the purpose or effect, directly or indirectly, of causing the inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

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

(2) legislation enacted by the legislature of the State of California (the “State”), or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing,

directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof;

(3) the formal declaration of war by Congress or a new major engagement in or escalation of military hostilities by order of the President of the United States, or the occurrence of any other declared national emergency that interrupts or causes disorder to the operation of the financial markets in the United States;

(4) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading by the New York Stock Exchange, any national securities exchange, or any governmental authority securities exchange;

(5) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

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

(7) there shall have occurred or any notice shall have been given of any intended downgrade, suspension, withdrawal or negative change in credit watch status by any national credit agency of the District's outstanding indebtedness (without regard to any bond insurance);

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

(9) the suspension by the SEC of trading in the outstanding securities of the District;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds; or

(11) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive copies of the following documents satisfactory in form and substance thereto:

(1) Bond Opinion; Defeasance Opinion. (i) An approving opinion of Bond Counsel, as to the validity of the Bonds, dated the date of the Closing, addressed to the District in substantially the form set forth in the Preliminary Official Statement and Official Statement as Appendix B; and (ii) a defeasance opinion of Bond Counsel, addressed to the District and the Underwriter, with respect to the effective defeasance of the Refunded Bonds, and including therein an opinion that the Escrow Agreement has been duly authorized and delivered by the District and, assuming due authorization, execution and delivery by the Escrow Agent, is a valid and binding agreement of the District;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the opinions described in Section 10(e)(1)(i);

(3) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel addressed to the District and the Underwriter, in form and substance acceptable to the Underwriter, dated as of the Closing, substantially to the following effect:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions “INTRODUCTION,” “THE BONDS,” “LEGAL MATTERS – Continuing Disclosure – Current Undertaking” and “TAX MATTERS,” to the extent they purport to summarize certain provisions of the Bonds, the Resolution, the Continuing Disclosure Certificate and the form and content of Bond Counsel’s approving opinion with respect to the treatment of interest on the Bonds under State or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to (i) any information contained in Appendices \_\_\_\_, \_\_\_\_, or \_\_\_\_ to the Official Statement, (ii) financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to The Depository Trust Company or its book-entry only system included therein, (iv) any CUSIP numbers or information relating thereto, (v) the District’s compliance with its obligations to file annual reports or provide notice of the events described in Rule 15c2-12 promulgated under the Securities Act of 1934, (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption “MISCELLANEOUS - Underwriting”; and (vii) any information with respect to the ratings on the Bonds and the rating agencies

referenced therein, including but not limited to information under the caption “MISCELLANEOUS - Ratings”;

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

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

(4) Disclosure Counsel Assurance. A letter from Stradling Yocca Carlson & Rauth, dated the date of Closing and addressed to the District and the Underwriter, substantially to the effect that based on such counsel’s participation in conferences with representatives of the Underwriter, the District, and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District and the Underwriter, as a matter of fact and not opinion, that during the course of its engagement as Disclosure Counsel no information came to the attention of such counsel’s attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (provided that such counsel need not express any opinion with respect to (i) any information contained in Appendices \_\_\_, \_\_\_, or \_\_\_ to the Official Statement, (ii) financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to The Depository Trust Company or its book-entry only system included therein, (iv) any CUSIP numbers or information relating thereto, (v) the District’s compliance with its obligations to file annual reports or provide notice of the events described in Rule 15c2-12 promulgated under the Securities Act of 1934, (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption “MISCELLANEOUS - Underwriting”; and (vii) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption “MISCELLANEOUS - Ratings”);

(5) Certificates. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract to be complied with by the District prior to or concurrently with the Closing, and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Resolution, and (vi) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should be disclosed in order to make the statements in the Official Statement in light of the circumstances in which they were made not misleading;

(6) Reserved.

(7) Rating. Evidence satisfactory to the Underwriter (A) that the Bonds have been rated “\_\_\_” by S&P Global Ratings, a Standard & Poor’s Financial Services LLC business (“S&P”), and “\_\_\_” by Moody’s Investors Service (“Moody’s”) (or such other equivalent ratings as such rating agencies may give), and (B) that any such ratings have not been revoked or downgraded;

(8) Resolution. A certificate, together with fully executed copies of the Resolution, of the Secretary to or Clerk of the District Board of Trustees to the effect that:

(i) such copies are true and correct copies of the Resolution; and

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(9) Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with the Rule;

(10) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate, substantially in the form presented in the Official Statement as Appendix C thereto;

(11) Escrow Agreement. The Escrow Agreement, dated as of December 1, 2019, and executed by the District and the Escrow Agent;

(12) Certificate of the Paying Agent. A certificate of the Paying Agent, signed by a duly authorized officer thereof, and in form and substance satisfactory to the Underwriter, substantially to the effect that no litigation is pending or, to the best of the Paying Agent's knowledge, threatened (either in state or federal courts) (i) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (ii) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent;

(13) Certificate of the Escrow Agent. A certificate of the Escrow Agent, dated the date of Closing, signed by a duly authorized officer of the Escrow Agent, and in form and substance satisfactory to the Underwriter, to the effect that (i) the Escrow Agent has all necessary power and authority to enter into and perform its duties under the Escrow Agreement; (ii) the Escrow Agent has duly authorized, executed and delivered the Escrow Agreement, and, assuming due authorization, execution and delivery by the District, the Escrow Agreement constitutes the valid and binding agreement of the Escrow Agent enforceable against the Escrow Agent in accordance with its terms, except as enforceability may be subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights and to the application of equitable principles; (iii) the execution and delivery of the Escrow Agreement and compliance with the provisions thereof have been duly authorized by all necessary corporate action on the part of the Escrow Agent and, to the best knowledge of the Escrow Agent, will not conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, charter, bylaws or any agreement to which the Escrow Agent is subject or by which it is bound; and (iv) no litigation is pending or, to the best knowledge of the Escrow Agent, threatened (either in state or federal courts) against the Escrow Agent in any way contesting or affecting the validity or enforceability of the Bonds or the Escrow Agreement;

(14) Verification Report. A report and opinion of Causey Demgen & Moore P.C. with respect to the sufficiency of the funds held under the Escrow Agreement to refund the Refunded Bonds as provided in the Escrow Agreement.

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

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter as provided in Section 6 herein, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Sections 12(c) and 14 hereof.

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

12. **Expenses.** (a) To the extent that the transactions contemplated by this Purchase Contract are consummated at the Closing, the District shall pay (or cause to be paid) costs of issuance of the Bonds from proceeds thereof, including but not limited to the following: (i) the cost of the preparation and reproduction of the Resolution; (ii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees for bond ratings; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees of the Paying Agent and Fiscal Agent (defined below); (vii) the initial fees of the Escrow Agent; (viii) the fees of the Verification Agent; (ix) expenses for travel, lodging, and subsistence related to rating agency visits and other meetings connected to the authorization, sale, issuance and distribution of the Bonds; and (x) all other fees and expenses incident to the issuance and sale of the Bonds. The District hereby directs the Underwriter to wire, at the Closing, a portion of the purchase price of the Bonds not-to-exceed \$ \_\_\_\_\_ to U.S. Bank National Association, as fiscal agent (the "Fiscal Agent") to the District, for the payment of costs of issuance with respect to the Bonds.

(b) Notwithstanding any of the foregoing, the Underwriter shall pay all out-of-pocket expenses of the Underwriter, the California Debt and Investment Advisory Commission fee and other expenses (except those expressly provided above) without limitation, except travel and related expenses attributable to District personnel in connection with the bond ratings.

(c) Notwithstanding Section 10(f) hereof, the District hereby agrees, in the event the purchase and sale of the Bonds does not occur as contemplated hereunder, to reimburse the Underwriter for any costs described in Subsection 12(a)(ix) above that are attributable to District personnel.

13. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to San Bernardino Community College District, 550 East Hospitality Lane, Suite 200, San Bernardino, California 92408, Attention: Executive Vice Chancellor; or if to the Underwriter to Piper Jaffray & Co., 55 California Street, Suite 3100, San Francisco, California 94111, attention: Ivory Li.

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

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

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

Very truly yours,

**PIPER JAFFRAY & CO., as Underwriter**

By: \_\_\_\_\_  
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

**SAN BERNARDINO COMMUNITY COLLEGE  
DISTRICT**

By: \_\_\_\_\_  
Executive Vice Chancellor

Accepted at \_\_\_\_\_ p.m. California Time  
This \_\_\_\_\_<sup>th</sup> day of \_\_\_\_\_,  
2019

**APPENDIX A**

\$ \_\_\_\_\_  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)**  
**2019 General Obligation Refunding Bonds**  
**(Federally Taxable)**

\$ \_\_\_\_\_ Serial Bonds

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
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**Redemption Provisions**

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

ESCROW AGREEMENT  
RELATING TO THE DEFEASANCE OF A PORTION OF THE

\$37,536,960.30

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
(San Bernardino and Riverside Counties, California)  
Election of 2008 General Obligation Bonds, Series D

\$198,570,000

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
(San Bernardino and Riverside Counties, California)  
2013 General Obligation Refunding Bonds, Series A  
(Federally Tax-Exempt)

\$55,975,000

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
(San Bernardino and Riverside Counties, California)  
2015 General Obligation Refunding Bonds

THIS ESCROW AGREEMENT, dated as of December 1, 2019, by and between the San Bernardino Community College District (the “District”), and U.S. Bank National Association, acting in its capacity as escrow agent (the “Escrow Agent”) pursuant to this Escrow Agreement (the “Agreement”);

W I T N E S S E T H:

WHEREAS, the District has previously caused the issuance of the following series of general obligation bonds (i) \$37,536,960.30 San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series D (the “Series D Bonds”), (ii) \$198,570,000 San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2013 General Obligation Refunding Bonds, Series A (Federally Tax-Exempt) (the “2013 Refunding Bonds, Series A”), and (iii) \$55,975,000 San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2015 General Obligation Refunding Bonds (the “2015 Refunding Bonds”) and together with the Series D Bonds and the 2013 Refunding Bonds, Series A, the “Prior Bonds”); and

WHEREAS, the District did, pursuant to a resolution adopted by the Board of Trustees of the District on November 14, 2019 (the “Resolution”), determine that it is in the District’s best interest to issue its 2019 General Obligation Refunding Bonds (the “Bonds”); and

WHEREAS, the sale and issuance of the Bonds shall provide proceeds to refund (i) a portion of the outstanding Prior Bonds (the “Refunded Bonds”), all as more particularly described on Schedule C hereto; and

WHEREAS, the proceeds of the sale of the Bonds shall be applied to the refunding of the Refunded Bonds in accordance with the terms of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the District and the Escrow Agent agree as follows:

SECTION 1. Deposit of Moneys.

As used herein, the term “Investment Securities” means the Investment Securities set forth in Schedule A hereto. The District hereby deposits with the Escrow Agent \$ \_\_\_\_\_, which amount represents net proceeds of the Bonds, to be held in irrevocable escrow by the Escrow Agent separate and apart from other funds of the District and the Escrow Agent, in a fund hereby created and established and to be known as the “San Bernardino Community College District 2019 General Obligation Refunding Bonds Escrow Fund” (referred to herein as the “Escrow Fund”) to be applied solely as provided in this Agreement. Such moneys are at least equal to an amount sufficient to purchase the principal amount of Investment Securities set forth in Schedule A hereto.

(a) The Escrow Agent hereby acknowledges receipt of the cash flow and yield verification report of Causey Demgen & Moore P.C., certified public accountants, dated as of December \_\_, 2019 (the “Verification Report”), and the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, dated as of December \_\_, 2019, relating to the sufficiency of the Investment Securities and cash deposited pursuant hereto to defease the Refunded Bonds and relating to this Agreement.

SECTION 2. Use and Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 and agrees:

(a) to immediately invest \$ \_\_\_\_\_ of the moneys described in Section 1(a) hereof in the Investment Securities set forth in Schedule A hereto and to deposit such Investment Securities in the Escrow Fund and to hold \$ \_\_\_\_\_ uninvested as cash; and

(b) to make the payments required under Sections 3(a) hereof at the times set forth therein.

SECTION 3. Payment of Refunded Bonds.

(a) Payment of the Refunded Bonds. As the principal of the Investment Securities set forth in Schedule A hereof and the investment income and earnings thereon are paid, and together with other monies on deposit therein, the Escrow Agent shall transfer from the Escrow Fund to the paying agent for the Refunded Series D Bonds (the “Paying Agent”) amounts sufficient to pay the interest on the Refunded Series D Bonds due on and prior to August 1, 2025, and to redeem the Refunded Series D Bonds on such date, at a redemption price equal to 100% of the outstanding principal amount and accreted value thereof, (ii) to pay the interest on the Refunded 2013 Refunding Bonds, Series A due on and prior to August 1, 2023, and to redeem the Refunded 2013 Refunding Bonds, Series A on such date, at a redemption price equal to 100% of the outstanding principal amount thereof, and (iii) to pay the interest on the Refunded 2015 Refunding Bonds due on and prior to August 1, 2025, and to redeem the Refunded 2015 Refunding Bonds on such date, at a redemption price equal to 100% of the outstanding principal amount thereof.

Such transfers shall constitute the respective payments of the principal and accreted value of and interest on the Refunded Bonds and redemption price due from the District.

(b) Unclaimed Moneys. Any moneys which remain unclaimed for two years after the date such moneys have become due and payable hereunder shall be repaid by the Escrow Agent (without liability for interest) to the District and deposited by the District in the Debt Service Fund relating to the Bonds. Any moneys remaining in the Escrow Fund established hereunder after August 1, 2025 (aside from unclaimed amounts in respect of the Refunded Bonds) which are in excess of the amount needed to pay holders

of the Refunded Bonds payments of principal and interest and redemption premium, if any, with respect to the Refunded Bonds or to pay any amounts owed to the Escrow Agent shall be immediately transferred by the Escrow Agent to the District and deposited by the District in the Debt Service Fund relating to the Bonds.

(c) Priority of Payments. The holders of the Refunded Bonds shall have an equal and first lien on the moneys and Investment Securities in the Escrow Fund which are allowable and sufficient to pay the Refunded Bonds until such moneys and Investment Securities are used and applied as provided in this Agreement, as verified by the Verification Report. Any cash or securities held in the Escrow Fund are irrevocably pledged only to the holders of the Refunded Bonds.

(d) Termination of Obligation. Upon the deposit of moneys with the Escrow Agent pursuant to the provisions of Section 1 hereof, all obligations of the District with respect to the Refunded Bonds shall cease and terminate, except only the obligation to make payments therefor from the moneys provided for hereunder.

SECTION 4. Performance of Duties. The Escrow Agent agrees to perform the duties set forth herein.

SECTION 5. Reinvestment. Upon written direction of the District, the Escrow Agent may reinvest any uninvested amounts held as cash under this Agreement in noncallable nonprepayable obligations which are direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America provided (i) the amounts of and dates on which the anticipated transfers from the Escrow Fund to the Paying Agent for the payment of the principal of, redemption price of, and interest on the Refunded Bonds will not be diminished or postponed thereby, (ii) the Escrow Agent shall receive the unqualified opinion of nationally recognized municipal bond counsel to the effect that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the Refunded Bonds, (iii) the Escrow Agent shall receive from a firm of independent certified public accountants a certification that, immediately after such reinvestment, the principal of and interest on obligations in the Escrow Fund will, together with other cash on deposit in the Escrow Fund available for such purposes, be sufficient without reinvestment to pay, when due, the principal or redemption price of and interest on the Refunded Bonds; and (iv) the Escrow Agent shall receive an opinion of nationally recognized municipal bond counsel that such reinvestment is permissible under this Agreement.

SECTION 6. Indemnity. The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the District or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of its Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Investment Securities, the retention of the Investment Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the District shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Agent's respective successors, assigns, agents and employees or the breach by the Escrow Agent of the terms of this Agreement. In no event shall the District or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as

set forth in this section. The indemnities contained in this section shall survive the termination of this Agreement.

SECTION 7. Responsibilities of the Escrow Agent. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the purchase of the Investment Securities, the retention of the Investment Securities or the proceeds thereof, the sufficiency of the Investment Securities to accomplish the refunding and defeasance of the Refunded Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the “whereas” clauses herein shall be taken as the statements of the District and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the Investment Securities to accomplish the refunding and defeasance of the Refunded Bonds or to the validity of this Agreement as to the District and, except as otherwise provided herein, the Escrow Agent shall incur no liability with respect thereto. The Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the District.

The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent’s understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic

methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 8. Substitution of Investment Securities. At the written request of the District and upon compliance with the conditions hereinafter set forth, the Escrow Agent shall have the power to sell, transfer, request the redemption or otherwise dispose of some or all of the Investment Securities in the Escrow Fund and to substitute noncallable nonprepayable obligations (the “Substitute Investment Securities”) constituting direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America. The foregoing may be effected only if: (i) the substitution of Substitute Investment Securities for the Investment Securities (or Substitute Investment Securities) occurs simultaneously; (ii) the amounts of and dates on which the anticipated transfers from the Escrow Fund to the Paying Agent for the payment of the principal of and/or redemption price of and/or interest on the Refunded Bonds will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive the unqualified opinion of nationally recognized municipal bond counsel to the effect that such disposition and substitution would not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds or the Bonds, and that the conditions of this Section 8 as to the disposition and substitution have been satisfied and that the substitution is permitted by this Agreement; and (iv) the Escrow Agent shall receive from a firm of independent certified public accountants a certification that, immediately after such transaction, the principal of and interest on the Substitute Investment Securities in the Escrow Fund will, together with other cash on deposit in the Escrow Fund available for such purpose, be sufficient without reinvestment to pay, when due, the principal or redemption price of and interest on the Refunded Bonds. Any cash from the sale of Investment Securities (including U.S. Treasury Securities) received from the disposition and substitution of Substitute Investment Securities pursuant to this Section 8 to the extent such cash will not be required, in accordance with this Agreement, and as demonstrated in the certification described in subsection (iv) above, at any time for the payment when due of the principal or redemption price of or interest on the Refunded Bonds shall be paid to the District as received by the Escrow Agent free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Agreement. Any other substitution of securities in the Escrow Fund not described in the previous sentence must satisfy the requirements of this Section 8. In no event shall the Escrow Agent invest or reinvest moneys held under this Agreement in mutual funds or unit investment trusts.

SECTION 9. Irrevocable Instructions as to Notice. The Escrow Agent:

(a) Acknowledges that upon the funding of the Escrow Fund as provided in Section 1(a) hereof, the receipt of the opinion and the Verification Report described in Section 1(b) of this Agreement, then the Refunded Bonds shall be deemed paid in accordance with the terms of the Refunded Bonds and all obligations of the District with respect to the Refunded Bonds shall cease and terminate, except only the obligation to make payments therefore from the monies provided for hereunder.

(b) The Escrow Agent agrees that it shall (i) file notices of defeasance of the Refunded Bonds with the Municipal Securities Rulemaking Board (the “MSRB”) (which is located at <http://emma.msrb.org>).

SECTION 10. Amendments. This Agreement is made for the benefit of the District and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the District; provided, however, but only after the receipt by the Escrow Agent of an opinion of nationally recognized municipal bond counsel that the exclusion from gross income of interest on the Bonds and the Refunded Bonds will not be adversely affected

for federal income tax purposes, that the District and the Escrow Agent may, without the consent of, or notice to, such holders, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and (iii) to include under this Agreement additional funds, securities or properties. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond counsel with respect to compliance with this Section 10, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 10. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 11. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the last of the Refunded Bonds have been paid in accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 3(b) of this Agreement.

SECTION 12. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien nor will it assert a lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 13. Resignation or Removal of Escrow Agent.

(a) The Escrow Agent may resign by giving notice in writing to the District, a copy of which shall be sent to DTC. The Escrow Agent may be removed (1) by (i) filing with the District an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid, (ii) sending notice at least 60 days prior to the effective date of said removal to DTC, and (iii) the delivery of a copy of the instruments filed with the District to the Escrow Agent or (2) by a court of competent jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the District or the holders of 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid.

(b) If the position of Escrow Agent becomes vacant due to resignation or removal of the Escrow Agent or any other reason, a successor Escrow Agent may be appointed by the District. The holders of a majority in principal amount of the Refunded Bonds then remaining unpaid may, by an instrument or instruments filed with the District, appoint a successor Escrow Agent who shall supersede any Escrow Agent theretofore appointed by the District. If no successor Escrow Agent is appointed by the District or the holders of such Refunded Bonds then remaining unpaid, within 45 days after any such resignation or removal, the holder of any such Refunded Bond or any retiring Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent. The responsibilities of the Escrow Agent under this Escrow Agreement will not be discharged until a new Escrow Agent is appointed and until the cash and investments held under this Escrow Agreement are transferred to the new Escrow Agent.

SECTION 14. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the District or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall



be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 15. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 16. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 17. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period after such nominal date.

SECTION 18. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the District, except that no such prior written consent shall be required for assignments pursuant to Section 20 hereof.

SECTION 19. Rating Agencies. The District agrees to provide Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, 55 Water Street, New York, New York, 10071, prior notice of each amendment entered into pursuant to Section 10 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of (i) each amendment hereto entered into pursuant to Section 10 hereof, and (ii) any action relating to severability or contemplated by Section 14 hereof.

SECTION 20. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Escrow Agent is a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Agent without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

SAN BERNARDINO COMMUNITY COLLEGE  
DISTRICT

By: \_\_\_\_\_  
Executive Vice Chancellor

U.S. BANK NATIONAL ASSOCIATION, as Escrow  
Agent

By: \_\_\_\_\_  
Authorized Signatory

SCHEDULE A

“Investment Securities” are defined to be, and shall be, the following:

SCHEDULE B  
NOTICE OF DEFEASANCE OF

<b>\$37,536,960.30</b>				
<b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b>				
<b>(San Bernardino and Riverside Counties, California)</b>				
<b>Election of 2008 General Obligation Bonds, Series D</b>				
<b>Original Issue Date: October 14, 2015</b>				
<b>Current Interest Bonds</b>				
Maturity August 1	Rate	Principal Amount	CUSIP*	Redemption Price
2045	5.000%	\$13,155,000	796720JW1	100%
2048	5.000	12,260,000	796720JX9	100

Capital Appreciation Bonds					
Maturity August 1	Accretion Rate	Initial Principal Amount	Accreted Value at Redemption	CUSIP*	Redemption Price
2029	4.150%	\$567,380.00	\$848,480.00	796720KG4	100%
2030	4.340	582,736.00	887,480.00	796720KH2	100
2031	4.460	597,792.00	920,952.00	796720KJ8	100
2032	4.560	609,570.00	948,129.00	796720KK5	100
2033	4.610	628,755.25	982,660.90	796720KL3	100
2034	4.660	403,843.20	634,185.60	796720KM1	100
2035	4.740	427,204.80	676,026.00	796720KN9	100
2036	4.780	453,024.00	719,635.40	796720KP4	100
2037	4.820	476,264.50	759,454.25	796720KQ2	100
2038	4.860	496,940.40	795,455.10	796720KR0	100
2039	4.890	517,853.55	831,332.10	796720KS8	100
2040	4.910	560,134.10	900,906.90	796720KT6	100

Notice is hereby given to the holders of the outstanding bonds maturing on August 1, 2025 through and including August 1, 2040 and August 1, 2045 and August 1, 2048 designated San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series D (Federally Tax-Exempt) (the "Refunded Bonds") (i) that there has been deposited with U.S. Bank National Association, as Escrow Agent, moneys and investment securities as permitted by the Escrow Agreement, dated as of December 1, 2019, between San Bernardino Community College District and U.S. Bank National Association as Escrow Agent, (the "Agreement"), the principal of and the interest on which when due will provide moneys which, together with such other moneys deposited with the Escrow Agent, shall be sufficient and available (a) to pay the interest with respect to the Refunded Bonds scheduled to be paid on and prior to August 1, 2025, and (b) to redeem the remaining outstanding Refunded Bonds on August 1, 2025 at a redemption price (expressed as a percentage of the principal amount or Accreted Value of the Refunded Bonds to be redeemed) equal to 100%; (ii) that the Escrow Agent has been irrevocably instructed to redeem on August 1, 2025 such Refunded Bonds; and (iii) that the Refunded Bonds are deemed to be paid in accordance with Section 3 and Section 9 of the Agreement.

Dated this day \_\_\_<sup>th</sup> day of December 2019.

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Agent

## NOTICE OF DEFEASANCE OF

<b>\$198,570,000</b>				
<b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b>				
<b>(San Bernardino and Riverside Counties, California)</b>				
<b>2013 General Obligation Refunding Bonds, Series A</b>				
<b>(Federally Tax-Exempt)</b>				
<b>Original Issue Date: May 2, 2013</b>				
<b>Current Interest Bonds</b>				
<b>Maturity August 1</b>	<b>Rate</b>	<b>Principal Amount</b>	<b>CUSIP*</b>	<b>Redemption Price</b>
2024	5.000%	\$16,665,000	796720HQ6	100%
2025	5.000	18,515,000	796720HR4	100
2026	5.000	20,505,000	796720HS2	100
2027	4.000	22,635,000	796720HT0	100
2028	4.000	5,000,000	796720HU7	100
2028	5.000	6,945,000	796720HV5	100
2029	4.000	5,000,000	796720HW3	100
2029	5.000	8,130,000	796720HX1	100
2030	4.000	14,400,000	796720HY9	100
2031	4.000	15,660,000	796720HZ6	100
2032	4.000	17,010,000	796720JA9	100
2033	4.000	9,665,000	796720JB7	100

Notice is hereby given to the holders of the outstanding bonds maturing on and after August 1, 2024 through and including August 1, 2033, and designated San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2013 General Obligation Refunding Bonds, Series A (Federally Tax-Exempt) (the "Refunded Bonds") (i) that there has been deposited with U.S. Bank National Association, as Escrow Agent, moneys as permitted by the Escrow Agreement, dated as of December 1, 2019, between San Bernardino Community College District and U.S. Bank National Association as Escrow Agent (the "Agreement"), the principal of and the interest on which when due will provide funds which shall be sufficient and available (as evidenced by the verification report provided to the Escrow Agent) (a) to pay the interest with respect to the Refunded Bonds scheduled to be paid on and prior to August 1, 2023, and (b) to redeem the remaining outstanding Refunded Bonds on August 1, 2023 at a redemption price (expressed as a percentage of the principal amount of the Refunded Bonds to be redeemed) equal to 100%; (ii) that the Escrow Agent has been irrevocably instructed to redeem on August 1, 2023 such Refunded Bonds; and (iii) that the Refunded Bonds are deemed to be paid in accordance with Section 3 and Section 9 of the Agreement.

Dated this day \_\_\_<sup>th</sup> day of December, 2019.

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Agent

## NOTICE OF DEFEASANCE OF

<b>\$55,975,000</b>				
<b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT (San Bernardino and Riverside Counties, California) 2015 General Obligation Refunding Bonds</b>				
<b>Original Issue Date: October 14, 2015</b>				
<b>Current Interest Bonds</b>				
<b>Maturity August 1</b>	<b>Rate</b>	<b>Principal Amount</b>	<b>CUSIP*</b>	<b>Redemption Price</b>
2028	5.000%	\$11,305,000	796720KW9	100%
2029	5.000	12,415,000	796720KX7	100
2030	5.000	13,605,000	796720KY5	100
2031	5.000	14,870,000	796720KZ2	100

Notice is hereby given to the holders of the outstanding bonds maturing on and after August 1, 2028 through and including August 1, 2031, and designated San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2015 General Obligation Refunding Bonds (the "Refunded Bonds") (i) that there has been deposited with U.S. Bank National Association, as Escrow Agent, moneys as permitted by the Escrow Agreement, dated as of December 1, 2019, between San Bernardino Community College District and U.S. Bank National Association as Escrow Agent (the "Agreement"), the principal of and the interest on which when due will provide funds which shall be sufficient and available (as evidenced by the verification report provided to the Escrow Agent) (a) to pay the interest with respect to the Refunded Bonds scheduled to be paid on and prior to August 1, 2025, and (b) to redeem the remaining outstanding Refunded Bonds on August 1, 2025 at a redemption price (expressed as a percentage of the principal amount of the Refunded Bonds to be redeemed) equal to 100%; (ii) that the Escrow Agent has been irrevocably instructed to redeem on August 1, 2025 such Refunded Bonds; and (iii) that the Refunded Bonds are deemed to be paid in accordance with Section 3 and Section 9 of the Agreement.

Dated this day \_\_\_<sup>th</sup> day of December, 2019.

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Agent

## SCHEDULE C

### REFUNDED BONDS

<b>\$37,536,960.30</b>				
<b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b>				
<b>(San Bernardino and Riverside Counties, California)</b>				
<b>Election of 2008 General Obligation Bonds, Series D</b>				
Original Issue Date: October 14, 2015				
<u>Current Interest Bonds</u>				
Maturity August 1	Rate	Principal Amount	CUSIP*	Redemption Price
2045	5.000%	\$13,155,000	796720JW1	100%
2048	5.000	12,260,000	796720JX9	100

<u>Capital Appreciation Bonds</u>					
Maturity August 1	Accretion Rate	Initial Principal Amount	Accreted Value at Redemption	CUSIP*	Redemption Price
2029	4.150%	\$567,380.00	\$848,480.00	796720KG4	100%
2030	4.340	582,736.00	887,480.00	796720KH2	100
2031	4.460	597,792.00	920,952.00	796720KJ8	100
2032	4.560	609,570.00	948,129.00	796720KK5	100
2033	4.610	628,755.25	982,660.90	796720KL3	100
2034	4.660	403,843.20	634,185.60	796720KM1	100
2035	4.740	427,204.80	676,026.00	796720KN9	100
2036	4.780	453,024.00	719,635.40	796720KP4	100
2037	4.820	476,264.50	759,454.25	796720KQ2	100
2038	4.860	496,940.40	795,455.10	796720KR0	100
2039	4.890	517,853.55	831,332.10	796720KS8	100
2040	4.910	560,134.10	900,906.90	796720KT6	100

<b>\$198,570,000</b>				
<b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b>				
<b>(San Bernardino and Riverside Counties, California)</b>				
<b>2013 General Obligation Refunding Bonds, Series A</b>				
<b>(Federally Tax-Exempt)</b>				
Original Issue Date: May 2, 2013				
<u>Current Interest Bonds</u>				
Maturity August 1	Rate	Principal Amount	CUSIP*	Redemption Price
2024	5.000%	\$16,665,000	796720HQ6	100%
2025	5.000	18,515,000	796720HR4	100
2026	5.000	20,505,000	796720HS2	100
2027	4.000	22,635,000	796720HT0	100
2028	4.000	5,000,000	796720HU7	100
2028	5.000	6,945,000	796720HV5	100
2029	4.000	5,000,000	796720HW3	100
2029	5.000	8,130,000	796720HX1	100
2030	4.000	14,400,000	796720HY9	100
2031	4.000	15,660,000	796720HZ6	100
2032	4.000	17,010,000	796720JA9	100
2033	4.000	9,665,000	796720JB7	100

<b>\$55,975,000</b> <b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b> <b>(San Bernardino and Riverside Counties, California)</b> <b>2015 General Obligation Refunding Bonds</b>				
<b>Original Issue Date: October 14, 2015</b>				
<b>Current Interest Bonds</b>				
Maturity August 1	Rate	Principal Amount	CUSIP*	Redemption Price
2028	5.000%	\$11,305,000	796720KW9	100%
2029	5.000	12,415,000	796720KX7	100
2030	5.000	13,605,000	796720KY5	100
2031	5.000	14,870,000	796720KZ2	100



[v. 10.30.2019, p. 58/166]

**NEW ISSUE—FULL BOOK-ENTRY**

**RATINGS: S&P: “\_\_\_”; Moody’s: “\_\_\_”**  
 (See “MISCELLANEOUS – Ratings” herein)

*In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, under existing statutes, rulings and judicial decisions, interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein with respect to tax consequences relating to the Bonds.*

**\$200,000,000\***  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
 (San Bernardino and Riverside Counties, California)  
 Election of 2018 General Obligation Bonds,  
 Series A (Federally Tax-Exempt)

**\$100,000,000\***  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
 (San Bernardino and Riverside Counties, California)  
 Election of 2018 General Obligation Bonds,  
 Series A-1 (Federally Taxable)

**\$300,000,000\***  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
 (San Bernardino and Riverside Counties, California)  
 2019 General Obligation Refunding Bonds  
 (Federally Taxable)

**Dated: Dated Date**

**Due: August 1, as shown on inside cover**

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page but not otherwise defined shall have the meanings assigned thereto herein.*

The San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt) (the “Series A Bonds”) and the San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) (the “Series A-1 Bonds”, and together with the Series A Bonds, the “New Money Bonds”), were authorized at an election of the registered voters of the San Bernardino Community College District (the “District”) held on November 6, 2018, at which the requisite 55% of the persons voting on the proposition voted to authorize the issuance and sale of \$470,000,000 aggregate principal amount of general obligation bonds of the District. The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuing the New Money Bonds.

The San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2019 General Obligation Refunding Bonds (Federally Taxable) (the “2019 Refunding Bonds,” and together with the Series A-1 Bonds, the “Taxable Bonds”, and together with the New Money Bonds, the “Bonds”), are being issued to (i) advance refund a portion of the District’s outstanding Election of 2008 General Obligation Bonds, Series D, (ii) advance refund a portion of the District’s outstanding 2013 General Obligation Refunding Bonds, Series A, (iii) advance refund a portion of the District’s outstanding 2015 General Obligation Refunding Bonds and (iv) pay the costs of issuing the 2019 Refunding Bonds.

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of San Bernardino County and Riverside County are empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as “DTC”). Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees.

The Bonds will be issued as current interest bonds (the “Current Interest Bonds”). Interest on the Bonds accrues from the date of initial delivery and issuance of the Bonds (the “Dated Date”), and is payable semiannually on August 1 and February 1 of each year, commencing February 1, 2020. The Bonds are issuable as fully registered Bonds in denominations of \$5,000 principal amount or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, as the paying agent, bond registrar and transfer agent for the Bonds (the “Paying Agent”), to DTC for subsequent disbursement to DTC Participants (as defined herein) who will remit such payments to the Beneficial Owners of the Bonds. See “THE BONDS – Book-Entry Only System” herein.

**The Bonds are subject to optional redemption as provided herein. The Bonds are further subject to mandatory sinking fund redemption as provided herein.\***

**MATURITY SCHEDULE**  
 (see inside front cover)

*The Bonds are being offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain matters are being passed upon for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel. The Bonds, in book-entry form, will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about \_\_\_\_\_, 2019.\**

**[Piper Jaffray Logo]**

Dated: \_\_\_\_\_, 2019

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**MATURITY SCHEDULE\***

**\$200,000,000\***  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Election of 2018 General Obligation Bonds, Series A**  
**(Federally Tax-Exempt)**

**Base CUSIP<sup>(1)</sup>: 796720**

<b>Maturity (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP<sup>(1)</sup> Suffix</b>
--------------------------------	-----------------------------	--------------------------	--------------	---------------------------------------

\$ \_\_\_\_\_ Serial Bonds

\$ \_\_\_\_\_ – \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ %; CUSIP<sup>(1)</sup>: \_\_\_\_\_

\* Preliminary, subject to change.

<sup>(1)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Series A Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series A Bonds.

**MATURITY SCHEDULE\***

**\$100,000,000\***  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Election of 2018 General Obligation Bonds, Series A-1**  
**(Federally Taxable)**

**Base CUSIP<sup>(1)</sup>: 796720**

\$ _____ Serial Bonds				
<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(1)</sup> Suffix</u>

\$ \_\_\_\_\_ – \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ %; CUSIP<sup>(1)</sup>: \_\_\_\_\_

\* Preliminary, subject to change.

<sup>(1)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CGS, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Series A-1 Bonds. Neither the Underwriter, nor the District are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds and Refunded Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series A-1 Bonds.

**MATURITY SCHEDULE<sup>†</sup>**

**\$300,000,000\***

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
(San Bernardino and Riverside Counties, California)  
2019 General Obligation Refunding Bonds  
(Federally Taxable)**

**Base CUSIP<sup>(1)</sup>: 796720**

\$ _____ Serial Bonds				
<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(1)</sup> Suffix</u>

\$ \_\_\_\_\_ – \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ %; CUSIP<sup>(1)</sup>: \_\_\_\_\_

<sup>†</sup> Preliminary, subject to change.

<sup>(1)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CGS, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds and Refunded Bonds. Neither the Underwriter, nor the District are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds and Refunded Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2019 Refunding Bonds and Refunded Bonds.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.”

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The District maintains a website. However, the information presented on the District’s website is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**Board of Trustees**

John Longville, *President*  
Dr. Anne L. Viricel, *Vice President*  
Joseph Williams, *Clerk*  
Gloria Macías Harrison, *Trustee*  
Dr. Stephanie Houston, *Trustee*  
Frank Reyes, *Trustee*  
Dr. Donald L. Singer, *Trustee*

**District Administration**

Bruce Baron, *Chancellor*  
Jose F. Torres, *Executive Vice Chancellor*

**PROFESSIONAL SERVICES**

**Bond Counsel and Disclosure Counsel**

Stradling Yocca Carlson & Rauth,  
A Professional Corporation  
*San Francisco, California*

**Paying Agent**

U.S. Bank National Association  
*Los Angeles, California*

**Verification Agent**

Causey Demgen & Moore P.C.  
*Denver, Colorado*

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<b>\$200,000,000*</b> <b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b> <b>(San Bernardino and Riverside Counties, California)</b> <b>Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt)</b>	<b>\$100,000,000*</b> <b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b> <b>(San Bernardino and Riverside Counties, California)</b> <b>Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable)</b>
<b>\$300,000,000*</b> <b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b> <b>(San Bernardino and Riverside Counties, California)</b> <b>2019 General Obligation Refunding Bonds</b> <b>(Federally Taxable)</b>	

## INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of (i) San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt) (the “Series A Bonds”) (ii) San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) (the “Series A-1 Bonds”, and together with the Series A Bonds, the “New Money Bonds”) and (iii) San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2019 General Obligation Refunding Bonds (Federally Taxable) (the “2019 Refunding Bonds,” and, together with the Series A-1 Bonds, the “Taxable Bonds”, and together with the New Money Bonds, the “Bonds”).

*This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.*

### The District

The San Bernardino Community College District (the “District”) was established in 1926 and serves most of the County of San Bernardino, California and a small portion of the County of Riverside, California. The District maintains two community colleges, Crafton Hills College and San Bernardino Valley College, located in Yucaipa and San Bernardino, California, respectively, which provide collegiate level instruction across a wide spectrum of subjects in grades 13 and 14. The District has approximately 27,000 full and part-time students and serves a resident population of approximately 1.75 million. The Colleges are each fully accredited by the Accrediting Commission of Community and Junior Colleges (the “ACCJC”). Taxable property within the District has a 2019-20 assessed valuation of \$75,660,879,653.

The governing body of the District is the Board of Trustees (the “Board”), which includes seven voting members elected by the voters of the District within seven trustee areas. The Trustees serve four-year terms. Elections for trustee positions to the Board are held every two years, alternating between three and four positions. The management and policies of the District are administered by a Board-appointed Chancellor. Bruce Baron is the District’s current Chancellor.

See “TAX BASE FOR REPAYMENT OF BONDS” herein for information regarding the District’s assessed valuation, and “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA” and

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\* Preliminary, subject to change.

“SAN BERNARDINO COMMUNITY COLLEGE DISTRICT” herein for information regarding the District generally. The District’s audited financial statements for the fiscal year ended June 30, 2018 are attached hereto as APPENDIX B and should be read in their entirety. The discussion of the District’s financial history and the financial information contained herein does not purport to be complete or definitive.

### **Purpose of the Bonds**

***New Money Bonds.*** The New Money Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) to pay the costs of issuing the New Money Bonds. See “THE BONDS – Application and Investment of Bond Proceeds,” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

***2019 Refunding Bonds*** The 2019 Refunding Bonds are being issued to (i) advance refund a portion of the District’s outstanding Election of 2008 General Obligation Bonds, Series D (the “2008 Series D Bonds”), (ii) advance refund a portion of the District’s outstanding 2013 General Obligation Refunding Bonds, Series A (the “2013 Refunding Bonds, Series A”), (iii) advance refund a portion of the District’s outstanding 2015 General Obligation Refunding Bonds (the “2015 Refunding Bonds”) and (iv) pay the costs of issuing the 2019 Refunding Bonds. See “THE BONDS – Application and Investment of Bond Proceeds” and “ESTIMATED SOURCES AND USES OF FUNDS” herein. The 2008 Series D Bonds, 2013 Refunding Bonds, Series A and 2015 Refunding Bonds to be refunded with proceeds of the Bonds are referred to herein as the “Refunded 2008 Series D Bonds”, “Refunded 2013 Refunding Bonds, Series A”, and “Refunded 2015 Refunding Bonds”, respectively, and collectively, as the “Refunded Bonds.”

### **Authority for Issuance of the Bonds**

The Bonds are being issued pursuant to certain provisions of the Government Code and pursuant to resolutions adopted by the Board on November 14, 2019 for the New Money Bonds (the “New Money Resolution”) and the 2019 Refunding Bonds (the “Refunding Resolution,” and together with the New Money Resolution, the “Resolutions”). See “THE BONDS – Authority for Issuance” herein.

### **Sources of Payment for the Bonds**

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of the Counties are empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS” herein.

### **Description of the Bonds**

***Form and Registration.*** The Bonds will be issued in fully registered book-entry form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See “THE BONDS – General Provisions” and “THE BONDS – Book-Entry Only System” herein. Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interest in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution. See “THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners” herein.

**So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the “Owners,” “Bond Owners” or “Holders” of the Bonds (other than under the caption “TAX MATTERS” herein and in APPENDIX A attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.**

**Denominations.** Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of \$5,000 principal amount or any integral multiple thereof.

**Redemption.\*** The Bonds are subject to optional redemption prior to their stated maturity dates, as further described herein. Certain of the Bonds are further subject to mandatory sinking fund redemption as further described herein. See “THE BONDS – Redemption” herein.

**Payments.** The Bonds will be dated as of the date of their initial delivery (the “Date of Delivery”). Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each August 1 and February 1, commencing February 1, 2020 (each, a “Bond Payment Date”). Principal of the Bonds is payable on August 1 of each year, as shown on the inside cover pages hereof.

Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, as the designated paying agent, registrar and transfer agent for the Bonds (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners of the Bonds.

## **Tax Matters**

**Series A Bonds.** In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Series A Bonds is exempt from State of California (the “State”) personal income tax. See “TAX MATTERS – Series A Bonds” herein.

**Taxable Bonds.** In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In the further opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Taxable Bonds is exempt from State personal income tax. See “TAX MATTERS – Taxable Bonds” herein.

## **Offering and Delivery of the Bonds**

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds will be available in book-entry form for delivery through the facilities of DTC in New York, New York, on or about \_\_\_\_\_, 2019.\*

## **Continuing Disclosure**

The District will covenant for the benefit of Owners and Beneficial Owners to make available certain financial information and operating data relating to the District and to provide notices of the

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\* Preliminary, subject to change.

occurrence of certain listed events in compliance with Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) (the “Rule”). These covenants have been made in order to assist the Underwriter (defined herein) in complying with the Rule. The specific nature of the information to be made available and of the notices of listed events required to be provided are summarized in APPENDIX C attached hereto.

### **Bond Owner’s Risks**

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District, and certain other considerations see “TAX BASE FOR REPAYMENT OF BONDS” and “LIMITATION ON REMEDIES; BANKRUPTCY” herein.

### **Professionals Involved in the Offering**

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation will receive compensation from the District contingent upon the sale and delivery of the Bonds. U.S. Bank National Association has been appointed as the Paying Agent with respect to the Bonds and Escrow Agent with respect to the 2019 Refunding Bonds and the Refunded Bonds. Causey Demgen & Moore P.C. is acting as Verification Agent (as defined herein) with respect to the 2019 Refunding Bonds and the Refunded Bonds. From time to time, Bond Counsel represents the Underwriter in matters unrelated to the District or the Bonds.

### **Forward Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget,” “intend,” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

### **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the San Bernardino Community College District, 550 East Hospitality Lane, Suite 200, San Bernardino, California 92408, telephone: (909) 382-4000. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to each such documents, statutes and constitutional provisions.

The information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolutions.

## THE BONDS

### Authority for Issuance

The New Money Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code and applicable provisions of the Education Code, Article XIII A of the State Constitution, and pursuant to the New Money Resolution. The District received authorization at an election held on November 6, 2018, by the requisite 55% of the votes cast by eligible voters within the District, to issue not-to-exceed \$470,000,000 of general obligation bonds (the “2018 Authorization”). The Bonds are the first issuance of bonds pursuant to the 2018 Authorization, and following the issuance thereof, \$170,000,000\* of bonds shall remain authorized but unissued.

The 2019 Refunding Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and the Refunding Resolution.

### Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of the Counties are empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

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\* Preliminary, subject to change.

Such *ad valorem* property taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The Counties, however, are not obligated to establish or maintain such a reserve for the Bonds, and the District can make no representation that such a reserve will be established by either of the Counties or that such a reserve, if previously established by either of the Counties, will be maintained in the future. Such taxes, when collected, will be placed by the County in the respective Debt Service Funds (defined herein) established by the Resolutions, each of which is required to be segregated and maintained by the County and which is designated for the payment of the respective series of Bonds to which such Debt Service Fund relates, and for no other purpose. Pursuant to the Resolutions, the District has pledged funds on deposit in the Debt Service Funds to the payment of the Bonds. Although the Counties are obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Funds, the Bonds are not a debt of the either of the Counties.

Moneys in the Debt Service Funds, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, will be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its DTC Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The amount of the annual *ad valorem* property taxes levied by the Counties to repay the Bonds as described above will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service due on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in real property values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, fire, wildfire, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

### **Statutory Lien**

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of

Article XIII A of the State Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

### **General Provisions**

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Beneficial Owners will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. See “THE BONDS – Book Entry Only System” herein.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery of the Bonds, and be payable semiannually on each Bond Payment Date, commencing February 1, 2020. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before November 15, 2019, in which event it shall bear interest from its date of delivery. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the cover hereof.

Payment of interest on any Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the 15th day of the month preceding any Bond Payment Date (a “Record Date”), whether or not such day is a business day, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the principal corporate trust office of the Paying Agent. The principal of, premiums, if any, and interest on, the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof.

So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered owner of the Bonds. See also “—Book-Entry Only System” below.

**Annual Debt Service**

The following table shows the debt service schedule with respect to the Bonds, assuming no optional redemptions.

	<u>Series A Bonds</u>		<u>Series A-1 Bonds</u>		<u>2019 Refunding Bonds</u>		
<u>Year Ending August 1</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Total Annual Debt Service</u>

<sup>(1)</sup> Interest payments on the Bonds will be made semiannually on August 1 and February 1 of each year, commencing February 1, 2020.

See “SAN BERNARDINO COMMUNITY COLLEGE DISTRICT – District Debt Structure – General Obligation Bonds” herein for a schedule of the combined debt service requirements for all of the District’s outstanding general obligation bonds.



## **Application and Investment of Bond Proceeds**

***New Money Bonds.*** The New Money Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuing the New Money Bonds.

The net proceeds from the sale of the New Money Bonds will be paid to the County treasury to the credit of the building funds (the “Building Funds”) created by the New Money Resolution, shall be accounted for together with the proceeds of other bonds of the District separately from all other District and County funds. Any accrued interest or premium received by the County from the sale of the New Money Bonds will be paid to the County treasury, to the credit of the debt service funds created by the New Money Resolution (the “New Money Debt Service Fund”) and used only for payment of principal of and interest on the New Money Bonds, and for no other purpose. Any excess proceeds of the New Money Bonds not needed for the authorized purposes for which the New Money Bonds are being issued shall be transferred to the New Money Debt Service Fund and applied to the payment of principal of and interest on the New Money Bonds. Pursuant to the New Money Resolution, the District has pledged monies on deposit in the New Money Debt Service Fund to the payment of the New Money Bonds. If, after payment in full of the New Money Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

***2019 Refunding Bonds.*** The 2019 Refunding Bonds are being issued to (i) advance refund the Refunded Bonds, and (ii) pay the costs of issuing the 2019 Refunding Bonds.

The net proceeds from the sale of the 2019 Refunding Bonds will be deposited with the Escrow Agent, to the credit of the “San Bernardino Community College District 2019 General Obligation Refunding Bonds (Federally Taxable) Escrow Fund” (the “Escrow Fund”) held pursuant to an escrow agreement, dated September 1, 2019, by and between the District and U.S. Bank National Association (the “Escrow Agreement”). Pursuant to the Escrow Agreement, the amounts deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America (collectively, the “Federal Securities”), the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the redemption price of the Refunded Bonds the first optional redemption dates therefor, as well as the interest due on the Refunded Bonds on and prior to such dates. Amounts deposited into the Escrow Fund under the Escrow Agreement are not available to pay any other obligations of the District.

The tables on the following page show information on the specific maturities of the Refunded Bonds to be refunded with proceeds of the Bonds.

**REFUNDED 2008 SERIES D CURRENT INTEREST BONDS\*****San Bernardino Community College District  
Election of 2008 General Obligation Bonds, Series D  
(Current Interest Bonds)**

<u>Maturity Date (August 1)</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal to be Refunded</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price (% of Principal Amount)</u>	<u>CUSIP<sup>†</sup></u>
2045	\$13,155,000	\$13,155,000	5.000%	08/01/2025	100%	796720JW1
2048	12,260,000	12,260,000	5.000	08/01/2025	100	796720JX9

**REFUNDED 2008 SERIES D CAPITAL APPRECIATION BONDS****San Bernardino Community College District  
Election of 2008 General Obligation Bonds, Series D  
(Capital Appreciation Bonds)**

<u>Maturity Date (August 1)</u>	<u>Denominational Amount</u>	<u>Accretion Rate</u>	<u>Redemption Date</u>	<u>Accreted Value at Redemption Date</u>	<u>Redemption Price (Accreted Value)</u>	<u>CUSIP<sup>†</sup></u>
2029	\$567,380.00	4.150%	08/01/2025	\$848,480.00	100%	796720KG4
2030	582,736.00	4.340	08/01/2025	887,480.00	100	796720KH2
2031	597,792.00	4.460	08/01/2025	920,952.00	100	796720KJ8
2032	609,570.00	4.560	08/01/2025	948,129.00	100	796720KK5
2033	628,755.25	4.610	08/01/2025	982,660.90	100	796720KL3
2034	403,843.20	4.660	08/01/2025	634,185.60	100	796720KM1
2035	427,204.80	4.740	08/01/2025	676,026.00	100	796720KN9
2036	453,024.00	4.780	08/01/2025	719,635.40	100	796720KP4
2037	476,264.50	4.820	08/01/2025	759,454.25	100	796720KQ2
2038	496,940.40	4.860	08/01/2025	795,455.10	100	796720KR0
2039	517,853.55	4.890	08/01/2025	831,332.10	100	796720KS8
2040	560,134.10	4.910	08/01/2025	900,906.90	100	796720KT6

**REFUNDED 2013 REFUNDING BONDS, SERIES A\*****San Bernardino Community College District  
2013 General Obligation Refunding Bonds, Series A**

<u>Maturity Date (August 1)</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal to be Refunded</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price (% of Principal Amount)</u>	<u>CUSIP<sup>†</sup></u>
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† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter nor the District is responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds and Refunded Bonds. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Refunded Bonds.

\* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter nor the District

2024	\$16,665,000	\$16,665,000	5.000%	08/01/2023	100%	796720HQ6
2025	18,515,000	18,515,000	5.000	08/01/2023	100	796720HR4
2026	20,505,000	20,505,000	5.000	08/01/2023	100	796720HS2
2027	22,635,000	22,635,000	4.000	08/01/2023	100	796720HT0
2028	5,000,000	5,000,000	4.000	08/01/2023	100	796720HU7
2028	6,945,000	6,945,000	5.000	08/01/2023	100	796720HV5
2029	5,000,000	5,000,000	4.000	08/01/2023	100	796720HW3
2029	8,130,000	8,130,000	5.000	08/01/2023	100	796720HX1
2030	14,400,000	14,400,000	4.000	08/01/2023	100	796720HY9
2031	15,660,000	15,660,000	4.000	08/01/2023	100	796720HZ6
2032	17,010,000	17,010,000	4.000	08/01/2023	100	796720JA9
2033	9,665,000	9,665,000	4.000	08/01/2023	100	796720JB7

**REFUNDED 2015 REFUNDING BONDS\***  
**San Bernardino Community College District**  
**2015 General Obligation Refunding Bonds**

<u>Maturity Date (August 1)</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal to be Refunded</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price (% of Principal Amount)</u>	<u>CUSIP<sup>†</sup></u>
2028	\$11,305,000	\$11,305,000	5.000%	08/01/2025	100%	796720KW9
2029	12,415,000	12,415,000	5.000	08/01/2025	100	796720KX7
2030	13,605,000	13,605,000	5.000	08/01/2025	100	796720KY5
2031	14,870,000	14,870,000	5.000	08/01/2025	100	796720KZ2

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to refund the Refunded Bonds as described above will be verified by Causey Demgen & Moore P.C., as the verification agent (the “Verification Agent”). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the computations of the Underwriter and the Verification Agent, the Refunded Bonds will be defeased and the obligation of the Counties to levy *ad valorem* property taxes for payment of the Refunded Bonds will terminate. See “LEGAL MATTERS – Escrow Verification” herein.

Any accrued interest and surplus moneys in the Escrow Fund following the redemption of the Refunded Bonds will be transferred to and accounted for in the fund designated as the debt service fund created by the Refunding Resolution (the “2019 Refunding Debt Service Fund,” and together with the New Money Debt Service Funds, the “Debt Service Funds”) and used by the District only for payment of principal of and interest on the 2019 Refunding Bonds and for no other purpose. Any excess proceeds of the 2019 Refunding Bonds not needed for the authorized purposes for which the 2019 Refunding Bonds are being issued will be transferred to the 2019 Refunding Debt Service Fund and applied to the payment of principal of and interest on the 2019 Refunding Bonds. Pursuant to the Refunding Resolution, the District has pledged monies on deposit in the 2019 Refunding Debt Service Fund to the payment of the

is responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds and Refunded Bonds. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Refunded Bonds.

\* Preliminary, subject to change.

2019 Refunding Bonds. If, after payment in full of the 2019 Refunding Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

**Investment of Proceeds.** Funds on deposit in the Escrow Fund will be invested as described above. Moneys in the Building Funds and Debt Service Funds will be invested through the County’s pooled investment fund. See “APPENDIX E – SAN BERNARDINO COUNTY TREASURY POOL” attached hereto.

**Redemption**

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

**Series A Bonds Mandatory Sinking Fund Redemption.\*** The Series A Bonds maturing on August 1, 20\_\_ (the “Series A Term Bonds”) are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof as of the date fixed for redemption, together with interest accrued to the date set for such redemption, without premium. The principal amount represented by such Series A Bonds to be so redeemed and the redemption dates therefor, and the final payment date is as indicated in the following table:

<u>Year Ending August 1</u>	<u>Principal To Be Redeemed</u>
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<sup>(1)</sup> Maturity.

In the event that a portion of the Series A Term Bonds are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Term Bonds optionally redeemed.

**Series A-1 Bonds Mandatory Sinking Fund Redemption.\*** The Series A-1 Bonds maturing on August 1, 20\_\_ (the “Series A-1 Term Bonds”) are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof as of the date fixed for redemption, together with interest accrued to the date set for such redemption, without premium. The principal amount represented by such Series A-1 Bonds to be so redeemed and the redemption dates therefor, and the final payment date is as indicated in the following table:

<u>Year Ending August 1</u>	<u>Principal To Be Redeemed</u>
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\* Preliminary, subject to change.

\* Preliminary, subject to change.

\_\_\_\_\_  
(1) Maturity.

In the event that a portion of the Series A-1 Term Bonds are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Term Bonds optionally redeemed

**2019 Refunding Bonds Mandatory Sinking Fund Redemption.\*** The 2019 Refunding Bonds maturing on August 1, 20\_\_ (the “Refunding Term Bonds”) are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof as of the date fixed for redemption, together with interest accrued to the date set for such redemption, without premium. The principal amount represented by such 2019 Refunding Bonds to be so redeemed and the redemption dates therefor, and the final payment date is as indicated in the following table:

<b><u>Year Ending</u></b> <b><u>August 1</u></b>	<b><u>Principal</u></b> <b><u>To Be Redeemed</u></b>
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\_\_\_\_\_  
(1) Maturity.

In the event that a portion of the Refunding Term Bonds are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Term Bonds optionally redeemed

**Selection of Bonds for Redemption.** Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption as directed by the District and, if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent will determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part will be in the principal amount of \$5,000 or any integral multiple thereof.

**Redemption Notice.** When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a “Redemption Notice”) of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage

prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, or overnight delivery service, to one of the Information Services; and (d) provide a Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

“Securities Depository” means The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

***Payment of Redeemed Bonds.*** When a Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in “—Defeasance” herein, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

***Partial Redemption of Bonds.*** Upon the surrender of any Bond redeemed in part only, the Paying Agent will authenticate and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amount to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the County and the District will be released and discharged thereupon from all liability to the extent of such payment.

***Effect of Redemption Notice.*** If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest to such redemption date, is held by an independent escrow agent selected by the District so as to be available therefor on such redemption date as described in the Resolution and in “—Defeasance” herein, and if a Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest on the Bonds to be redeemed will cease to accrue and become payable. All money held for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

***Rescission of Redemption Notice.*** With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in “—Defeasance” herein, such Redemption Notice will state that such redemption will be conditional upon the

receipt by an independent escrow agent selected by the District, on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal, premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of the rescission of such Redemption Notice in the same manner as such notice was originally provided.

***Bonds No Longer Outstanding.*** When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity pursuant to the provisions of the Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest thereon to the date fixed for redemption, all as provided in the Resolution, then such Bonds will no longer be deemed outstanding and will be surrendered to the Paying Agent for cancellation.

### **Book-Entry Only System**

*The information under this caption concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter takes any responsibility for the accuracy or completeness thereof. The District and the Underwriter cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants (as defined herein) (collectively, the "DTC Participants") will distribute to the Beneficial Owners (a) payments of principal, interest, or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such bond, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct

Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). However, the information presented on such website is not incorporated herein by any reference to such website.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the Record Date.



The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds or distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

**So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the caption "TAX MATTERS" herein and "APPENDIX A – FORM OF OPINION OF BOND COUNSEL" attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.**

#### **Discontinuation of Book-Entry Only System; Payment to Beneficial Owners**

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its designated office all books and records necessary for the registration, exchange and transfer of such Bonds, which will at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

*In the event that the book-entry only system as described herein is no longer used with respect to the Bonds, the following provisions will govern the payment, registration, transfer, and exchange of the Bonds.*

Payment of interest on any Bond will be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds, will be payable upon maturity or redemption upon surrender at the designated corporate trust office of the Paying Agent. The principal of, premiums, if any, and interest on, the Bonds will be payable in lawful money of the United States of America.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof) upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding any Bond Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending with the close of business on the applicable Bond Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

### **Defeasance**

All or any portion of the outstanding maturities of the Bonds may be defeased at any time prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with any amounts transferred from the respective Debt Service Funds, is sufficient to pay all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any), at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with any amounts transferred from the respective Debt Service Funds and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid, all sums due with respect thereto.

“Government Obligations” means direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such

proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), or Moody’s Investors Service (“Moody’s”).

**ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds with respect to the Bonds are expected to be as follows:

<b>Sources of Funds</b>	<b><u>Series A Bonds</u></b>	<b><u>Series A-1 Bonds</u></b>	<b><u>2019 Refunding Bonds</u></b>
Principal Amount of the Bonds			
[Net] Original Issue Premium			
Total Sources			
<b>Uses of Funds</b>			
Deposit to Building Funds			
Deposit to Series A Debt Service Fund			
Deposit to Series A-1 Debt Service Fund			
Deposit to Escrow Fund			
Underwriting Discount			
Costs of Issuance <sup>(1)</sup>			
Total Uses			

<sup>(1)</sup> Represents all costs of issuance to be paid from proceeds of the Bonds, including, but not limited to legal fees, printing costs, the costs and fees of the Paying Agent, Escrow Agent, and Verification Agent, rating agency fees, and other costs of issuance of the Bonds.

**TAX BASE FOR REPAYMENT OF BONDS**

*The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The principal of and interest on the Bonds are payable solely from the proceeds of ad valorem property taxes levied and collected by the Counties on taxable property in the District. The District’s general fund is not a source for the repayment of the Bonds.*

**Ad Valorem Property Taxation**

District property taxes are assessed and collected by the Counties at the same time and on the same tax rolls as county, city and special district property taxes. Assessed valuations are the same for both the District and the Counties’ taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property is assessed on the “unsecured roll.” Unsecured property comprises all property not attached to land, such as personal property or business property. Boats and airplanes are examples of

unsecured property. A supplemental roll is developed when property changes hands or new construction is completed. The Counties levy and collect all property taxes for property falling within the Countyies taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Tax Collector of the respective Counties (each, a “Tax Collector”). After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of \$10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a \$15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Tax Collector.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecured tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder’s office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also “– Tax Levies, Collections and Delinquencies” herein.

State law exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property, such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, K-14 school districts (as defined herein), will share the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year.

### **Assessed Valuations**

The table on the following page shows the assessed valuations for the District for fiscal years 2010-11 through 2019-20, each as of the date the equalized assessment tax roll is established in August of each year.

**ASSESSED VALUATIONS**  
**Fiscal Years 2010-11 through 2019-20**  
**San Bernardino Community College District**  
San Bernardino County Portion

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2010-11	\$48,102,225,348	\$22,211,984	\$2,573,011,000	\$50,697,448,332
2011-12	47,441,439,373	653,349,202	2,444,183,035	50,538,971,610
2012-13	47,852,992,373	634,079,873	2,544,636,467	51,031,708,713
2013-14	49,046,055,762	613,977,400	2,635,586,804	52,295,619,966
2014-15	52,070,446,839	646,817,687	2,804,917,216	55,522,181,742
2015-16	54,764,466,184	703,919,414	2,968,715,761	58,437,101,359
2016-17	58,022,371,593	709,702,741	2,842,648,075	61,574,722,409
2017-18	61,350,167,849	704,674,036	3,022,779,043	65,077,620,928
2018-19	65,775,983,704	768,052,966	3,176,842,931	69,720,879,601
2019-20	70,739,160,292	707,074,039	3,321,874,158	74,768,108,489

Riverside County Portion

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2010-11	\$616,305,411	--	\$9,661,756	\$625,967,167
2011-12	599,232,542	--	10,289,144	609,521,686
2012-13	595,438,145	--	11,758,251	607,196,396
2013-14	603,648,584	--	17,075,546	620,724,130
2014-15	657,473,869	--	10,750,105	668,223,974
2015-16	692,377,123	--	10,362,378	702,739,501
2016-17	740,694,108	--	9,758,486	750,452,594
2017-18	793,309,516	--	10,346,970	803,656,486
2018-19	845,163,909	--	10,064,165	855,228,074
2019-20	881,698,016	--	11,073,148	892,771,164

Total District

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2010-11	\$48,718,530,759	\$22,211,984	\$2,582,672,756	\$51,323,415,499
2011-12	48,040,671,915	653,349,202	2,454,472,179	51,148,493,296
2012-13	48,448,430,518	634,079,873	2,556,394,718	51,638,905,109
2013-14	49,649,704,346	613,977,400	2,652,662,350	52,916,344,096
2014-15	52,727,920,708	646,817,687	2,815,667,321	56,190,405,716
2015-16	55,456,843,307	703,919,414	2,979,078,139	59,139,840,860
2016-17	58,763,065,701	709,702,741	2,852,406,561	62,325,175,003
2017-18	62,143,477,365	704,674,036	3,033,126,013	65,881,277,414
2018-19	66,621,147,613	768,052,966	3,186,907,096	70,576,107,675
2019-20	71,620,858,308	707,074,039	3,332,947,306	75,660,879,653

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as a general market decline in real property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, drought, fire, wildfire, flood or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the Counties to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

**Appeals and Adjustments of Assessed Valuations.** Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the "SBE"), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market

conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A. See also “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” herein.

The District does not have information regarding pending appeals of assessed valuation of property within the District. No assurance can be given that property tax appeals currently pending or in the future, or actions by the respective county assessors, will not significantly reduce the assessed valuation of property within the District.

**Assembly Bill 102.** On June 27, 2017, the Governor of the State (the “Governor”) signed into law Assembly Bill 102 (“AB 102”). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

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**Assessed Valuation by Jurisdiction.** The following table below shows an analysis of the distribution of taxable property in the District by jurisdiction, in terms of its fiscal year 2019-20 assessed valuation.

**ASSESSED VALUATION BY JURISDICTION**  
**Fiscal Year 2019-20**  
**San Bernardino Community College District**

<b>Jurisdiction:</b>	<b>Assessed Valuation in District</b>	<b>% of District</b>	<b>Assessed Valuation of Jurisdiction</b>	<b>% of Jurisdiction in District</b>
City of Big Bear Lake	\$3,532,962,295	5.01%	\$3,532,962,295	100.00%
City of Colton	3,473,652,884	4.92	3,473,652,884	100.00
City of Fontana	2,478,974,559	3.51	19,666,430,280	12.61
City of Grand Terrace	1,073,330,816	1.52	1,073,330,816	100.00
City of Highland	3,628,290,209	5.14	3,628,290,209	100.00
City of Loma Linda	2,212,275,555	3.13	2,212,275,555	100.00
City of Redlands	9,858,066,091	13.97	9,858,066,091	100.00
City of Rialto	8,025,401,792	11.37	9,146,266,649	87.75
City of San Bernardino	14,190,216,655	20.11	14,190,216,655	100.00
City of Yucaipa	4,494,969,535	6.37	4,494,969,535	100.00
Unincorporated San Bernardino County	16,752,739,210	23.74	33,648,691,594	49.79
City of Calimesa	624,086,275	0.88	893,658,003	69.84
City of Jurupa Valley	195,007	0.00	9,794,348,618	0.00
Unincorporated Riverside County	<u>230,946,792</u>	<u>0.33</u>	43,011,850,793	0.54
Total District	\$70,576,107,675	100.00%		
<b>Summary by County:</b>				
Riverside County	\$855,228,074	1.21%	\$280,327,986,244	0.31%
San Bernardino County	<u>69,720,879,601</u>	<u>98.79</u>	222,444,908,287	31.34
Total District	\$70,576,107,675	100.00%		

Source: California Municipal Statistics, Inc.

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**Assessed Valuation and Parcels by Land Use.** The following table shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2019-20.

**ASSESSED VALUATION AND PARCELS BY LAND USE**  
**Fiscal Year 2019-20**  
**San Bernardino Community College District**

	<b>2019-20</b>	<b>% of</b>	<b>No. of</b>	<b>% of</b>
<b>Non-Residential:</b>	<b>Assessed Valuation<sup>(1)</sup></b>	<b>Total</b>	<b>Parcels</b>	<b>Total</b>
Agricultural/Rural	\$300,125,835	0.41%	810	0.27%
Commercial	6,047,800,660	8.25	6,319	2.14
Professional/Office	1,685,043,166	2.30	1,558	0.53
Industrial	7,861,647,574	10.72	3,104	1.05
Recreational	285,463,018	0.39	780	0.26
Government/Social/Institutional	288,086,732	0.39	818	0.28
Power Plant/Utilities	707,074,039	0.96	79	0.03
Miscellaneous	<u>64,552,081</u>	<u>0.09</u>	<u>699</u>	<u>0.24</u>
Subtotal Non-Residential	\$17,239,793,105	23.51%	14,167	4.80%
<b>Residential:</b>				
Single Family Residence	\$48,715,522,922	66.42%	198,279	67.15%
Condominium/Townhouse	1,412,780,908	1.93	11,350	3.84
Mobile Home	201,450,369	0.27	6,565	2.22
Mobile Home Park	342,921,768	0.47	179	0.06
Timeshare Use	58,805,156	0.08	9,982	3.38
Miscellaneous Residential	33,027,851	0.05	400	0.14
2-4 Residential Units	1,634,821,801	2.23	7,194	2.44
5+ Residential Units/Apartments	<u>2,689,253,913</u>	<u>3.67</u>	<u>2,179</u>	<u>0.74</u>
Subtotal Residential	\$55,088,584,688	75.11%	236,128	79.97%
Vacant Parcels	\$1,015,697,359	1.38%	44,975	15.23%
Total	\$73,344,075,152	100.00%	295,270	100.00%

<sup>(1)</sup> Local secured assessed valuation; excluding tax-exempt property.

Source: *California Municipal Statistics, Inc.*

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**Assessed Valuation of Single Family Homes.** The following table shows the distribution of single family homes within the District among various fiscal year 2019-20 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

**ASSESSED VALUATION OF SINGLE FAMILY HOMES**  
**Fiscal Year 2019-20**  
**San Bernardino Community College District**

	<b>No. of Parcels</b>	<b>2019-20 Assessed Valuation</b>	<b>Average Assessed Valuation</b>	<b>Median Assessed Valuation</b>
Single Family Residential	198,279	\$48,715,522,922	\$245,692	\$210,519

<b>2019-20 Assessed Valuation</b>	<b>No. of Parcels<sup>(1)</sup></b>	<b>% of Total</b>	<b>Cumulative % of Total</b>	<b>Total Valuation</b>	<b>% of Total</b>	<b>Cumulative % of Total</b>
\$0 - \$24,999	1,656	0.835%	0.835%	\$29,165,831	0.060%	0.060%
25,000 - 49,999	7,158	3.610	4.445	278,038,289	0.571	0.631
50,000 - 74,999	9,499	4.791	9.236	596,392,719	1.224	1.855
75,000 - 99,999	11,901	6.002	15.238	1,046,092,009	2.147	4.002
100,000 - 124,999	14,164	7.143	22.382	1,599,085,085	3.282	7.285
125,000 - 149,999	15,788	7.963	30.344	2,172,091,378	4.459	11.743
150,000 - 174,999	16,593	8.369	38.713	2,695,315,904	5.533	17.276
175,000 - 199,999	15,722	7.929	46.642	2,943,699,085	6.043	23.319
200,000 - 224,999	14,716	7.422	54.064	3,121,516,293	6.408	29.726
225,000 - 249,999	13,663	6.891	60.955	3,243,962,724	6.659	36.385
250,000 - 274,999	11,941	6.022	66.977	3,131,069,548	6.427	42.813
275,000 - 299,999	10,188	5.138	72.115	2,922,732,235	6.000	48.812
300,000 - 324,999	9,485	4.784	76.899	2,959,175,163	6.074	54.887
325,000 - 349,999	7,972	4.021	80.919	2,686,292,750	5.514	60.401
350,000 - 374,999	6,849	3.454	84.374	2,478,093,509	5.087	65.488
375,000 - 399,999	5,799	2.925	87.298	2,242,806,868	4.604	70.092
400,000 - 424,999	4,888	2.465	89.763	2,011,881,027	4.130	74.222
425,000 - 449,999	3,743	1.888	91.651	1,634,647,952	3.355	77.577
450,000 - 474,999	2,982	1.504	93.155	1,377,010,636	2.827	80.404
475,000 - 499,999	2,379	1.200	94.355	1,158,678,200	2.378	82.782
500,000 and greater	11,193	5.645	100.000	8,387,775,717	17.218	100.000
Total	198,279	100.000%		\$48,715,522,922	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

### Tax Delinquencies

The County and Riverside County levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes for property falling within the respective Counties' taxing boundaries.

The following table shows the secured tax charges and delinquencies for fiscal years 2007-08 through 2018-19 in the portion of the District in Riverside County. Secured tax charges and delinquency information is not available for the County portion of the District.

**SECURED TAX CHARGES AND DELINQUENCIES**  
**Fiscal Years 2007-08 through 2018-19**  
**San Bernardino Community College District**  
**(Riverside County Portion Only)**

	<b>Secured Tax Charge<sup>(1)</sup></b>	<b>Amount Delinquent (as of June 30)</b>	<b>Percent Delinquent (as of June 30)</b>
2007-08	\$81,837.90	\$8,869.45	10.84%
2008-09	280,836.40	52,233.70	18.60
2009-10	174,743.57	20,950.00	11.99
2010-11	282,048.04	23,472.33	8.32
2011-12	218,598.63	7,182.92	3.29
2012-13	248,714.53	6,340.35	2.55
2013-14	268,617.33	6,425.47	2.39
2014-15	254,148.32	7,166.19	2.82
2015-16	274,556.89	7,731.48	2.82
2016-17	255,558.21	5,880.85	2.30
2017-18			
2018-19			

<sup>(1)</sup> Bond debt service levy.

Source: California Municipal Statistics, Inc.

### **Alternative Method of Tax Apportionment - Teeter Plan**

The Board of Supervisors of each of the Counties has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Revenue and Taxation Code Section 4701 *et seq.* Under the Teeter Plan, each of the Counties apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the respective county acts as the tax-levying or tax-collecting agency.

The Teeter Plan of each of the Counties is applicable to all tax levies for which such county acts as the tax-levying or tax-collecting agency, or for which such county’s treasury is the legal depository of the tax collections.

The secured *ad valorem* property tax to be levied to pay the principal of and interest on the Bonds will be subject to the Teeter Plan of each of the Counties, beginning in the first year of such levy. The District will receive 100% of the secured *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by each of the respective Counties.

The Teeter Plan of each of the Counties is to remain in effect unless the Board of Supervisors of such county orders its discontinuance or unless, prior to the commencement of any fiscal year of the county (which commences on July 1), the Board of Supervisors of such county receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in such county. In the event the Board of Supervisors of either of the Counties is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected in such county would be allocated to political subdivisions (including the District) for which such county acts as the tax-levying or tax-collecting agency.

## Tax Rates

Representative tax rate areas (“TRAs”) located within the District are Tax Rate Areas 5-000, 17-001 and 105-17. The table below demonstrates the total *ad valorem* tax rates levied by all taxing entities in these TRAs during the five-year period from 2015-16 through 2019-20.

**TYPICAL TAX RATES (TRA 5-000)**  
**Fiscal Years 2015-16 through 2019-20**  
**San Bernardino Community College District**

**Total Tax Rates per \$100 of Assessed Valuation for Largest Tax Rate Areas**

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b><u>TRA 5-000 – 2019-20 Assessed Valuation: \$5,743,011,063</u></b>					
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
City of Redlands	.0105	--	--	--	--
Redlands Unified School District	.0567	.0524	.0494	.0324	.0339
San Bernardino Community College District	.0403	.0350	.0376	.0407	.0562
San Bernardino Valley Municipal Water District	.1625	.1625	.1525	.1525	.1425
Total Tax Rate	1.2595%	1.2499%	1.2395%	1.2256%	1.2326%
<b><u>TRA 17-001 – 2019-20 Assessed Valuation: \$2,846,893,252</u></b>					
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Bear Valley Unified School District	.0348	.0320	.0313	.0302	.0301
San Bernardino Community College District	.0403	.0350	.0376	.0407	.0562
Total Tax Rate	1.0751%	1.0670%	1.0689%	1.0709%	1.0863%
<b><u>TRA 105-17 – 2019-20 Assessed Valuation: \$3,390,568,621</u></b>					
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Rim of the World Unified School District	.0161	.0181	.0171	.0141	.0159
San Bernardino Community College District	.0403	.0350	.0376	.0407	.0562
Total Tax Rate	1.0564%	1.0531%	1.0547%	1.0548%	1.0721%

Source: *California Municipal Statistics, Inc.*

## Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses is such a taxpayer’s financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2019-20 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representations as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

**LARGEST LOCAL SECURED TAXPAYERS**  
**Fiscal Year 2019-20**  
**San Bernardino Community College District**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2019-20 Assessed Valuation</u>	<u>% of Total<sup>(1)</sup></u>
1.	Prologis LP	Industrial	\$919,900,297	1.27%
2.	Southern California Edison Company	Power Plant	684,336,529	0.95
3.	Stater Bros. Markets	Industrial/Office Building	371,478,302	0.51
4.	Target Corporation	Industrial	359,714,167	0.50
5.	Teachers Insurance & Annuity Association	Industrial	262,513,064	0.36
6.	Rialto Bldg 6 Project LLC	Industrial	182,668,654	0.25
7.	AM Institutional Alliance Fund III	Industrial	154,682,778	0.21
8.	WI Loma Linda LLC	Medical Buildings	135,037,384	0.19
9.	PVT Apartments SPE LLC	Apartments	130,600,000	0.18
10.	Watson land Company	Industrial	129,295,424	0.18
11.	Mountain Grove Partners	Shopping Center	118,959,846	0.16
12.	WM Inland Investors IV LLC	Shopping Center	115,513,944	0.16
13.	Ashley Furniture Industries Inc.	Industrial	114,219,642	0.16
14.	Lit Industrial LP	Industrial	109,824,227	0.15
15.	Sierra Lakes Commerce LLC	Industrial	109,023,747	0.15
16.	IE Logistics Inc.	Industrial	108,017,895	0.15
17.	Thrifty Oil Co.	Industrial	107,316,923	0.15
18.	NYS/New LLC	Office Building	105,105,844	0.15
19.	Westcore II Tippecanoe LLC	Industrial	97,461,000	0.13
20.	Gear 6207 Cajon Propco LLC	Industrial	96,638,000	0.13
			\$4,412,307,667	6.10%

<sup>(1)</sup> 2019-20 local secured assessed valuation: \$72,328,628,088.

Source: California Municipal Statistics, Inc.

### Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the “Debt Report”) prepared by California Municipal Statistics, Inc., effective as of November 1, 2019 for debt issued as of October 14, 2019. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The table shows the percentage of each overlapping entity’s assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity’s existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the

table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

**STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT  
San Bernardino Community College District**

**2019-20 Assessed Valuation:** \$75,660,879,653

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable<sup>(1)</sup></u>	<u>Debt 11/1/19</u>
Metropolitan Water District	0.035%	\$16,818
<b>San Bernardino Community College District</b>	<b>100.000</b>	<b>418,218,861<sup>(2)</sup></b>
Bear Valley Unified School District	100.000	8,414,898
Beaumont Unified School District	0.059	49,308
Colton Joint Unified School District	100.000	182,403,765
Redlands Unified School District	100.000	67,818,512
Rialto Unified School District	100.000	78,573,902
Rim of the World Unified School District	100.000	19,429,996
San Bernardino City Unified School District	100.000	230,457,341
San Gorgonio Memorial Hospital District	0.384	409,210
Community Facilities Districts	40.064-100.000	168,970,753
1915 Act Bonds	42.272-100.000	<u>4,822,803</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$1,179,586,167
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Bernardino County General Fund Obligations	31.343%	\$74,953,650
San Bernardino County Pension Obligation Bonds	31.343	74,349,557
San Bernardino County Flood Control District General Fund Obligations	31.343	17,914,092
Riverside County General Fund and Pension Obligation Bonds	0.305	3,094,641
San Bernardino City Unified School District Certificates of Participation	100.000	102,105,000
Rialto Unified School District Certificates of Participation	100.000	12,389,391
Other School District Certificates of Participation	Various	18,725,346
City of Colton General Fund and Pension Obligation Bonds	100.000	27,599,400
City of Redlands Pension Obligation Bonds	100.000	8,098,225
City of San Bernardino General Fund Obligations and Pension Obligation Bonds	100.000	47,868,762
Other City General Fund Obligations	Various	11,001,485
Special District General Fund Obligations	99.975-100.000	<u>6,041,070</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$404,140,619
Less: Riverside County supported obligations		<u>5,298</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$404,135,321
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>		
Successor Agency to Fontana Redevelopment Agency	15.196-43.130%	\$40,381,131
Successor Agency to Highland Redevelopment Agency	100.000	44,945,000
Successor Agency to Rialto Redevelopment Agency	85.867	102,417,864
Successor Agency to San Bernardino County Redevelopment Agency	100.000	237,290,000
Successor Agency to San Bernardino City Redevelopment Agency	100.000	66,201,797
Successor Agency to Other Redevelopment Agencies	Various	<u>77,256,481</u>
TOTAL OVERLAPPING TAX INCREMENT DEBT		\$568,492,273
 GROSS COMBINED TOTAL DEBT		 \$2,152,219,059 <sup>(3)</sup>
NET COMBINED TOTAL DEBT		\$2,152,213,761

(1) 2018-19 ratios.

(2) Excludes issue to be sold.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:

<b>Direct Debt (\$418,218,861)</b> .....	<b>0.55%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	1.56%
Gross Combined Total Debt .....	2.84%
Net Combined Total Debt .....	2.84%

Ratios to Redevelopment Incremental Valuation (\$23,733,184,184):

Total Overlapping Tax Increment Debt .....	2.40%
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<sup>(1)</sup> Excludes the Bonds but includes the Refunded Bonds.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

## CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

*The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem property tax levied by the Counties for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the Counties to levy taxes on behalf of the District and of the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the Counties to levy ad valorem property taxes for payment of the principal of and interest on the Bonds.*

### Article XIII A of the California Constitution

Article XIII A (“Article XIII A”) of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the “base year value.” The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the adjusted base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the Counties to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations” herein.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIII A requires the approval of two-thirds or more of all members of the legislature of the State (the “State Legislature”) to change any State taxes for the purpose of increasing tax revenues.

***Split Roll Property Tax Ballot Measure.*** On October 15, 2018, a proposed ballot initiative became eligible for the November 2020 Statewide ballot (the “2020 Ballot Measure”). If approved by a majority of voters casting a ballot at the November 2020 Statewide election, the 2020 Ballot Measure would amend Article XIII A such that the “full cash value” of commercial and industrial real property that is not zoned for commercial agricultural production, for each lien date, would be equal to the fair market value of that property. If passed, the 2020 Ballot Measure would not affect the “full cash value” of residential property or real property used for commercial agricultural production, which would continue to be subject to annual increases not to exceed 2%. After compensating the State General Fund for resulting reductions in State personal income tax and corporate tax revenues, and compensating cities, counties and special districts for the cost of implementing the 2020 Ballot Measure, approximately 40% of the remaining additional tax revenues generated as a result of the 2020 Ballot Measure would be deposited into a fund created pursuant to the 2020 Ballot Measure called the Local School and Community College Property Tax Fund, with such funds being used to supplement, and not replace, existing funding school districts and community college districts receive under the State’s constitutional minimum funding requirement. The District cannot predict whether the 2020 Ballot Measure will appear on the Statewide ballot at the November 2020 election or, if it does, whether the 2020 Ballot Measure will be approved by a majority of voters casting a ballot. If approved, the District cannot make any assurance as to what effect the implementation of the 2020 Ballot Measure will have on District revenues or the assessed valuation of real property in the District.

### **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIII A.

### **Proposition 50 and Proposition 171**

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A of the State Constitution to allow owners of property that was “substantially damaged or destroyed” by a disaster, as declared by the Governor, (the “Damaged Property”), to transfer their existing base year value (the “Original Base Year Value”) to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the “Original Cash Value”); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120 percent of the Original Cash Value, then the Replacement Base Year Value is calculate by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120 percent of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105 percent of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110 percent of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115 percent of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

### **Unitary Property**

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the SBE as part of a “going concern” rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a community supported district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State’s school financing formula. See “DISTRICT FINANCIAL INFORMATION – State Funding of Education” herein.

### **Article XIII B of the California Constitution**

Article XIII B (“Article XIII B”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population



and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines

- (a) “change in the cost of living” with respect to school districts and community college districts (collectively “K-14 school districts”) to mean the percentage change in State per capita income from the preceding year, and
- (b) “change in population” with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for bonded debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See “– Propositions 98 and 111” below.

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its

maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the Counties pursuant to Article XIII A of the State Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

### **Proposition 26**

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIC of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

### **Propositions 98 and 111**

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act were modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-14 school districts at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of such districts' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.
- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, and (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. A complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (“Test 1”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (“Test 2”). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test (“Test 3”), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a “credit” to K-14 school districts (also referred to as a “maintenance factor”) which will be paid in future years when State general fund revenue growth exceeds personal income growth.

### **Proposition 39**

On November 7, 2000, State voters approved an amendment (commonly known as “Proposition 39”) to the State Constitution. Proposition 39 is an initiated Constitutional amendment that (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property, such that property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate projected to be levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary school district, such as the District, or a high school district), or \$25 (for a community college district), per \$100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIII A of the State Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

## **Proposition 1A and Proposition 22**

On November 2, 2004, State voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. The State may shift from schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was projected to be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

## **Proposition 55**

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 6, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community

college districts. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111” herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “EPA”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

### **Jarvis v. Connell**

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District’s budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the State Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the State Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

### **Proposition 2**

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as “Proposition 2”). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State’s Budget Stabilization Account (the “BSA”) established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the “Annual BSA Transfer”). Supplemental transfers to the BSA (a “Supplemental BSA Transfer”) are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as an emergency within the meaning of Article XIII B of the State Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living.

### **Proposition 51**

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of \$9 billion in general obligation bonds by the State for the new construction and modernization of K-14 facilities.

***K-12 School Facilities.*** Proposition 51 includes \$3 billion for the new construction of K-12 facilities and an additional \$3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of \$1 billion will be available for the modernization

and new construction of charter school facilities (\$500 million) and technical education facilities (\$500 million). Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, school districts that cannot cover their local share for these two types of projects may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at \$3 million for a new facility and \$1.5 million for a modernized facility. Charter schools must be deemed financially sound before project approval.

***Community College Facilities.*** Proposition 51 includes \$2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State Legislature will select among eligible projects as part of the annual state budget process.

The District makes no representation or guarantees that it will either pursue or qualify for Proposition 51 State facilities funding.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the State Constitution and Propositions 22, 26, 30, 39, 98, 55 and 51 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.



## FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

*The information in this section concerning State funding of community college districts is provided as supplementary information only, and it should not be inferred from the inclusion of the information under this heading that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the Counties in an amount sufficient for the payment thereof.*

### Major Revenues

**General.** California community college districts (other than “community supported” Basic Aid districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, lottery funds, and other minor sources. Every community college district receives the same amount of State lottery funds on a per-student basis (which is generally less than 3%), although lottery funds are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery requires the funds to be used for instructional purposes, and prohibits their use for capital purposes.

The major local revenue source is local property taxes that are collected from within district boundaries, with student enrollment fees accounting for the most of the remainder. A small part of a community college district’s budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, EPA funds, and State aid comprise a district’s revenue limit. State funding is generally subject to the appropriation of funds in the State’s annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

“Basic Aid” community college districts (also referred to “community supported” districts) are those districts whose local property taxes, student enrollment fee collections, and Education Protection Account funds exceed the revenue allocation determined by the current State funding model. Thus, Basic Aid districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that legislatively determined annual COLAs and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District is not currently a Basic Aid district.

**Enrollment Based Funding.** California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361 (“SB 361”). SB 361 provided for a basic allocation (a “Basic Allocation”) based on the number of colleges, state-approved education centers and total enrollment, together with funding based on per-student rates for credit FTES, non-credit FTES and career development and college preparation (“CDCP”) non-credit FTES.

SB 361 specified that, commencing with the 2006-07 fiscal year the minimum funding per FTES would be: (a) not less than \$4,367 per credit FTES; (b) at a uniform rate of \$2,626 per non-credit FTES; and (c) \$3,092 per CDCP FTES. Although CDCP FTES were initially funded at a lower rate than credit FTES, subsequent legislation effective as of the 2015-16 fiscal year set the minimum funding for CDCP FTES at the same level as credit FTES. Each such minimum funding rate was subject to cost of living adjustments (each, a “COLA”), if any, funded through the State budgeting legislation in each fiscal year.

One unit of FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

In each fiscal year, the State budget established an enrollment cap on the maximum number of resident FTES, known as the “funded” FTES, for which a community college district would receive a revenue allocation. A district’s enrollment cap was based on the previous fiscal year’s reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap were considered “unfunded” FTES. Nonresident and international students are excluded from the State funding formula and pay full tuition.

***Student Centered Funding Formula.*** Assembly Bill 1809 (“AB 1809”), the higher education trailer bill passed as part of the State budget for fiscal year 2018-19, referred to as the “Student Centered Funding Formula,” (the “SCFF”). The SCFF includes three components: (1) a base allocation (the “Base Allocation”) driven primarily by enrollment, (2) a supplemental allocation (the “Supplemental Allocation”) based on the number of certain types of low-income students, and (3) a student success allocation (the “Student Success Allocation”) that is calculated using various performance-based metrics.

The SCFF includes several provisions to provide districts greater financial stability in transitioning to the new formula: (i) for fiscal years 2018-19 through 2021-22, community college districts will receive no less in total apportionment funding than they received in 2017-18, adjusted for COLAs; (ii) for fiscal year 2022-23 and onward, districts will receive no less in apportionment funding per-student than they received in fiscal year 2017-18; and (iii) beginning in fiscal year 2018-19, districts will receive the greater of the amount calculated by the SCFF for the current or prior year (excluding amounts districts receive pursuant to the provision summarized in (i) above.)

**Base Allocation.** The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see “—Enrollment Based Funding”), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation is expected to constitute approximately 70% of Statewide funding for community college districts in fiscal year 2018-19 and in fiscal year 2019-20. Future years’ allocations are yet to be determined.

The SCFF provides minimum funding levels for credit FTES for the first fiscal year at \$3,727 for fiscal year 2018-19. For fiscal year 2019-20 the State’s 2019-20 Budget recalculates funding rates in the base, supplemental and student success allocations so that 70% of SCFF funds would be allocated to the base allocation. Beginning in 2020-21 those funding rates would be adjusted by COLA. Notwithstanding the foregoing, the SCFF provides higher credit FTES funding rates for certain districts, that were entitled to higher funding rates under the prior funding formula. Beginning in fiscal year 2021-22, the provision of COLAs and other adjustments will be subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current fiscal year and the two immediately preceding fiscal years. Credit FTES associated with enrollment growth proposed in the annual budget act shall be excluded from the three-year average and shall instead be added to the computed three-year rolling average. In computing the three-year average, credit FTES generated by incarcerated and special admit students shall be excluded and funded consistent with the prior funding formula.

Funding levels for non-credit and CDCP FTES are determined consistent with the prior funding formula. See “—Enrollment Based Funding” herein. Total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent fiscal year.

For fiscal year 2018-19, the District received a Base Allocation equal to \$66,092,275. For fiscal year 2019-20, the District has budgeted the receipt of Base Allocation equal to \$68,590,811.

The table below shows a breakdown of the District’s historical resident FTES figures for the last ten fiscal years, and a projection for the current fiscal year.

**FULL TIME EQUIVALENT STUDENTS<sup>(1)</sup>**  
**Fiscal Years 2009-10 through 2019-20**  
**San Bernardino Community College District**

<u>Year</u>	<u>Funded FTES<sup>(2)</sup></u>	<u>Unfunded FTES<sup>(2)(3)</sup></u>	<u>Total FTES</u>
2009-10	13,777	2,061	15,838
2010-11	14,151	1,038	15,189
2011-12	13,069	696	13,765
2012-13	13,241	--	13,241
2013-14	13,576	825	14,401
2014-15	14,245	472	14,717
2015-16	15,343	--	15,343
2016-17 <sup>(4)</sup>	15,343	--	15,343
2017-18	15,304	--	15,304
2018-19	15,292	--	15,292
2019-20 <sup>(5)</sup>	15,364	--	15,364

<sup>(1)</sup> One FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District. Reflects resident FTES counts only. Non-resident FTES are generally excluded from State funding formula calculations.

<sup>(2)</sup> In each fiscal year, the State budget will establish an enrollment cap on the maximum number of FTES, known as the “funded” FTES, for which a community college district will receive a revenue allocation, as determined by the program-based model. A district’s enrollment cap is based on the previous fiscal year’s reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap are considered “unfunded” FTES.

<sup>(3)</sup> Unfunded FTES amounts are the product of increased enrollment coupled with lower State funding levels.

<sup>(4)</sup> In fiscal year 2016-17, FTES figures include approximately 1,090 FTES in excess of the District’s actual FTES count, and for which it received State funding. Reflects the receipt of “stability” funding. Under California Code Regulations Section 58776, during the initial year of a decline in FTES, community college districts are eligible to receive “stability” funding, in an amount equal to the revenue loss associated with a decline in FTES for that year. Stability funding is available for a one year period. If FTES are not restored to the pre-decline level within a period of two years following the initial decline, a community college district that has received stability funding is subject to a permanent reduction of its funded FTES and an attendant decline in operating revenue.

<sup>(5)</sup> Budgeted.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of Statewide funding, will be distributed to districts based on their headcounts of students that receive Federal Pell Grants, a student who is granted an exemption from nonresident tuition pursuant to Section 68130.5 (AB540), and student fee waivers under Education Code 76300 (California College Promise Grant). The SCFF provides \$919 per qualifying student for fiscal year 2018-19. Beginning in fiscal year 2019-20, the State’s 2019-20 Budget recalculates funding rates for supplemental allocation so that in 2019-20, 20% of the SCFF funds would be allocated for the supplemental allocation. Beginning in 2020-21 those rates would be adjusted by COLA. Headcounts are not unduplicated, such that districts will receive twice or three times as much supplemental funding for a student that falls into more than one of the aforementioned categories. For fiscal year 2018-19, the District received a Supplemental Allocation of approximately \$22,221,420. For fiscal year 2019-20, the District has budgeted the receipt of a Supplemental Allocation of approximately \$22,955,180.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in various student outcome metrics, including obtaining various degrees and certificates, completing transfer-level math and English courses within a student's first year, and having students obtain a regional living wage within a year of completing community college. The Student Success Allocation is expected to account for 10% of statewide funding for community college districts. Each metric is assigned a point value, with some metrics weighted more than others. A single student outcome with more points will generate more funding. Beginning in fiscal year 2019-20 the student success allocation will count only the highest of all awards a student earned in the same year and will only count the award if the student was enrolled in the district in the year the award was granted. The student success allocation will also calculate based on the three-year rolling average of each metric. Outcome metrics for students that qualify for Federal Pell Grants, AB 540 and California College Promise Grants are eligible for additional funding.

For fiscal year 2018-19, the SCFF provides a rate for all students of \$440 per point, and additional \$111 per point for Pell Grant, AB 540 and California College Promise Grant students. For fiscal year 2019-20 the State's 2019-20 Budget recalculates funding rates for the student success allocation so that in 2019-20, 10% of the SCFF funds would be allocated for the student success allocation. Beginning in 2020-21 those rates would be adjusted by COLA. For fiscal year 2018-19, the District received a Student Success Allocation equal to \$9,451,000 and for fiscal year 2019-20, the District has budgeted the receipt of a Student Success Allocation equal to \$9,759,206.

### **Budget Procedures**

On or before September 15, the Board of Trustees of a community college district is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor, submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the governor, and by January 10 a proposed State budget is presented by the governor to the legislature. The Governor's State budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the governor issues a revised budget with changes he or she can support. The law requires the legislature to submit its approved budget by June 15, and by June 30 the governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the Board of Governors and the Chancellor's Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts

with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

See "SAN BERNARDINO COMMUNITY COLLEGE DISTRICT – General Fund Budgeting" herein for more information regarding the District's recent budgets.

### **Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111**

**General.** In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding test ("Test 3") to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIII B).

**Calculating Minimum Funding Guarantee.** There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is the 1989-90 fiscal year. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount under Proposition 98 guarantee (K-14 education aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40 percent. Because of the major shifts of property tax from local government to school districts and community college districts which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth and per-capita personal income COLA.

Test 3 established pursuant to Proposition 111, provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of one percent of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance (also referred to as a “maintenance factor”) equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

### **Additional Sources of Funding**

***FCC Auction Proceeds.*** The District, which previously held the KVCR-TV’s broadcast license, participated in the Federal Communications Commission’s voluntary incentive auction designed to increase bandwidth for mobile and wireless providers. By electing to participate in the auction, the District voluntarily relinquished their spectrum usage rights on its ultra-high frequency (UHF) channel. In July 2017, the District received \$157,713,171 in one time funds from the sale of its spectrum rights. As a result, the KVCR will now broadcast over a very-high frequency (VHF) channel. Approximately \$16 million of the proceeds from the auction have been invested in KVCR to cover expenses necessary to transition its broadcast facilities from UHF to VHF, and other improvements. Of the remainder, approximately \$90 million is being invested in Public Agency Retirement Services (PARS) accounts. The funds invested in the PARS fund are invested in a tax-exempt prefunding vehicle to mitigate long-term STRS and PERS contribution rate volatility. Such funds are protected from diversion to other uses and may be used to offset contribution rate increases or as source of funds for pension related costs. Funds in the PARS Trust can be withdrawn annually in amounts equal to annual STRS and PERS expenses for the current fiscal year, which currently is approximately \$16 million. In addition, \$44,350,000 has been invested in commercial real estate. Rental income from the commercial real estate, is expected to be approximately \$2 million annually, which is available for any lawful purpose. Initially, the District plans to use the rental income generated from the commercial real estate investment to fund a portion of the District’s free college promise program.

***Tax Offset and Pass-Through Revenues.*** The District previously received tax offset revenue from the County as a part of certain redevelopment projects within the County (the “Tax Offset Revenues”). The Tax Offset Revenues received are deposited directly into the District’s general fund and are offset against the State apportionment received by the District. The District also receives pass-through tax increment revenue (the “Pass-Through Revenues”) from the former redevelopment agencies within the District’s boundaries. The Pass-Through Revenues received by the District are deposited into the District’s Fund 41 – Capital Outlay Fund, and are used for capital facilities projects and capital equipment. The Pass-Through Revenues are not offset against the State apportionment received by the District. The amount of Tax Offset Revenues and Pass-Through Revenues received by the District from fiscal years 2012-13 through 2018-19, and a budgeted amount for fiscal year 2019-20 are shown in the following table.

**TAX OFFSET AND PASS-THROUGH REVENUES**  
**Fiscal Years 2012-13 through 2019-20**  
**San Bernardino Community College District**

<b><u>Fiscal Year</u></b>	<b><u>Tax Offset Revenues<sup>(1)</sup></u></b>	<b><u>Pass-Through Revenues<sup>(2)</sup></u></b>
2012-13	\$4,285,109	--
2013-14	7,629,340	\$1,342,784
2014-15	5,067,569	1,260,664
2015-16	5,129,739	1,606,611
2016-17	7,115,077	1,484,403
2017-18	8,187,986	1,683,706
2018-19	10,738,620	1,926,017
2019-20 <sup>(3)</sup>	--	1,325,000

<sup>(1)</sup> Tax Offset Revenues received by the District are offset against the State apportionments received by the District.

<sup>(2)</sup> Pass-Through Revenues received by the District are not offset against the State apportionments received by the District.

<sup>(3)</sup> Budgeted.

Source: *San Bernardino Community College District.*

The District, however, can make no representations that Tax Offset Revenues and Pass-Through Revenues will continue to be received by the District in amounts consistent with prior years, or as currently projected, particularly in light of the elimination of redevelopment agencies. See “-State Dissolution of Redevelopment Agencies” below. The Bonds, however, are not payable from such revenue. The Bonds shall be payable solely from the proceeds of an *ad valorem* property tax required to be levied by the Counties in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.

### **Dissolution of Redevelopment Agencies**

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all Redevelopment Agencies in the State ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the State Constitution, as amended by Proposition 22. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22” herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling \$1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) (“AB 1484”), which, together with ABx1 26, is referred to herein as the “Dissolution Act.” The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a “Successor Agency”). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller’s cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund (“Trust Fund”), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any “enforceable obligations” of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines “enforceable obligations” to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least \$250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the State Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the State Controller. If the State Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) (“AB 1290”), are restricted to educational facilities without offset against apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount “which would have been received . . . had the redevelopment agency existed at that time,” and that the county auditor-controller shall “determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved using current assessed values . . . and pursuant to statutory formulas and contractual agreements with other taxing agencies.”



Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its base apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies any other surplus property tax revenues pursuant to the Dissolution Act.

## **State Assistance**

*State community college districts' principal funding formulas and revenue sources are derived from the State budget. The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District nor the Underwriter takes any responsibility as to the accuracy or completeness thereof and has not independently verified such information.*

**2019-20 Budget.** On June 27, 2019, the Governor signed into law the State budget for fiscal year 2019-20 (the "2019-20 Budget"). The following information is drawn from the State Department of Finance's summary of the 2019-20 Budget.

For fiscal year 2018-19, the 2019-20 Budget projects total general fund revenues and transfers of \$138 billion and total expenditures of \$142.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of \$20.7 billion, including \$5.4 billion in the traditional general fund reserve, \$14.4 billion in the BSA and \$900 million in the Safety Net Reserve Fund for the CalWORKs and Medi-Cal programs. For fiscal year 2019-20, the 2019-20 Budget projects total general fund revenues and transfers of \$143.8 billion and authorizes expenditures of \$147.8 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of \$18.8 billion, including \$1.4 billion in the traditional general fund reserve, \$16.5 billion in the BSA and \$900 million in the Safety Net Reserve Fund. The 2019-20 Budget also authorizes a deposit to the PSSSA of \$376.5 million in order to comply with Proposition 2.

For fiscal year 2019-20, the Budget sets the minimum funding guarantee at \$81.1 billion. Other significant features with respect to community college funding include the following:

- *Student Centered Funding Formula* – An ongoing increase of \$254.7 million in Proposition 98 funding to support the SCFF, including (i) an increase of \$230 million to support a 3.26% COLA for total apportionment growth, and (ii) an increase of \$24.7 million to fund 0.55% of enrollment growth.
- *Settle-Up Payment* - An increase of \$686.6 million for K-14 school districts to pay the balance of past-year Proposition 98 funding owed through fiscal year 2017-18.
- *Pension Costs* – A \$3.15 billion payment from non-Proposition 98 funds to CalSTRS and CalPERS, to reduce long-term liabilities for K-14 school districts. Of this amount, \$850 million would be provided to buy down employer contribution rates in fiscal years 2019-20 and 2020-21. With these payments, STRS employer contributions will be reduced from 18.13% to 17.1% in fiscal year 2019-20, and from 19.1% to 18.4% in fiscal year 2020-21. The PERS employer contribution will be reduced from 20.7% to 19.7% in fiscal year 2019-20, and the projected PERS employer contribution is expected to be reduced from 23.6% to 22.9% in fiscal year 2020-21. The remaining \$2.3 billion would be paid towards employers' long-term

unfunded liability. See also “SAN BERNARDINO COMMUNITY COLLEGE DISTRICT – Retirement Programs” herein.

- *Free College* - \$42.6 million in ongoing Proposition 98 funding to support a second academic year of the California College Promise to waive enrollment fees for first-time, full-time students.
- *Deferred Maintenance* – A one-time increase of \$13.5 million in Proposition 98 funding for deferred maintenance, instructional equipment and specified water conservation projects.
- *Student Support* – An ongoing increase of \$9 million in Proposition 98 funding to provide support to community college students who are homeless or are experiencing housing insecurity. The 2019-20 Budget also provides a one-time increase of \$3.9 million in Proposition 98 funding to address student basic needs, including housing and food insecurity.
- *Veterans Resources* – An ongoing increase of \$5 million in Proposition 98 funding for the establishment or enhancement of veterans resource centers at community colleges. In addition, the 2019-20 Budget also provides an increase of \$2.25 million in Proposition 98 settle-up funds to expand veterans resource centers at specified colleges.
- *Workforce Development* – A one-time increase of \$4.75 million in one-time, Proposition 98 settle-up funds to support the improvement of workforce development programs at specified community colleges.
- *Proposition 51* – a total allocation of \$535.3 million in Proposition 51 bond funds for critical fire and life safety projects at campuses statewide.

***Future Actions.*** The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State’s ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

## SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

*The information in this section concerning the operations of the District and the District’s finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax levied by the Counties for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.*

### Introduction

The District was established in 1926 and serves most of the County of San Bernardino, California and a small portion of the County of Riverside, California. The District maintains two community colleges, Crafton Hills College and San Bernardino Valley College, located in Yucaipa and San Bernardino, California, respectively, which provide collegiate level instruction across a wide spectrum of subjects in

grades 13 and 14. The District has approximately 27,000 full and part-time students and serves a resident population of approximately 1.75 million. The District has a 2019-20 total assessed valuation of \$75,660,879,653.

## **Accreditation**

**General.** The ACCJC is authorized by the federal Department of Education as one of the seven regional associations that accredit public and private schools, colleges and universities in the United States. The ACCJC is the recognized accrediting association for the western region, which includes the States of California and Hawaii, as well as the territories of Guam, American Samoa and Northern Marianas Islands. The ACCJC reviews community colleges on rolling, six year cycles.

Accreditation by the ACCJC is voluntary and designed to evaluate and enforce standards of educational quality and institutional effectiveness. Accreditation is also a form of peer review. ACCJC standards and criteria are developed and implemented by representatives from the member institutions. Although the ACCJC is not a governmental agency, and has no direct authority over the operations of the District, it is responsible for determining whether the College receives or retains accreditation. For public colleges, the loss of accreditation would result in the loss of federal funding and most state funding, including student financial aid.

To obtain accreditation, institutions must first satisfy minimum ACCJC eligibility requirements (the “Eligibility Requirements”), of which there are 21 covering a wide range of areas. Accredited institutions must continually meet these Eligibility Requirements. As part of the institutional self-study prepared during each accreditation cycle, compliance with certain of the Eligibility Requirements must be specifically demonstrated, while the balance may be addressed as part of the institution’s response to related Accreditation Standards (defined herein).

As part of each accrediting cycle, the ACCJC requires member institutions to demonstrate compliance with its accreditation standards (the “Accreditation Standards”). There are four main standards: (i) Mission, Academic Quality and Institutional Effectiveness, and Integrity, (ii) Student Learning Programs and Support Services, (iii) Institutional Resources, and (iv) Leadership and Governance. Each Accreditation Standard is subdivided in several components, for a total of 127 separate standards.

In addition, to maintain accreditation, institutions must also be in compliance with the ACCJC’s policies at all times during the six-year review cycle. In support of its Policy on Monitoring Institutional Performance, the ACCJC applies a set of annual monitoring and evaluation approaches that assess an institution’s continued compliance with the ACCJC Standards, and that take into account institutional strength and stability. Such annual monitoring includes, but is not limited to headcount enrollment data and the collection and analysis of key data and indicators of fiscal stewardship and stability. In furtherance of this policy, institutions are required to submit an Annual Financial Report (“AFR”) including their annual audited financial statements to the ACCJC. The purpose of the AFR is to monitor the fiscal condition of the institutions in accordance with federal requirements and to enable the ACCJC to identify institutions that are at potential financial risk. The ACCJC has developed a Composite Financial Index (“CFI”) to assess institutional finances. Based on their analysis, institutions are assigned one of three levels of financial risk. Institutions in Category N (Normal Monitoring) are not subject to additional monitoring. Institutions in Category M (Enhanced Monitoring) will have enhanced monitoring of their financial condition in the current and subsequent reporting years to assess whether financial conditions improve or deteriorate. Institutions assigned as Category R (Referred) undergo a more comprehensive analysis of their financial condition by the ACCJC’s financial reviewers.

If the ACCJC determines that a community college is out of compliance with Accreditation Standards, Eligibility Requirements or Policies, it may issue several levels of sanctions, including a warning, indicating the ACCJC's concern regarding identified deficiencies. If a college significantly deviates from Accreditation Standards, Eligibility Requirements or Policies, it may also be placed on "probation" status. Finally, if a college continues to be significantly out of compliance with Accreditation Standards, Eligibility Requirements or Policies, or fails to properly respond to ACCJC recommendations with respect to identified deficiencies, the ACCJC may place the affected college on a "show cause" status, requiring the affected institution to show cause why its accreditation should not be withdrawn at the end of the stated period. For a community college district issued such show cause status, ACCJC policies require the development of a closure plan for the affected college, to become operative in the event such district is unable to remedy the identified deficiencies. The requirement to develop a closure plan ensures that all those affected by the potential loss of accreditation are informed as early as possible, and that the affected district has a contingency plan for the completion of programs by students, the securing of confidential student and employee records, and the disposition of assets of the affected college. The ACCJC's policy, however, does not address State or federal laws that could bear on the ability of a community college district to close a college. Therefore, the development of a closure plan, as required by the ACCJC, should not be seen as an affirmative election to close an affected college.

***Recent Accreditation History of the District.*** By letters dated February 6, 2015, the District was notified by the ACCJC that the accredited status of both Crafton Hills College and San Bernardino Valley College were being placed on "warning" status, the least severe level of sanctions. In so doing, the ACCJC found that Crafton Hills College was deficient in meeting certain portions of the following accreditation standards: (i) Standard II.A (Student Learning Programs and Services – Instructional Programs); (ii) Standard II.B (Student Learning Programs and Services – Library and Learning Support Services); (iii) Standard II.C (Student Learning Programs and Services – Student Support Services) and (iv) Eligibility Requirement 10 (Student Learning and Achievement). In addition, the ACCJC found that the San Bernardino Valley College was deficient in meeting certain portions the following accreditation standards: (i) Standard I.B (Mission, Academic Quality and Institutional Effectiveness, and Integrity – Assuring Academic Quality and Institutional Effectiveness); (ii) Standard II.A (Student Learning Programs and Support Services – Instructional Programs); and (iii) Eligibility Requirement 5 (Administrative Capacity) and 20 (Integrity in Communication with the Public). The ACCJC also found that the District was deficient in meeting certain portions of the following accreditation standards: (i) Standard III.A (Resources – Human Resources); (ii) Standard III.D (Resources – Financial Resources); (iii) Standard IV.A (Leadership and Governance – Decision-Making Roles and Processes); and (iv) Standard IV.B (Leadership and Governance – Chief Executive Officer).

The ACCJC advanced four major recommendations for Crafton Hills College, one major recommendation for San Bernardino Valley College and three recommendations for the District to address in the areas detailed above. The ACCJC also advanced two additional recommendations for Crafton Hills College and one additional recommendation for the District to improve institutional effectiveness. In addition the ACCJC also made one recommendation to resolve deficiencies relating to a third party comment noting that San Bernardino Valley College's President holds a single higher education degree, which is from an institution that was not accredited by a recognized U.S. accrediting agency at the time the degree was conferred.

By letters dated July 8, 2016, the ACCJC notified the District that it had removed both San Bernardino Valley College and Crafton Hills College from Warning status and reaffirmed the accreditation of both colleges. The ACCJC based its actions on follow up reports submitted by both colleges and site visits conducted in April 2016.

Additional information regarding each of the College's accreditation is available at [http://www.sbccd.org/About the District/Chancellor/Accreditation](http://www.sbccd.org/About_the_District/Chancellor/Accreditation). However, the information presented on such website is not incorporated herein by any reference.

## Administration

The governing board of the District is called the Board of Trustees (the "Board"). The Board includes seven voting members elected by the voters of the District (the "Trustees"). The Trustees serve four-year terms. Elections for Trustee positions to the Board are held every two years, alternating between three and four available positions. Current Trustees, together with their office and the date their term expires, are listed below:

<b><u>Board Member</u></b>	<b><u>Office</u></b>	<b><u>Term Expires</u></b>
John Longville	President	November 2020
Dr. Anne L. Viricel	Vice President	November 2020
Joseph Williams	Clerk	November 2022
Dr. Stephanie Houston	Trustee	November 2022
Gloria Macías Harrison	Trustee	November 2020
Frank Reyes	Trustee	November 2020
Dr. Donald L. Singer	Trustee	November 2022

The Chancellor of the District is appointed by the Board and reports to the Board. The Chancellor is responsible for management of the District's day-to-day operations and supervises the work of other key administrators.

Brief biographies of the Chancellor and the Executive Vice Chancellor follow:

***Bruce Baron, Chancellor.*** With a career in education administration spanning 40 years, Bruce Baron has provided leadership in higher education both at the university level and the community college level. For eleven years he served in the City University of New York as Director of Finance, Assistant Vice President and Vice President for Administration. He has also served as Vice President for Administrative Services at Los Angeles Southwest College, Victor Valley Community College and Los Angeles City College, before joining the District in July 2009 as Vice Chancellor for Business and Fiscal Services. In December 2009, he was named the Interim Chancellor and on March 21, 2011, he was appointed as Chancellor by the Board of Trustees.

Mr. Baron holds a Bachelor's Degree in communications from Queens College and a Master's Degree in adult and community Education from The City College of New York.

***Jose F. Torres, Executive Vice Chancellor.*** Mr. Torres has served as the Executive Vice Chancellor since April 2018. From November 2014 to April 2018, he served as Vice Chancellor of Business and Fiscal Services and from June 2013 to November 2014 as the District's Director of Fiscal Services. Prior thereto, Mr. Torres served six years as the Vice President of Financial Services for the County of San Bernardino Housing Authority, and seven years as Finance Manager for the Don Bosco Technical Institute in Rosemead.

Mr. Torres holds a Bachelor of Science in Business Administration/Accounting from the California Polytechnic Institute in Pomona, and a Master's Degree in Public Administration from California State University in San Bernardino.

**Labor Relations**

The District currently employs 265 full-time academic professionals, 423 full-time classified employees, and 102 managerial employees. In addition, the District employs 962 part-time faculty and 1,001 part-time staff. These employees, except supervisors, management and some part-time employees, are represented by two bargaining units as noted below.

**BARGAINING UNITS  
San Bernardino Community College District**

<u>Labor Organization</u>	<u>Number of Employees In Organization</u>	<u>Contract Expiration Date</u>
California School Employees Association	408	June 30, 2020
California Teachers Association	265	June 30, 2020

*Source: San Bernardino Community College District.*

**Retirement Programs**

*The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

**STRS.** All full-time certificated employees, as well as certain classified employees, are members of the State Teachers’ Retirement System (“STRS”). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the “STRS Defined Benefit Program”). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 (“AB 1469”) into law as a part of the State’s fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the “2014 Liability”), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

**MEMBER CONTRIBUTION RATES  
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>STRS Members Hired Prior to January 1, 2013</u>	<u>STRS Members Hired After January 1, 2013</u>
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

*Source: AB 1469.*

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year commencing July 1, 2019, the contribution rate for employees hired after the Implementation Date (defined below) will be 10.205%.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES  
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>K-14 school districts</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

*Source: AB 1469.*

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated \$2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of

the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. The remainder of the payment not committed for the reduction in employer contribution rates described above, is required to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance – 2019-20 Budget" herein.

The District's contributions to STRS were \$2,249,776 in fiscal year 2012-13, \$2,557,524 in fiscal year 2013-14, \$2,994,123 in fiscal year 2014-15, \$3,743,259 in fiscal year 2015-16, \$4,475,608 in fiscal year 2016-17, \$5,387,059 in fiscal year 2017-18 and \$6,665,489 in fiscal year 2018-19 (unaudited). The District has budgeted \$6,778,766 for its contribution to STRS for fiscal year 2019-20.

The State also contributes to STRS, currently in an amount equal to 7.828% for fiscal year 2019-20. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

**PERS.** Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2017 included 1,624 public agencies and 1,366 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 20.733% of eligible salary expenditures in fiscal year 2019-20. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2018-19 and will be 7% in fiscal year 2019-20, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2018-19 and will be 7% in fiscal year 2019-20. See "—California Public Employees' Pension Reform Act of 2013" herein.

Pursuant to SB 90, the State Legislature appropriated \$144 million for fiscal year 2019-20 and \$100 million for fiscal year 2020-21 to be transferred to the Public Employees' Retirement Fund, to pay in advance, on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years. In addition, the State Legislature appropriated \$660 million to be



applied toward certain unfunded liabilities for K-14 school district employers. See also “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance – 2019-20 Budget” herein.

The District’s contributions to PERS were \$2,410,369 in fiscal year 2012-13, \$2,477,411 in fiscal year 2013-14, \$2,897,702 in fiscal year 2014-15, \$3,255,332 in fiscal year 2015-16, \$3,710,189 in fiscal year 2016-17, \$4,654,746 in fiscal year 2017-18 and \$5,568,919 in fiscal year 2018-19 (unaudited). The District has budgeted \$6,504,314 for its contribution to PERS for fiscal year 2019-20.

***State Pension Trusts.*** Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: [www.calstrs.com](http://www.calstrs.com); (ii) PERS: [www.calpers.ca.gov](http://www.calpers.ca.gov). However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are “forward-looking” information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

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**FUNDED STATUS**  
**STRS (Defined Benefit Program) and PERS (Schools Pool)**  
**(Dollar Amounts in Millions)<sup>(1)</sup>**  
**Fiscal Years 2010-11 through 2017-18**

<u>STRS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)<sup>(2)</sup></u>	<u>Unfunded Liability (MVA)<sup>(2)</sup></u>	<u>Value of Trust Assets (AVA)<sup>(3)</sup></u>	<u>Unfunded Liability (AVA)<sup>(3)</sup></u>
2010-11	\$208,405	\$147,140	\$68,365	\$143,930	\$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152

<u>PERS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA)</u>	<u>Unfunded Liability (MVA)</u>	<u>Value of Trust Assets (AVA)<sup>(3)</sup></u>	<u>Unfunded Liability (AVA)<sup>(3)</sup></u>
2010-11	\$58,358	\$45,901	\$12,457	\$51,547	\$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2014-15	73,325	56,814	16,511	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2015-16	77,544	55,785	21,759	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2016-17	84,416	60,865	23,551	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2017-18 <sup>(5)</sup>	92,071	64,846	27,225	-- <sup>(4)</sup>	-- <sup>(4)</sup>

(1) Amounts may not add due to rounding.

(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.

(3) Reflects actuarial value of assets.

(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

(5) On April 16, 2019, the PERS Board (defined below) approved the K-14 school district contribution rate for fiscal year 2019-20 and released certain actuarial information to be incorporated into the June 30, 2018 actuarial valuation to be released in summer 2019.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the "2017 STRS Actuarial Valuation"), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation

rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on salary increases less than assumed and actuarial asset gains recognized from the current and prior years, the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2018 (the “2018 STRS Actuarial Valuation”) reports that the unfunded actuarial obligation decreased by \$109 million since the 2017 STRS Actuarial Valuation and the funded ratio increased by 1.4% to 64.0% over such time period.

According to the 2018 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.9%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In recent years, the PERS Board of Administration (the “PERS Board”) has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for

fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

On April 16, 2019, the PERS Board established the employer contribution rates for 2019-20 and released certain information from the Schools Pool Actuarial Valuation as of June 30, 2018, ahead of its summer of 2019 release date. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for 2020-21 is projected to be 23.6%, with annual increases thereafter, resulting in a projected 26.5% employer contribution rate for fiscal year 2025-26.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

***California Public Employees' Pension Reform Act of 2013.*** On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation

amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps “pensionable compensation” for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

***GASB Statement Nos. 67 and 68.*** On June 25, 2012, GASB approved Statements Nos. 67 and 68 (“Statements”) with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government’s balance sheet (currently, such unfunded liabilities are typically included as notes to the government’s financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2018, the District’s proportionate shares of the STRS and PERS net pension liabilities were \$61,286,649 and \$50,863,523, respectively. For more information, see “APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 13” attached hereto.

***Pension Rate Stabilization Program.*** In fiscal year 2016-17, the District became a member of the PARS Pension Rate Stabilization Program (the “PRSP”). Through the PRSP, community college districts can manage their pension costs through an IRS Section 115 irrevocable trust designed to pre-fund pension costs and offset net pension liabilities. Districts are allowed to set aside funds, separate and apart from STRS and PERS contributions, in a tax-exempt prefunding vehicle to mitigate long-term contribution rate volatility. Such funds are protected from diversion to other uses and may be used to offset contribution rate increases or as an emergency source of funds for pension related costs in the event district revenues are impaired by economic or other conditions. The District deposited \$5,000,000 into the PRSP trust in fiscal year 2017-18. As of September 30, 2019, the value of assets in the PRSP Trust was \$5,456,180.

***Accumulation Program for Part-Time and Limited Service Employees (APPLE) Plan.*** The District contributes to the Accumulation Program for Part-Time and Limited-Service Employees (“APPLE”) plan. All employees who do not participate in another retirement plan provided by the District are eligible to participate in the APPLE plan, a multi-employer defined contribution retirement program. The District’s contributions for employees covered by the APPLE plan for the years ended June 30, 2019,

2018, 2017, 2016, and 2015, were \$103,194 (unaudited), \$143,612, \$264,119, \$68,460, and \$63,538, respectively. Participants become 100% vested in the Employer Contribution Account at normal retirement age, total disability or death. Participants are 100% vested in the Employee Contribution Account at all times.

### **Post-Employment Health Care Benefits**

**Plan Description.** The District currently provides retiree medical coverage to eligible academic and classified employees up to the age of 65 (the “Benefits”). Eligibility requirements vary by employee classification. All participants must have a minimum service of 10 years and be eligible to retire under STRS or PERS. Academic and classified employees must be at least 60 years of age, or 55 for classified employees with 20 years of service. The District pays for 100 percent of the premium for retiree coverage, and the retiree pays for the cost of dependent coverage. Membership of the District’s Other Post-Employment Benefits Plan (the “Plan”) consists of 27 retirees and beneficiaries currently receiving benefits, and 659 active plan members.

**Funding Policy.** The contribution requirements of the Plan members and the District are established and amended by the District and the District’s bargaining units on an annual basis. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and bargaining units. For fiscal year 2013-14, the District contributed \$4,384,127 to the Plan, of which \$447,763 was used for current premiums and \$3,936,364 was contributed to the Trust (defined below). For fiscal year 2014-15, the District contributed \$374,226 to the Plan, all of which was used for current premiums. For fiscal year 2015-16, the District contributed \$304,023 to the Plan, all of which was used for current premiums. For fiscal year 2016-17, the District contributed \$386,897 to the Plan, all of which was used for current premiums. For fiscal year 2017-18, the District contributed \$295,696 to the Plan, all of which was used for current premiums. For fiscal year 2018-19, the District contributed \$287,888 to the Plan, all of which was used for current premiums.

For fiscal year 2019-20, the District has budgeted a contribution of \$250,200 to the Plan, all of which is expected to be used for current premiums.

In February 2007, the District established an irrevocable trust (the “Trust”) with Benefit Trust Company, into which the District has transferred \$5,528,364. As of April 30, 2019, the value of assets in the Trust was \$8,695,078.

**GASB Statement Nos. 74 and 75.** On June 2, 2015, GASB approved Statements Nos. 74 and 75 (each, “GASB 74” and “GASB 75”) with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the Net OPEB Liability, to be recognized on the balance sheet of the plan and the participating employer’s financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the Net OPEB Liability and a

sensitivity analysis of the Net OPEB Liability to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB. The Fiduciary Net Position measures the value of trust assets, adjusted for payees and receivables.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District's financial statements for fiscal year 2016-17. GASB Statement No. 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized GASB No. 75 in their financial statements for fiscal year 2017-18. For fiscal year 2017-18, the District reported a Total OPEB Liability of \$9,299,047, a Fiduciary Net Position of \$8,035,853 and a Net OPEB Liability of \$1,263,194. See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11" attached hereto.

**Actuarial Valuation.** The District has implemented *Governmental Accounting Standards Board Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions 74*) and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. The new GASB statements No. 74 and No. 75 (discussed above) require biennial actuarial valuations for all plans. The actuarial study, dated as of April 28, 2019, (the "Study"), concluded that, as of June 30, 2017, the Total OPEB Liability (the "TOL") with respect to such benefits, was \$9,299,047, the Net OPEB Liability (the "NOL") was \$1,263,194, and the Total OPEB Expense (the "TOE") to be \$832,112. The District has a Fiduciary Net Position (the "FNP") of \$8,035,853. The TOL is the amount of the actuarial present value of projected benefits payments attributable to employees' past service based on the actuarial cost method used. The FNP are the net assets (liability) of the qualifying irrevocable trust or equivalent arrangement. The NOL is TOL minus the FNP. The TOE is the annual change in the District's NOL, with deferred recognition provided for certain items. For more information regarding the District's other post-employment benefit liability, see See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11" attached hereto.

**Medicare Premium Payment Program.** The District participates in the Medicare Premium Payment ("MPP") Program, a cost-sharing multiple-employer other postemployment benefit plan. STRS administers the MPP Program through the Teachers' Health Benefit Fund (the "THBF"). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRS Defined Benefit Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium free Medicare Part A. The MPP Program is now closed to new entrants.

The MPP Program is funded on a pay-as-you-go basis from a portion of the monthly District benefit payments. Benefit payments that would otherwise be credited to the STRS Defined Benefit Program each month are instead credited to the MPP Program to fund monthly program and administrative costs.

An actuarial study of the liability of the MPP Program has been prepared pursuant to GASB statements No. 74 and No. 75. The District’s proportionate share of the net MPP Program liability as of June 30, 2018 was \$504,754. See also “APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11” attached hereto.

**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 fiscal year ended June 30, 2018, the District contracted with the Statewide Association for Excess Risks (SAFER) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**Workers’ Compensation.** For fiscal year 2017-18, the District participated in the Schools Alliance for Workers’ Compensation Excess (SAWCX II) Joint Powers Authority (JPA), an insurance purchasing pool. The District is self-insured for the first \$500,000 of each workers’ compensation claim. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers’ compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers’ compensation premium based on its individual rate. Total savings are then calculated and each participant’s individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the “equity-pooling fund.” This “equity pooling” arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA’s selection criteria.

<u>Insurance</u>	<u>Program/</u>	<u>Company</u>	<u>Name</u>	<u>Type of Coverage</u>	<u>Limits</u>
Schools Alliance for Worker’s Compensation Excess (SAWCX II)				Excess Workers’ Compensation	\$50,500,000
Schools Association for Excess Risk (SAFER)				Property	250,000,000
Schools Association for Excess Risk (SAFER)				Liability	25,000,000

See also “APPENDIX A – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12” attached hereto.

**Accounting Practices**

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. GASB has released Statement No. 34, which makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective for fiscal periods beginning after June 15, 2001 (Phase I) for any governmental agency with annual revenues in excess of \$100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred. See also “—Comparative Financial Statements” herein.



### **General Fund Budgeting**

The following table reflects the District's general fund budgets for fiscal years 2015-16 through 2019-20, and ending results for fiscal years 2014-15 through 2018-19.

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**GENERAL FUND BUDGETING<sup>(1)</sup>**  
**Fiscal Years 2015-16 through 2019-20**  
**San Bernardino Community College District**

	Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20
	<u>Budget<sup>(1)</sup></u>	<u>Actual<sup>(1)</sup></u>	<u>Budget<sup>(1)</sup></u>	<u>Actual<sup>(1)</sup></u>	<u>Budget<sup>(1)</sup></u>	<u>Actual<sup>(1)</sup></u>	<u>Budget<sup>(1)</sup></u>	<u>Actual<sup>(1)</sup></u>	<u>Budget<sup>(1)</sup></u>
<b>REVENUES:</b>									
Federal	\$6,179,608	\$4,597,680	\$3,769,839	\$3,011,376	\$2,457,245	\$1,930,092	\$2,578,673	\$1,007,228	\$3,128,751
State	91,100,221	87,502,201	109,659,626	95,494,201	105,195,500	83,674,496	106,765,559	97,473,824	106,740,304
Local	<u>25,845,492</u>	<u>29,901,161</u>	<u>28,174,950</u>	<u>34,713,276</u>	<u>35,476,028</u>	<u>38,063,694</u>	<u>38,691,378</u>	<u>40,340,834</u>	<u>48,990,061</u>
<b>TOTAL REVENUES</b>	123,125,321	122,001,042	141,604,415	133,218,853	143,128,773	123,668,282	148,035,610	138,821,886	158,859,116
<b>EXPENDITURES:</b>									
Academic Salaries	40,057,147	40,213,257	42,290,491	41,552,042	42,863,770	43,317,517	48,683,468	47,809,199	53,231,186
Classified Salaries	25,410,337	25,395,204	26,968,712	26,205,589	29,571,786	29,354,431	34,707,818	34,808,352	37,075,610
Employee Benefits	19,695,999	19,279,058	22,088,471	23,763,314	24,251,366	26,680,874	27,348,440	26,281,612	30,122,039
Books and Supplies	2,496,023	1,970,957	2,757,187	2,371,073	3,027,109	2,168,257	3,419,179	2,527,270	4,302,584
Services and Other	22,943,640	14,971,747	42,518,573	27,378,450	39,776,153	15,683,091	34,232,228	20,013,799	38,467,933
Operating Expenditures									
Capital Outlay	<u>4,911,835</u>	<u>4,542,294</u>	<u>4,732,418</u>	<u>3,968,773</u>	4,490,018	4,042,955	<u>4,233,133</u>	<u>6,871,078</u>	<u>4,193,119</u>
<b>TOTAL EXPENDITURES</b>	115,514,981	106,372,517	141,355,852	125,239,241	143,980,202	121,247,125	152,624,266	138,311,310	167,392,471
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	7,610,340	15,628,525	248,563	7,979,612	(851,429)	2,421,157	(4,588,656)	510,576	(8,533,355)
<b>OTHER FINANCING SOURCES (USES)</b>	92,000	4,846	172,000	196,241	210,000	9,160,781	11,591,054	16,900,952	16,295,182
<b>OTHER OUTGO</b>	8,101,924	13,844,820	3,627,211	2,714,047	2,035,196	11,260,506	11,321,136	11,998,360	13,062,251
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	(399,584)	1,788,551	(3,206,648)	5,461,806	(2,676,625)	321,432	(4,318,738)	5,413,168	(5,300,424)
<b>BEGINNING FUND BALANCE</b>	16,218,594	16,218,594	18,332,396	18,332,396	23,579,534	23,579,534	19,259,684	19,259,684	31,120,940
<b>Prior Year Adjustments</b>	--	325,251	--	(214,668)	--	(4,641,282)	--	6,448,089	--
<b>ENDING FUND BALANCE</b>	--	16,543,845	--	<u>18,117,728</u>	--	<u>18,938,252</u>	--	<u>25,707,773</u>	--
	<u>\$15,819,010</u>	<u>\$18,332,396</u>	<u>\$15,125,748</u>	<u>\$23,579,534</u>	<u>\$20,902,909</u>	<u>\$19,259,684</u>	<u>\$14,940,946</u>	<u>\$31,120,940</u>	<u>\$25,820,517</u>

<sup>(1)</sup> Reflects combined unrestricted and restricted general funds.

<sup>(2)</sup> From the District's CCFS-311 Reports filed with the Chancellor's Office. Budgeted amounts for fiscal years 2013-14 through 2017-18 and unaudited ending results for fiscal years 2013-14 through 2016-17 in object-oriented format provided for comparison. For audited results of fiscal years 2011-12 through 2015-16 in the revised reporting format, see "-- Comparative Financial Statements" herein.

Source: San Bernardino Community College District.

## **Comparative Financial Statements**

The following table reflects the District's audited revenues, expenditures and changes in net assets in the District's primary government funds from fiscal years 2013-14 through 2017-18.

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**SUMMARY OF AUDITED REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FISCAL YEARS 2012-13 THROUGH 2016-17  
San Bernardino Community College District**

	<u>2013-14</u> <u>Audited</u>	<u>2014-15</u> <u>Audited</u>	<u>2015-16</u> <u>Audited</u>	<u>2016-17</u> <u>Audited</u>	<u>2017-18</u> <u>Audited</u>
<b>OPERATING REVENUES</b>					
Tuition and fees (gross)	\$19,090,967	\$19,990,165	\$19,679,609	\$19,670,664	\$21,026,371
Less: Scholarship discounts and allowances	<u>(12,869,287)</u>	<u>(13,445,022)</u>	<u>(13,258,131)</u>	<u>(12,581,348)</u>	<u>(12,903,371)</u>
Net tuition and fees	6,221,680	6,545,143	6,421,478	7,089,316	8,123,000
Grants and Contracts, Noncapital					
Federal	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	2,372,766
State	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	30,239,208
Local	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	2,406,378
Net grants and contracts, noncapital	--	--	--	--	35,018,352
Auxiliary enterprises sales/internal service sales and charges	4,316,428	--	--	--	--
Bookstore	--	3,845,397	3,906,680	3,906,025	2,799,608
Cafeteria	--	<u>703,490</u>	<u>630,607</u>	<u>564,508</u>	<u>589,342</u>
<b>TOTAL OPERATING REVENUES</b>	10,538,108	11,094,030	10,958,765	11,559,849	46,530,302
<b>OPERATING EXPENSES</b>					
Salaries	60,689,582	65,386,639	69,985,148	72,226,990	75,264,689
Employee benefits	20,047,878	20,622,531	25,956,181	24,659,151	34,412,380
Supplies, materials and other operating expenses and services	25,765,016	24,944,383	25,659,842	40,701,086	28,588,385
Financial aid	27,397,075	27,424,651	28,331,807	23,877,053	25,630,531
Equipment, maintenance, and repairs	1,091,345	2,888,010	9,994,839	4,954,220	1,767,834
Depreciation	<u>15,312,264</u>	<u>15,158,868</u>	<u>15,309,710</u>	<u>15,523,888</u>	<u>17,087,085</u>
<b>TOTAL OPERATING EXPENSES</b>	150,303,160	156,425,082	175,237,527	181,942,388	182,750,904
<b>OPERATING INCOME (LOSS)</b>	(139,765,052)	(145,331,052)	(164,278,762)	(170,382,539)	(136,220,602)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State apportionments, noncapital	45,921,621	55,259,312	59,827,136	51,417,428	57,176,853
Local property taxes	18,795,862	18,163,906	21,681,347	26,355,145	28,211,597
Taxes levied for other specific purposes	25,148,129	24,426,035	26,620,823	16,258,114	25,571,878
State revenue – other	3,031,252	4,101,136	3,519,219	12,709,018	3,505,715
Federal grants	29,552,508	29,828,773	29,508,162	23,332,346	21,244,822
State grants	12,007,694	16,721,550	31,188,340	40,878,174	3,066,397
Interest and investment income – Non Capital	312,019	236,526	437,580	828,798	2,600,042
Other nonoperating revenue	9,206,801	7,114,899	9,706,637	6,605,104	160,904,473
Investment Income on capital asset-related debt	821,498	88,153	86,623	161,001	291,323
Transfer to fiduciary fund	--	(60,800)	(256,000)	(195,000)	(75,225,000)
Transfer from fiduciary fund			1,131,015	881,770	850,000
Interest expense	<u>(31,191,979)</u>	<u>(31,269,048)</u>	<u>(31,125,122)</u>	<u>(18,868,098)</u>	<u>(26,547,495)</u>
<b>NET NONOPERATING REVENUES</b>	113,605,405	124,610,442	152,325,760	160,363,800	201,650,605
<b>INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, AND LOSSES</b>	(26,159,647)	(20,720,610)	(11,953,002)	(10,018,739)	65,430,003
<b>OTHER REVENUES, EXPENSES, GAINS, AND LOSSES</b>					
State apportionments, capital	450,583	403,706	211,475	167,129	988,385
Local revenue, capital	<u>1,507,698</u>	<u>1,266,439</u>	<u>1,801,499</u>	<u>1,603,973</u>	<u>1,777,334</u>
<b>TOTAL OTHER REVENUES, EXPENSES, GAINS, AND LOSSES</b>	1,958,281	1,670,145	2,012,974	1,771,102	2,765,719
<b>INCREASE (DECREASE) IN NET POSITION</b>	(24,201,366)	(19,050,465)	(9,940,028)	(8,247,637)	68,195,722
<b>NET POSITION, BEGINNING OF YEAR</b>	186,946,710	160,031,110	70,364,577	60,424,549	45,892,893 <sup>(4)</sup>
Net Position, as Restated	<u>184,262,476<sup>(2)</sup></u>	<u>89,415,042<sup>(3)</sup></u>	<u>70,364,577</u>	<u>60,424,549</u>	<u>45,892,893</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$160,061,110</u>	<u>\$70,364,577</u>	<u>\$60,424,549</u>	<u>\$52,176,912</u>	<u>\$114,088,615</u>

<sup>(1)</sup> For fiscal years 2013-14 through 2016-17, the District's Auditor classified Federal, State and Local grants and contracts as non-operating revenue.

<sup>(2)</sup> Reflects a \$2,669,609 decrease in the beginning net position to reflect the implementation of GASB. 65. The beginning net position was also restated for the correction of certain errors. The Supplemental Early Retirement Plan liability and the Other Postemployment Benefit Plan obligations were not stated fairly. In addition, the District's 2013 Refunding Bonds were not properly accounted for in the financial statements.

<sup>(3)</sup> The District adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions, in fiscal year 2014-15. The implementation of this standard required a change in accounting principle and restatement of the beginning net position of the District by \$69,462,285. Also, during fiscal year 2014-15, the District created the KVCR Education Foundation Fund, a fiduciary fund, which was previously included in KVCR Special Revenue Fund within the primary government fund, which resulted in a downward adjustment to the net position of \$1,183,784.

<sup>(4)</sup> The District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in fiscal year 2017-18. The implementation of this standard required a change in accounting principle and restatement of the beginning net position of the primary government fund, which resulted in a downward adjustment to the net position of \$6,284,019.

Source: San Bernardino Community College District.

## District Debt Structure

**Short-Term Debt.** The District currently has no outstanding short-term debt obligations.

**Long-Term Debt.** A schedule of changes in long-term debt for the fiscal year ended June 30, 2018, is shown below:

	<b>Beginning Balance July 1, 2017</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance June 30, 2018</b>
Bonds Payable				
Election 2002 Series D	\$8,784,260	\$682,878	--	\$9,467,138
Election 2002 Series E	<u>15,000,000</u>	--	--	<u>15,000,000</u>
Subtotal Election 2002	23,784,260	682,878	--	24,467,138
2005 GO Refunding Bonds	8,452,198	1,044,692	--	9,496,890
Election 2008 Series A	4,165,000	--	\$1,830,000	2,335,000
Election 2008 Series B	121,200,193	6,012,869	1,540,000	126,673,062
Election 2008 Series C	45,210,000	--	--	45,210,000
Election 2008 Series D	<u>36,861,824</u>	<u>393,015</u>	<u>1,200,000</u>	<u>36,054,839</u>
Subtotal Election 2008	207,437,017	6,405,884	4,570,000	209,272,901
2013 GO Refunding Bonds, Series A	191,940,000	--	1,285,000	190,655,000
2013 GO Refunding Bonds, Series B	25,695,000	--	2,190,000	23,505,000
2015 GO Refunding Bonds,	55,375,000	--	3,180,000	52,195,000
2017 GO Refunding Bonds, Series A	--	14,145,000	--	14,145,000
2017 GO Refunding Bonds, Series B	--	32,070,000	--	32,070,000
Premium on debt	35,595,720	5,147,554	2,801,000	37,942,265
Total Bonds Payable	548,279,195	59,496,008	14,026,009	593,749,194
Other Liabilities				
Community service grant payable	109,374	--	109,374	--
Compensated absences	3,346,683	--	91,210	3,255,473
Claims liabilities	3,078,245	96,538	--	3,174,783
Aggregate net OPEB liability	1,755,126	1,212,116	1,199,294	1,767,948
Aggregate net pension obligation	76,351,759	35,798,413	--	112,150,172
Total Other Liabilities	<u>84,641,187</u>	<u>37,107,067</u>	<u>1,399,878</u>	<u>120,348,376</u>
Total Long-Term Obligations	<u>\$632,920,382</u>	<u>\$96,603,075</u>	<u>\$15,425,887</u>	<u>\$714,097,570</u>

Source: San Bernardino Community College District.

**General Obligation Bonds.** The District received authorization at an election held on November 5, 2002 (the “2002 Authorization”) at which the requisite vote of at least fifty-five percent of the persons voting on the proposition voted to authorize the issuance of \$190,000,000 principal amount of general obligation bonds of the District. On May 15, 2003, the District issued its Election of 2002 General Obligation Bonds, Series A in the aggregate principal amount of \$50,000,000 (the “2002 Series A Bonds”). On February 26, 2004, the District issued its Election of 2002 General Obligation Bonds, Series B in the aggregate principal amount of \$20,000,000 (the “2002 Series B Bonds”). On April 7, 2005, the District issued its 2005 General Obligation Refunding Bonds in the aggregate principal amount of \$56,562,550.30 (the “2005 Refunding Bonds”), the proceeds of which were used to advance refund a portion of the 2002 Series A Bonds and 2002 Series B Bonds. On September 13, 2006, the District issued its Election of 2002 General Obligation Bonds, 2002 Series C in an aggregate principal amount of \$100,000,000 (the “2002 Series C Bonds”). On June 18, 2009 the District issued its Election of 2002 General Obligation Bonds, Series D in the aggregate principal amount of \$4,999,796.90 (the “2002 Series D Bonds”) and its Election of 2002 Taxable General Obligation Bonds (Build America Bonds–Direct Payment to District) Series E in the aggregate principal amount of \$15,000,000 (the “2002 Series E Bonds”). On May 2, 2013, the District concurrently issued its 2013 General Obligation Refunding Bonds, Series A (Tax-Exempt) in the aggregate principal amount of \$198,570,000 (the “2013 Refunding Bonds, Series A”) and its 2013 General Obligation Refunding Bonds, Series B (Federally Taxable) in the aggregate principal amount of \$32,460,000 (the “2013 Refunding Bonds, Series B”), the proceeds of which were used to advance refund portions of the District’s 2002 Series C Bonds and 2008 Series A Bonds. On October 14, 2015, the District issued its 2015 General Obligation Refunding Bonds in an aggregate principal amount of \$55,975,000 (the “2015 Refunding Bonds”), the proceeds of which were utilized to currently refund portions of the District’s outstanding 2005 Refunding Bonds and advance refund portions of the District’s outstanding 2002 Series C Bonds. On December 28, 2017, the District issued its 2017 General Obligation Refunding Bonds, Series A (2019 Crossover) in an aggregate principal amount of \$14,145,000 (the “2017 Refunding Bonds, Series A”), the proceeds of which were utilized to advance refund portions of the District’s outstanding 2002 Series E Bonds.

The District received a second authorization at an election held on February 5, 2008 (the “2008 Authorization”) at which the requisite vote of at least fifty-five percent of the persons voting on the proposition voted to authorize the issuance of \$500,000,000 principal amount of General Obligation Bonds of the District. On December 30, 2008, the District issued its Election of 2008 General Obligation Bonds, Series A Bonds in an aggregate principal amount of \$140,000,000 (the “2008 Series A Bonds”). On June 18, 2009, the District issued its Election of 2008 General Obligation Bonds, Series B in the aggregate principal amount of \$73,102,389.40 (the “2008 Series B Bonds”) and its Election of 2008 Taxable General Obligation Bonds, Series C (Build America Bonds-Direct Payment to District) in the aggregate principal amount of \$45,210,000.00 (the “2008 Series C Bonds”). On October 14, 2015, the District issued its Election of 2008 General Obligation Bonds, Series D in an aggregate principal amount of \$37,536,960.30 (the “2008 Series D Bonds”). On December 28, 2017, the District issued its 2017 General Obligation Refunding Bonds, Series B (2024 Crossover) in an aggregate principal amount of \$32,070,000 (the “2017 Refunding Bonds, Series B”), the proceeds of which were utilized to advance refund portions of the District’s outstanding 2008 Series B Bonds. There is currently \$204,150,650.30 of the 2008 Authorization remaining which is authorized but unissued.

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The following table shows the total debt service with respect to the District’s outstanding general obligation bonded debt, including the Bonds (and assuming no optional redemptions):

**GENERAL OBLIGATION BONDED DEBT SERVICE  
San Bernardino Community College District**

Period Ending August 1	2005 Refunding Bonds	2002 Series D Bonds	2002 Series E Bonds <sup>(1)</sup>	2008 Series B Bonds <sup>(1)</sup>	2008 Series C Bonds <sup>(2)</sup>	2013 Refunding Bonds, Series A <sup>(2)</sup>	2013 Refunding Bonds, Series B	Series D Bonds <sup>(2)</sup>	2015 Refunding Bonds <sup>(2)</sup>	2017 Refunding Bonds, Series A <sup>(3)</sup>	2017 Refunding Bonds, Series B <sup>(3)</sup>	Series A Bonds	Series A-1 Bonds	2019 Refunding Bonds	Total Annual Debt Service
2020	--	--	\$1,144,500.00	\$42,010,037.50	\$3,387,103.00	\$13,248,800.00	\$6,798,037.50	\$1,373,250.00	\$2,609,750.00	\$583,550.00	\$1,355,700.00	--	--	--	\$1,355,700.00
2021	\$1,635,000.00	--	1,144,500.00	2,175,037.50	3,387,103.00	13,879,300.00	5,410,387.50	1,428,250.00	2,609,750.00	583,550.00	1,355,700.00	--	--	--	1,355,700.00
2022	7,395,000.00	--	1,144,500.00	2,350,037.50	3,387,103.00	14,451,050.00	--	1,593,250.00	2,609,750.00	583,550.00	1,355,700.00	--	--	--	1,355,700.00
2023	7,655,000.00	--	1,144,500.00	2,535,037.50	3,387,103.00	15,134,800.00	--	1,658,250.00	2,609,750.00	583,550.00	1,355,700.00	--	--	--	1,355,700.00
2024	--	\$140,000.00	1,144,500.00	2,720,037.50	3,387,103.00	23,777,800.00	--	1,733,250.00	2,609,750.00	583,550.00	1,355,700.00	--	--	--	1,355,700.00
2025	--	250,000.00	1,144,500.00	2,920,037.50	3,387,103.00	24,794,550.00	--	1,811,500.00	2,609,750.00	583,550.00	1,585,700.00	--	--	--	1,585,700.00
2026	--	360,000.00	1,144,500.00	3,120,037.50	3,387,103.00	25,858,800.00	--	1,890,750.00	2,609,750.00	583,550.00	1,574,200.00	--	--	--	1,574,200.00
2027	--	470,000.00	1,144,500.00	3,335,037.50	3,387,103.00	26,963,550.00	--	1,975,750.00	2,609,750.00	583,550.00	1,567,700.00	--	--	--	1,567,700.00
2028	--	595,000.00	1,144,500.00	3,560,037.50	3,387,103.00	15,368,150.00	--	2,175,750.00	13,914,750.00	583,550.00	1,580,950.00	--	--	--	1,580,950.00
2029	--	730,000.00	1,144,500.00	3,790,037.50	3,387,103.00	16,005,900.00	--	2,270,750.00	14,459,500.00	583,550.00	1,572,950.00	--	--	--	1,572,950.00
2030	--	870,000.00	1,144,500.00	4,025,037.50	3,387,103.00	16,669,400.00	--	2,370,750.00	15,028,750.00	583,550.00	1,564,700.00	--	--	--	1,564,700.00
2031	--	1,020,000.00	1,144,500.00	4,279,922.30	3,387,103.00	17,353,400.00	--	2,470,750.00	15,613,500.00	583,550.00	1,551,200.00	--	--	--	1,551,200.00
2032	--	11,645,000.00	8,644,500.00	4,536,993.10	3,387,103.00	18,077,000.00	--	2,570,750.00	--	7,698,550.00	1,267,700.00	--	--	--	1,267,700.00
2033	--	12,810,000.00	8,072,250.00	13,578,104.70	3,387,103.00	10,051,600.00	--	2,685,750.00	--	7,311,200.00	7,897,700.00	--	--	--	7,897,700.00
2034	--	--	--	25,258,743.76	3,387,103.00	--	--	2,230,750.00	--	--	24,627,200.00	--	--	--	24,627,200.00
2035	--	--	--	26,358,046.50	3,387,103.00	--	--	2,350,750.00	--	--	--	--	--	--	--
2036	--	--	--	27,501,588.75	3,387,103.00	--	--	2,480,750.00	--	--	--	--	--	--	--
2037	--	--	--	28,686,800.85	3,387,103.00	--	--	2,615,750.00	--	--	--	--	--	--	--
2038	--	--	--	29,925,000.00	3,387,103.00	--	--	2,755,750.00	--	--	--	--	--	--	--
2039	--	--	--	--	34,597,103.00	--	--	2,905,750.00	--	--	--	--	--	--	--
2040	--	--	--	34,051,944.40	1,068,200.00	--	--	3,135,750.00	--	--	--	--	--	--	--
2041	--	--	--	35,444,195.00	1,068,200.00	--	--	3,300,750.00	--	--	--	--	--	--	--
2042	--	--	--	36,888,055.20	1,068,200.00	--	--	3,474,250.00	--	--	--	--	--	--	--
2043	--	--	--	38,390,598.75	1,068,200.00	--	--	3,654,000.00	--	--	--	--	--	--	--
2044	--	--	--	25,955,000.00	15,068,200.00	--	--	3,844,000.00	--	--	--	--	--	--	--
2045	--	--	--	42,275,862.65	--	--	--	4,078,000.00	--	--	--	--	--	--	--
2046	--	--	--	43,968,180.00	--	--	--	4,283,000.00	--	--	--	--	--	--	--
2047	--	--	--	45,722,935.30	--	--	--	4,509,500.00	--	--	--	--	--	--	--
2048	--	--	--	47,555,000.00	--	--	--	4,735,500.00	--	--	--	--	--	--	--
Total	\$16,685,000.00	\$28,890,000.00	\$30,450,750.00	\$582,917,383.76	\$118,293,060.00	\$251,634,100.00	\$12,208,425.00	\$78,363,000.00	\$79,894,500.00	\$22,012,350.00	\$51,568,500.00	--	--	--	\$51,568,500.00

<sup>(1)</sup> Includes debt service on the Refunded Bonds expected to be refinanced with proceeds of the Refunding Bonds. Prior to their respective Crossover Dates, each series of Refunded Bonds will continue to be obligations of the District payable solely from ad valorem property taxes.

<sup>(2)</sup> The 2002 Series E Bonds and 2008 Series B Bonds are designated as “Build America Bonds” pursuant to an irrevocable election by the District to have Sections 54AA and Section 54AA(g) of the Code apply thereto. The District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 35% of the interest payable on such bonds on or about each semi-annual interest payment date (each a “BAB Subsidy”). This table reflects gross debt service payments with respect to the 2002 Series E Bonds and 2008 Series C Bonds and does not reflect the anticipated receipt of the BAB Subsidy. The BAB Subsidy is subject to reduction (the “Sequestration Reduction”) pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the BAB Subsidy by 5.9% through the end of the current federal fiscal year (September 30, 2020). In the absence of action by the United States Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect the BAB Subsidies currently scheduled for receipt in future federal fiscal years. However, notwithstanding any such reduction, the Boards of Supervisors of the Counties are empowered and obligated to levy *ad valorem* property taxes in an amount sufficient to pay the principal of and interest on the 2002 Series E Bonds and 2008 Series B Bonds. The County will deposit any cash BAB Subsidy received into the respective debt service fund for the 2002 Series E Bonds and 2008 Series B Bonds.

<sup>(3)</sup> Prior to the respective Crossover Dates, the interest on the Bonds is secured by and payable solely from the proceeds thereof on deposit in their corresponding sub-accounts within the Escrow Fund.

## TAX MATTERS

### Series A Bonds

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, interest on the Series A Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Series A Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Series A Bond (the first price at which a substantial amount of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Series A Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Series A Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Series A Bond Owner will increase the Series A Bond Owner’s basis in the applicable Series A Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Series A Bond is excluded from the gross income of such owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Beneficial Owner of the Series A Bonds is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Series A Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Series A Bonds to assure that interest (and original issue discount) on the Series A Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Series A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series A Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Series A Bond Owner’s original basis for determining loss on sale or exchange of the applicable Series A Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Series A Bond premium, which must be amortized under Section 171 of the Code; such amortizable Series A Bond premium reduces the Series A Bond Owner’s basis in the applicable Series A Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series A Bond premium may result in a Series A Bond Owner realizing a taxable gain when a Series A Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series A Bond to the Owner. Purchasers of the Series A Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series A Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series A Bonds might be affected as a result of such an audit of the Series A Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series A Bonds to the



extent that it adversely affects the exclusion from gross income of interest (or original issue discount) on the Series A Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE SERIES A BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE SERIES A BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE SERIES A BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE SERIES A BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE SERIES A BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE SERIES A BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE SERIES A BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Series A Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any Series A Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Series A Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Series A Bonds and the accrual or receipt of interest (and original issue discount) on the Series A Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Series A Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series A Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Series A Bonds is attached hereto as APPENDIX A.

### **Taxable Bonds**

In the opinion of Bond Counsel, under existing statutes, regulation, rulings and judicial decisions, interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code but is exempt from State of California personal income tax.

Except for certain exceptions, the difference between the issue price of a Taxable Bond (the first price at which a substantial amount of the Taxable Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Taxable Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Owner of a Taxable Bond will increase the Owner's basis in the Taxable Bond. Owners of Taxable Bonds

should consult their own tax advisor with respect to taking into account any original issue discount on the Taxable Bonds.

The amount by which a Taxable Bond Owner's original basis for determining loss on sale or exchange in the applicable Taxable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Owner of a Taxable Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Taxable Bond Owner's basis in the applicable Taxable Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of 2019 Refunding Bond premium may result in the Owner of a Taxable Bond realizing a taxable gain when a Taxable Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Taxable Bond to the Owner. The Owners of the Taxable Bonds that have a basis in the Taxable Bonds that is greater than the principal amount of the Taxable Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

The federal tax and State of California personal income tax discussion set forth above with respect to the Taxable Bonds is included for general information only and may not be applicable depending upon an Owner's particular situation. The ownership and disposal of the Taxable Bonds and the accrual or receipt of interest with respect to the Taxable Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences.

A copy of the proposed form of opinion of Bond Counsel for the Taxable Bonds is attached hereto as APPENDIX A.

## **LIMITATION ON REMEDIES; BANKRUPTCY**

### **General**

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing a petition under Chapter 9. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover,

regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

### **Statutory Lien**

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the District or the Board, and is valid and binding from the time the Bonds are executed and delivered. See “THE BONDS – Security and Sources of Payment” herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

### **Special Revenues**

If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to finance or refinance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

### **Possession of Tax Revenues; Remedies**

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County’s pooled investment fund, as described in “THE BONDS – Application and Investment of Bond Proceeds” herein and “APPENDIX E – SAN BERNARDINO COUNTY TREASURY POOL” attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

### **Opinions of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor’s Rights**

The proposed forms of the approving opinions of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and

interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

## LEGAL MATTERS

### Legality for Investment in California

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

### Enhanced Reporting Requirements

Under Section 6049 of the Internal Revenue Code of 1986, as amended by the Tax Increase Prevention and Reconciliation Act of 2005 (“TIPRA”), interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

### Escrow Verification

Upon delivery of the Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriter relating to the adequacy of the maturing principal of and interest on the Federal Securities in the Escrow Fund, together with any moneys held therein as cash, to pay the redemption price of and interest on the Refunded Bonds

### Continuing Disclosure

***Current Undertaking.*** The District has covenanted for the benefit of Owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (the District’s fiscal year ends on June 30), commencing with the report for the 2018-19 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Report and the notices of listed events will be filed in accordance with the requirements of the Rule. The specific nature of the information to be made available and to be contained in the notices of listed events is described in the form of Continuing Disclosure Certificate attached hereto as APPENDIX C. These covenants have been made in order to assist the Underwriter in complying with the Rule.

***[Prior Undertakings.*** Within the past five years, the District has failed to timely file its annual reports for fiscal year 2013-14. The District also failed to file in a timely manner material event notices as required by its previous continuing disclosure undertakings with regard to the Rule.]

### **Absence of Material Litigation**

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

There are certain lawsuits and claims pending against the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims, if determined adverse to the District, would not materially affect the finances of the District.

### **Legal Opinions**

The legal opinions of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinion is attached to this Official Statement as APPENDIX A.

## **MISCELLANEOUS**

### **Ratings**

The Bonds have been assigned ratings of “\_\_\_\_\_” and “\_\_\_\_\_” by Moody's and S&P, respectively. The ratings reflect only the view of the rating agencies, and any explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's, 7 World Trade Center at 250 Greenwich, New York, NY 10007 and S&P Global Ratings, 55 Water Street, 45th Floor, New York, NY 10041. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website (“EMMA”) notices of any ratings changes on the Bonds. See “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

### **Financial Statements**

The financial statements with supplemental information for the year ended June 30, 2018, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 7, 2018 of Vavrinek, Trine, Day & Co., LLP (the “Auditor”), are included in this Official Statement as APPENDIX B. In connection with the inclusion of

the financial statements and the report of the Auditor thereon in APPENDIX B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report

### **Underwriting**

The Bonds are being purchased by Piper Jaffray & Co. (the “Underwriter”), pursuant to contracts for purchase and sale thereof by and between the Underwriter and the District (the “Purchase Contracts”). The Underwriter has agreed to purchase (i) all of the Series A Bonds at a price of \$\_\_\_\_\_ (consisting of the principal amount of the Series A Bonds of \$\_\_\_\_\_, plus [net] original issue premium of \$\_\_\_\_\_, and less an Underwriter’s discount of \$\_\_\_\_\_), (ii) all of the Series A-1 Bonds at a price of \$\_\_\_\_\_ (consisting of the principal amount of the Series A-1 Bonds of \$\_\_\_\_\_, plus [net] original issue premium of \$\_\_\_\_\_, and less an Underwriter’s discount of \$\_\_\_\_\_), and (iii) all of the 2019 Refunding Bonds at a price of \$\_\_\_\_\_, (consisting of the principal amount of the 2019 Refunding Bonds of \$\_\_\_\_\_, plus [net] original issue premium of \$\_\_\_\_\_, and less the Underwriter’s discount of \$\_\_\_\_\_).

The Purchase Contracts for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by Bond Counsel and certain other conditions. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page. The offering prices may be changed from time to time by the Underwriter.

### **Additional Information**

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners, beneficial or otherwise, of any of the Bonds. This Official Statement and the delivery thereof have been duly approved and authorized by the District.

**SAN BERNARDINO COMMUNITY COLLEGE  
DISTRICT**

By \_\_\_\_\_  
Bruce Baron  
Superintendent/President

## APPENDIX A

### FORM OF OPINIONS OF BOND COUNSEL

*Upon issuance of the Series A Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Series A Bonds in substantially the following form:*

[Closing Date]

Board of Trustees  
San Bernardino Community College District

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ \_\_\_\_\_ San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Act”) commencing with Section 53506 *et seq.*, a fifty-five percent vote of the qualified electors of the San Bernardino Community College District (the “District”) voting at an election held on November 6, 2018, and a resolution of the Board of Trustees of the District adopted on November 14, 2019 (the “Resolution”).
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner’s basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.



6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

*Upon issuance and delivery of the Series A-1 Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the Series A-1 Bonds substantially in the following form:*

[Closing Date]

Board of Trustees  
San Bernardino Community College District

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ \_\_\_\_\_ San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Act") commencing with Section 53506 *et seq.*, a fifty-five percent vote of the qualified electors of the San Bernardino Community College District (the "District") voting at an election held on November 6, 2018, and a resolution of the Board of Trustees of the District adopted on November 14, 2019 (the "Resolution").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").
4. Interest on the Bonds is exempt from State of California personal income tax.
5. Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated payment price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond.
6. The amount by which a Bond owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the owner of Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of taxable interest received) for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in the owner of a Bond realizing a taxable gain when a Bond is sold by

the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner. The owners of the Bonds that have a basis in the Bonds that is greater than the principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

Except as expressly set forth in paragraphs (3), (4), (5) and (6), we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

*Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the 2019 Refunding Bonds substantially in the following form:*

[Closing Date]

Board of Trustees  
San Bernardino Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ \_\_\_\_\_ San Bernardino Community College District 2019 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution of the Board of Trustees of the District adopted on November 14, 2019 (the "Resolution").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").
4. Interest on the Bonds is exempt from State of California personal income tax.
5. Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated payment price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond.
6. The amount by which a Bond owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the owner of Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of taxable interest received) for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in the owner of a Bond realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner. The owners of the Bonds that have a basis in the Bonds that is greater than the

principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

Except as expressly set forth in paragraphs (3), (4), (5) and (6), we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

**APPENDIX B**

**2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT**

## APPENDIX C

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the San Bernardino Community College District (the “District”) in connection with the issuance of (i) \$ \_\_\_\_\_ San Bernardino Community College District (San Bernardino, California) Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt) (ii) \$ \_\_\_\_\_ San Bernardino Community College District (San Bernardino, California) Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) and (iii) \$ \_\_\_\_\_ of the District’s 2019 General Obligation Refunding Bonds (Federally Taxable) (the “Bonds”). The Bonds are being issued pursuant to Resolutions of the District adopted on November 14, 2019 (collectively, the “Resolutions”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Rulemaking Board consistent with the Rule.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Sections 5(a) or (b) of this Disclosure Certificate.

“Official Statement” shall mean the Official Statement, dated as of \_\_\_\_\_, 2019, relating to the offer and sale of the Bonds.

“Participating Underwriter” shall mean, Piper Jaffray & Co., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

### SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently ending June 30), commencing with the report for the 2018-19 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

### SECTION 4. Content and Form of Annual Reports.

(a) The District’s Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.



2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

- (A) State funding received by the District for the last completed fiscal year;
- (B) Full time equivalent student counts of the District for the last completed fiscal year;
- (C) outstanding District indebtedness;
- (D) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year.
- (E) assessed valuation of taxable property within the District, for the current fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

**SECTION 5. Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

- 1. principal and interest payment delinquencies.
- 2. tender offers.
- 3. defeasances.
- 4. rating changes.
- 5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
- 6. unscheduled draws on the debt service reserves reflecting financial difficulties.
- 7. unscheduled draws on credit enhancement reflecting financial difficulties.
- 8. substitution of the credit or liquidity providers or their failure to perform.
- 9. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties; and

10. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(10), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. optional, contingent or unscheduled Bond calls.
4. unless described under Section 5(a)(5) above, adverse tax opinions, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. appointment of a successor or additional paying agent with respect to the Bonds or the change of name of such paying agent.
8. incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any

report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and
- (d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements

as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2019

SAN BERNARDINO COMMUNITY COLLEGE  
DISTRICT

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

Name of District: SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt)  
Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) 2019  
General Obligation Refunding Bonds (Federally Taxable)

Date of Issuance: \_\_\_\_\_, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

SAN BERNARDINO COMMUNITY COLLEGE  
DISTRICT

By \_\_\_\_\_ [form only; no signature required]

## APPENDIX D

### GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF SAN BERNARDINO, SAN BERNARDINO COUNTY AND RIVERSIDE COUNTY

*The following information regarding the City of San Bernardino (the “City”), San Bernardino County (the “County”) and Riverside County (collectively, the “Counties”) is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the Counties. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel.*

#### General

***The City of San Bernardino.*** The City is located in San Bernardino County and serves as the County seat. The City lies on the floor of the San Bernardino Valley, south of the San Bernardino Mountains and has an area of 81 square miles. It is the 17th largest city in the State of California (the “State”) and the largest city in the County. The City lies 60 miles east of Los Angeles and 120 miles northeast of San Diego. The City was incorporated in 1854. The City government operates under a hybrid mayor-council-city manager form. The mayor is elected by the voters at large, as are the seven members of the city council, each elected within their respected wards. The mayor and council members serve four-year terms.

***San Bernardino County.*** The County is located in the southern portion of the State. The County is bordered by the State of Nevada to the east, Riverside County to the south, Inyo County to the north and Kern, Los Angeles and Orange Counties to the west. It is the fifth most populous county in the State and the twelfth most populous in the United States. The County has an area of 20,160 square miles, with more than three-quarters of the area vacant and covered by desert, forest and mountain ranges. The County is governed by a five-member Board of Supervisors, each elected from their districts. The County was established on May 23, 1853. The County seat is San Bernardino.

***Riverside County.*** Riverside County is the fourth largest county in the State of California (the “State”), encompassing approximately 7,243 square miles. It is located in the southern portion of the State and is bordered by San Bernardino County on the north, Los Angeles and Orange Counties on the west, the State of Arizona and the Colorado River on the east, and San Diego and Imperial Counties on the south. The County has experienced a long period of growth and development. It is currently the eleventh most populous county in the United States, and fourth largest in the State. The County, incorporated in 1893, is a general law county with its seat located in the city of Riverside.

## Population

The following table below shows historical population figures for the City, the Counties and the State from 2010 through 2019.

**POPULATION ESTIMATES  
2010 through 2019  
City of San Bernardino, San Bernardino County, Riverside County and State of California**

<u>Year</u> <sup>(1)</sup>	<u>City of San Bernardino</u>	<u>San Bernardino County</u>	<u>Riverside County</u>	<u>State of California</u>
2010 <sup>(2)</sup>	209,924	2,035,210	2,189,641	37,253,956
2011	211,260	2,058,416	2,217,946	37,594,781
2012	212,924	2,076,145	2,246,951	37,971,427
2013	214,334	2,090,945	2,272,031	38,321,459
2014	214,091	2,104,088	2,295,798	38,622,301
2015	215,292	2,123,562	2,321,837	38,952,462
2016	216,834	2,136,242	2,350,992	39,214,803
2017	218,514	2,156,115	2,384,660	39,504,609
2018	218,992	2,171,517	2,412,536	39,740,508
2019	219,233	2,192,203	2,440,124	39,927,315

<sup>(1)</sup> As of January 1.

<sup>(2)</sup> As of April 1.

Source: 2010: U.S. Department of Commerce, Bureau of the Census, for April 1.

2009, 2011-19 (2010 Demographic Research Unit Benchmark): California Department of Finance for January 1.

## Income

The following table shows per capita personal income for the Counties, the State and the United States from 2008 through 2017.

**PER CAPITA PERSONAL INCOME<sup>(1)</sup>  
2008 through 2017  
San Bernardino County, Riverside County, State of California and the United States**

<u>Year</u>	<u>San Bernardino County</u>	<u>Riverside County</u>	<u>State of California</u>	<u>United States</u>
2008	\$30,150	\$31,627	\$43,895	\$40,904
2009	29,122	30,451	42,050	39,284
2010	29,557	30,685	43,609	40,545
2011	31,051	32,179	46,145	42,727
2012	31,703	32,707	48,751	44,582
2013	32,404	33,383	49,173	44,826
2014	34,218	34,732	52,237	47,025
2015	36,245	36,603	55,679	48,940
2016	37,514	37,827	57,497	49,831
2017	38,816	39,261	59,796	51,640

Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Estimates for 2010 through 2017 reflect county population estimates available as of March 2018. All dollar estimates are in current dollars (not adjusted for inflation). Data for 2018 is not yet available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## Employment

The following table summarizes the labor force, employment and unemployment figures for the City, the Counties, the State and the United States from 2014 through 2018.

**CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATE  
2014 through 2018<sup>(1)</sup>  
City of San Bernardino, San Bernardino County,  
Riverside County, State of California and the United States**

<u>Year and Area</u>	<u>Labor Force</u>	<u>Employment<sup>(2)</sup></u>	<u>Unemployment</u>	<u>Unemployment Rate (%)<sup>(3)</sup></u>
<u>2014</u>				
City of San Bernardino	82,200	73,900	8,300	10.1
San Bernardino County	905,400	833,000	72,500	8.0
Riverside County	1,011,100	928,300	82,900	8.2
State of California	18,714,700	17,310,900	1,403,800	7.5
United States	155,922,000	146,305,000	9,617,000	6.2
<u>2015</u>				
City of San Bernardino	82,900	76,100	6,800	8.2
San Bernardino County	920,000	860,800	59,200	6.4
Riverside County	1,034,200	965,000	69,300	6.7
State of California	18,851,100	17,681,800	1,169,200	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
<u>2016</u>				
City of San Bernardino	83,200	77,200	6,000	7.2
San Bernardino County	930,900	877,200	53,700	5.8
Riverside County	1,052,400	988,100	64,300	6.1
State of California	19,044,500	18,002,800	1,041,700	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
<u>2017</u>				
City of San Bernardino	84,000	78,600	5,300	6.3
San Bernardino County	944,300	897,800	46,500	4.9
Riverside County	1,073,400	1,017,100	56,300	5.2
State of California	19,205,300	18,285,500	919,800	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
<u>2018</u>				
City of San Bernardino	85,200	80,800	4,400	5.2
San Bernardino County	961,000	922,300	38,800	4.0
Riverside County	1,092,400	1,044,600	47,800	4.4
State of California	19,398,200	18,582,800	815,400	4.2
United States	162,075,000	155,761,000	6,314,000	3.9

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department.  
March 2018 Benchmark.



## Industry

The County is included in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (the “MSA”). The distribution of employment in the MSA is presented in the following table for the last five years. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

### LABOR FORCE AND INDUSTRY EMPLOYMENT ANNUAL AVERAGES 2014 through 2018 San Bernardino County (Riverside-San Bernardino-Ontario MSA)

<u>Category</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Farm	14,400	14,800	14,700	14,500	14,500
Total Nonfarm	1,290,400	1,354,400	1,403,200	1,454,900	1,504,200
Total Private	1,061,600	1,121,100	1,160,900	1,203,900	1,246,600
Goods Producing	170,300	183,100	191,600	197,600	207,300
Mining and Logging	1,300	1,300	900	1,000	1,200
Construction	77,600	85,700	92,000	97,400	104,800
Manufacturing	91,400	96,200	98,700	99,200	101,300
Durable Goods	60,200	63,100	64,400	64,100	65,100
Nondurable Goods	31,200	33,100	34,300	35,200	36,200
Service Providing	1,120,100	1,171,200	1,211,700	1,257,300	1,296,900
Private Service Providing	891,300	937,900	969,400	1,006,300	1,039,300
Trade, Transportation and Utilities	314,800	333,100	347,900	365,500	378,300
Wholesale Trade	58,100	60,500	61,600	62,600	64,900
Retail Trade	169,600	174,400	178,300	180,900	180,800
Transportation, Warehousing and Utilities	87,100	98,100	108,000	122,100	132,600
Information	11,300	11,400	11,500	11,300	11,200
Financial Activities	42,900	44,000	44,600	44,200	43,700
Professional and Business Services	138,700	147,400	144,900	146,900	150,600
Educational and Health Services	195,900	206,300	215,700	226,700	240,000
Leisure and Hospitality	144,800	151,700	160,200	166,300	170,000
Other Services	43,000	44,000	44,600	45,400	45,600
Government	<u>228,800</u>	<u>233,300</u>	<u>242,300</u>	<u>251,000</u>	<u>257,500</u>
Total, All Industries	<u>1,304,800</u>	<u>1,369,100</u>	<u>1,417,900</u>	<u>1,469,400</u>	<u>1,518,700</u>

Note: The “Total, All Industries” data is not directly comparable to the employment data found herein.

Source: State of California, Employment Development Department, Labor Market Information Division, Industry Employment & Labor Force – by Annual Average. March 2018 Benchmark.

## Principal Employers

The following tables list the principal employers located in the Counties.

### PRINCIPAL EMPLOYERS 2018

#### San Bernardino County

<u>Company</u>	<u>Description</u>	<u>Employees</u>
County of San Bernardino	Public Administration	10,000+
Loma Linda University Medical Center	Health Services	10,000+
Amazon	Technology company focusing in e-commerce, cloud computing, and artificial intelligence	10,000+
State of California	Government	10,000+
Kaiser Permanente	Insurance Agents, Brokers, and Service	5,000-9,999
Wal-Mart	Retail Trade: Department/Food Stores	5,000-9,999
San Bernardino City Unified School District	Educational Services	5,000-9,999
Stater Bros. Market	Retail Trade: Food Stores	5,000-9,999
United States Government	Government	5,000-9,999
United Parcel Service	Transportation of Freight and Cargo	5,000-9,999

Source: "Comprehensive Annual Financial Report" of San Bernardino County, California for the fiscal year ended June 30, 2018.

### PRINCIPAL EMPLOYERS 2018

#### Riverside County

<u>Employer Name</u>	<u>Industry</u>	<u>Number of Employees</u>
County of Riverside	Public Administration	22,038
March Air Reserve Base	National Security	9,000
University of California Riverside	Services: Education	8,829
Kaiser Permanente Riverside Medical Center	Services: Health	5,500
Corona-Norco Unified School District	Services: Education	5,478
Pechanga Resort and Casino	Resort Casino	4,750
Riverside Unified School District	Services: Education	4,200
Hemet Unified School District	Services: Education	4,058
Riverside University Health Care Systems	Medical Center	3,965
Morongo Casino Resort and Spa	Resort Casino	3,800

Source: County of Riverside Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2018.

## Commercial Activity

Summaries of annual taxable sales for the City and the Counties from 2015 through 2018 are shown in the following tables.

**ANNUAL TAXABLE SALES  
2015 through 2018  
City of San Bernardino  
(Dollars in Thousands)**

<u>Year</u>	<u>Retail Permits</u>	Retail Stores Taxable <u>Transactions</u>	<u>Total Permits</u>	Total Taxable <u>Transactions</u>
2015	5,539	\$2,380,149	7,110	\$2,868,852
2016	5,642	2,457,549	7,333	2,988,983
2017	5,598	2,573,089	7,313	3,101,215
2018	5,635	2,677,252	7,625	3,261,802

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

**ANNUAL TAXABLE SALES  
2015 through 2018  
San Bernardino County  
(Dollars in Thousands)**

<u>Year</u>	<u>Retail Permits</u>	Retail Stores Taxable <u>Transactions</u>	<u>Total Permits</u>	Total Taxable <u>Transactions</u>
2015	37,696	\$23,384,548	56,128	\$35,580,276
2016	38,370	24,477,003	57,629	37,216,551
2017	39,067	25,603,171	58,956	38,399,373
2018	39,837	26,905,784	61,838	40,554,024

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

**TAXABLE SALES  
2015-2018  
Riverside County  
(Dollars in Thousands)**

<u>Year</u>	<u>Retail Permits</u>	Retail Stores Taxable <u>Transactions</u>	<u>Total Permits</u>	Total Taxable <u>Transactions</u>
2015	37,304	\$23,537,475	55,587	\$33,166,600
2016	38,378	24,274,686	57,742	34,483,694
2017	38,967	25,856,341	58,969	36,407,460
2018	39,577	28,042,692	61,433	38,919,498

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

**BUILDING PERMITS AND VALUATIONS**  
**2014 through 2018**  
**City of San Bernardino**  
**(Dollars in Thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Valuation					
Residential	\$36,608	\$36,100	\$16,064	\$6,804	\$21,342
Non-Residential	<u>112,312</u>	<u>138,704</u>	<u>88,221</u>	<u>172,915</u>	<u>175,647</u>
Total	\$148,920	\$174,804	\$104,285	\$179,719	\$196,989
Units					
Single Family	62	38	33	19	72
Multiple Family	<u>50</u>	<u>47</u>	<u>62</u>	<u>0</u>	<u>16</u>
Total	112	85	95	19	88

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

**BUILDING PERMITS AND VALUATIONS**  
**2014 through 2018**  
**San Bernardino County**  
**(Dollars in Thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Valuation					
Residential	\$708,471	\$1,056,572	\$888,142	\$1,366,023	\$1,455,281
Non-Residential	<u>958,267</u>	<u>1,146,722</u>	<u>994,282</u>	<u>1,285,597</u>	<u>1,080,130</u>
Total	\$1,666,738	\$2,203,294	\$1,882,424	\$2,651,620	\$2,535,411
Units					
Single Family	1,937	2,753	2,896	4,253	3,311
Multiple Family	<u>1,266</u>	<u>1,159</u>	<u>976</u>	<u>2,578</u>	<u>1,775</u>
Total	3,203	3,912	3,872	6,831	5,086

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

**BUILDING PERMIT VALUATIONS**  
**2014 through 2018**  
**Riverside County**  
**(Dollars in Thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Valuation (\$000):					
Residential	\$1,621,751	\$1,536,742	\$1,759,535	\$1,903,417	\$2,558,081
Non-residential	<u>814,990</u>	<u>911,465</u>	<u>1,346,020</u>	<u>1,433,691</u>	<u>1,959,680</u>
Total*	\$2,436,741	\$2,448,207	\$3,105,555	\$3,337,108	\$4,517,761
Residential Units:					
Single family	5,007	5,007	5,662	6,265	7,540
Multiple family	<u>1,931</u>	<u>1,189</u>	<u>1,039</u>	<u>1,070</u>	<u>1,628</u>
Total	6,938	6,196	6,701	7,335	9,168

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board

## APPENDIX E

### SAN BERNARDINO COUNTY TREASURY POOL

*The following information concerning the San Bernardino County (the “County”) Treasury Pool (the “Treasury Pool”) has been provided by the Treasurer-Tax Collector of the County (the “Treasurer”), and has not been confirmed or verified by the District or the Underwriter. Neither the District nor the Underwriter has made an independent investigation of the investments in the Treasury Pool nor any assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer may change the investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District nor the Underwriter makes any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained is correct as of any time subsequent to its date. Further information may be obtained from the Treasurer at the following website: <https://www.mytaxcollector.com/>. However, the information presented on such website is not incorporated into this Official Statement by any reference.*

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor

**PREPARED BY:** Lawrence P. Strong, Director of Fiscal Services

**DATE:** November 14, 2019

**SUBJECT:** Consideration of Approval to Adopt Resolution #2019-11-14-FPC02 Authorizing Issuance of Election of 2018 General Obligation Bonds, Series A and Series A-1

### **RECOMMENDATION**

It is recommended that the Board of Trustees adopt Resolution #2019-11-14-FPC02 authorizing the issuance of San Bernardino Community College District (San Bernardino and Riverside Counties, California) election of 2018 general obligation bonds, Series A and Series A-1, and actions related thereto.

### **OVERVIEW**

An election was held in the San Bernardino Community College District on November 6, 2018 for the issuance and sale of general obligation bonds of the District for various purposes in the maximum amount of \$470,000,000 ("Measure CC").

### **ANALYSIS**

The District now desires to issue its first series of bonds under Measure CC in an amount not-to-exceed \$300,000,000 (the "Bonds").

- a) **Bond Resolution.** This Resolution authorizes the issuance of Bonds, specifies the basic terms, parameters and forms of the Bonds, and approves the form of Purchase Contract and form of Preliminary Official Statement described below. In particular, Section 1 of the Resolution establishes the maximum aggregate initial principal amount of the Bonds to be issued (\$300,000,000). Section 4 of the Resolution states the maximum underwriter's discount (0.4%) with respect to the Bonds, the maximum legal interest rate on the Bonds, and authorizes the Bonds to be sold at a negotiated sale to Piper Jaffray & Co. (the "Underwriter"). The Resolution authorizes the issuance of current interest bonds only; capital appreciation bonds are not authorized.
- b) **Form of Purchase Contract.** The Resolution approves the form of the Purchase Contract. Pursuant to the Purchase Contract, the Underwriter will agree to buy the Bonds from the District. All the conditions of closing the transaction are set forth in this document, including the documentation to be provided at the closing by various parties. Upon the pricing of the Bonds, the final execution copy of the Purchase Contract will be prepared following this form.

- c) **Form of Preliminary Official Statement.** The Resolution approves the form of the Preliminary Official Statement. The Preliminary Official Statement (the “POS”) is the offering document describing the Bonds which may be distributed to prospective purchasers of the Bonds. The POS discloses information with respect to, among other things, (i) the proposed uses of proceeds of the Bonds, (ii) the terms of the Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Bonds, if any, (iv) the security for repayment of the Bonds (the ad valorem property tax levy), (v) information with respect to the District’s tax base (upon which such ad valorem property taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Bonds and the District, and (viii) absence of material litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Bonds. Following the pricing of the Bonds, a final Official Statement for the Bonds will be prepared, substantially in the form of the POS.
- d) **Form of the Continuing Disclosure Certificate.** The form of the Continuing Disclosure Certificate can be found in APPENDIX C to the POS. Effective July 3, 1995, all underwriters of municipal bonds are obligated to procure from any public agency issuing debt a covenant that such public agency will annually file “material financial information and operating data” with respect to such public agency through the web-based Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (a federal agency that regulates “broker-dealers,” including investment bank firms that underwrite municipal obligations). This requirement is expected to be satisfied by the filing of the District’s audited financial statements and other operating information about the District, in the same manner the District has filed such information in connection with prior bond issuances. The purpose of the law is to provide investors in the Bonds with current information regarding the District. Similar laws have governed the corporate debt market for many years.

## **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

## **FINANCIAL IMPLICATIONS**

There is no fiscal impact to the General Fund resulting from the issuance of the Bonds.

RESOLUTION **#2019-11-14-FPC02** OF THE BOARD OF TRUSTEES OF THE  
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
**AUTHORIZING THE ISSUANCE OF THE  
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)  
ELECTION OF 2018 GENERAL OBLIGATION BONDS, SERIES A AND SERIES A-1,  
AND ACTIONS RELATED THERETO**

**WHEREAS**, a duly called election (the “Bond Election”) was held in the San Bernardino Community College District (the “District”), San Bernardino County (the “County”) and Riverside County (“Riverside County”, and together with the County, the “Counties”), State of California on November 6, 2018 and thereafter canvassed pursuant to law;

**WHEREAS**, at the Bond Election there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$470,000,000, payable solely from the levy of an *ad valorem* property tax against the taxable property in the District (the “Authorization”);

**WHEREAS**, at this time this Board has determined that it is necessary and desirable to issue the first and second series of bonds under the Authorization in an aggregate principal amount not-to-exceed \$300,000,000, and to be styled as “San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A (Tax-Exempt)” (the “Series A Bonds”) and San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) (the “Series A-1 Bonds” and together with the Series A Bonds, the “Bonds”);

**WHEREAS**, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Government Code”), the Bonds are authorized to be issued by the District for the purposes set forth in the ballot submitted to the voters at the Bond Election;

**WHEREAS**, this Board desires to authorize the issuance of the Bonds in one or more Series of Taxable or Tax-Exempt Current Interest Bonds (as such terms are defined herein);

**WHEREAS**, this Board desires to appoint certain professionals to provide services related to the issuance of the Bonds; and

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

**NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED BY THE BOARD OF TRUSTEES OF THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT, AS FOLLOWS:**

**SECTION 1. Authorization for Issuance of the Bonds.** To raise money for the purposes authorized by the voters of the District at the Bond Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board hereby authorizes the issuance of



the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code in one or more Series of Taxable or Tax-Exempt Current Interest Bonds, with appropriate series designations if more than one Series is issued, all as more fully set forth in the executed Purchase Contract (as defined herein). The Board further orders such Bonds sold such that the Bonds shall be dated as of a date to be determined by an Authorized Officer (defined herein), shall be payable upon such terms and provisions as shall be set forth herein, and shall be in an aggregate principal amount not-to-exceed \$300,000,000.

**SECTION 2. Paying Agent.** This Board hereby appoints the Paying Agent, as defined herein, to serve as the paying agent, bond registrar, authentication agent and transfer agent for the Bonds on behalf of the District. The Board hereby authorizes the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Bonds may be paid in each year from *ad valorem* property taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically by Education Code Section 15232.

**SECTION 3. Terms and Conditions of Sale.** The Bonds shall be sold upon the direction of the Chancellor or the Executive Vice Chancellor of the District, or such other officer or employee of the District as may be designated by the Chancellor or the Executive Vice Chancellor (collectively, the “Authorized Officers”) and pursuant to such terms and conditions set forth in the Purchase Contract. The Board hereby authorizes the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter (as defined herein) to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District’s goal of achieving the lowest overall cost of funds.

**SECTION 4. Approval of Purchase Contract.** The Purchase Contract, by and between the Underwriter (as defined herein) and the District, substantially in the form on file with the Secretary to the Board, is hereby approved and the Authorized Officers, each alone, are hereby authorized to execute and deliver the Purchase Contract, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that (i) the maximum interest rates on the Bonds shall not exceed that authorized by law, and (ii) the underwriting discount, excluding original issue discount, shall not exceed 0.40% of the aggregate principal amount of the Bonds actually issued. The Authorized Officers, each alone, are further authorized to determine the principal amount of the Bonds to be specified in the Purchase Contract for sale by the District up to \$300,000,000 and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied.

**SECTION 5. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

- (a) **“Beneficial Owner”** means, when used with reference to book-entry Bonds registered pursuant to Section 6 hereof, the person who is considered the beneficial owner of such Bonds pursuant to the arrangements for book entry determination of ownership applicable to the Depository.

(b) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of principal of and interest on the Bonds.

(c) **“Bond Payment Date”** means, as applicable (and unless otherwise provided by the Purchase Contract, February 1 and August 1 of each year commencing February 1, 2020 with respect to interest on the Bonds, and the stated maturity dates thereof with respect to payments of principal of the Bonds.

(d) **“Bond Register”** means the registration books which the Paying Agent shall keep or cause to be kept on which the registered ownership, transfer and exchange of Bonds shall be recorded.

(e) **“Code”** means the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference to any particular section of the Code shall be deemed to be a reference to any successor to any such section.

(f) **“Continuing Disclosure Certificate”** means that certain contractual undertaking executed by the District in connection with the issuance of the Bonds pursuant to paragraph (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, dated as of the date of issuance thereof, as amended from time to time in accordance with the provisions thereof.

(g) **“County”** means San Bernardino County.

(h) **“Current Interest Bonds”** means Bonds, the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(i) **“Date of Delivery”** means the date of initial issuance and delivery of the Bonds, or such other date as shall appear in the Purchase Contract or Official Statement.

(j) **“Depository”** means the entity acting as securities depository for the Bonds pursuant to Section 6(c) hereof.

(k) **“DTC”** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as the initial Depository for the Bonds.

(l) **“Holder” or “Owner”** means the registered owner of a Bond as set forth on the Bond Register maintained by the Paying Agent pursuant to Section 6 hereof.

(m) **“Information Services”** means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or, in the absence of such a written designation, as the Paying Agent may select.

(n) **“Long Current Interest Bonds”** means current Interest Bonds that mature more than 30 years from their Date of Delivery.

(o) **“Moody’s”** means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

(p) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

(q) **“Official Statement”** means the Official Statement for the Bonds, as described in Section 17 hereof.

(r) **“Outstanding”** means, when used with reference to the Bonds, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

(i) Bonds canceled at or prior to such date;

(ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 8 hereof; or

(iii) Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 19 of this Resolution.

(s) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(t) **“Paying Agent”** means initially U.S. Bank National Association, or such other Paying Agent as shall be named as such in the Purchase Contract or Official Statement, and afterwards any successor financial institution, serving as the authentication agent, bond registrar, transfer agent and Paying Agent.

(u) **“Permitted Investments”** means (i) any lawful investments permitted by Government Code Section 16429.1 and Section 53601, (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Government Code Section 53635, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider having a rating meeting the minimum rating requirements of the County investment pool maintained by the Director of Finance, (iv) the Local Agency Investments Fund of the California State Treasurer, and (v) United States Treasury Securities, State and Local Government Series.

(v) **“Purchase Contract”** means the contract or contracts for purchase and sale of the Bonds, by and between the District and the Underwriter. To the extent the Bonds are sold pursuant to more than one Purchase Contract, each shall be substantially in the form presented to the Board, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve

(w) **“Record Date”** means the close of business on the 15th day of the month preceding each Bond Payment Date.

(x) **“Series”** means any Bonds executed, authenticated and delivered pursuant to the provisions hereof and identified as a separate Series of Bonds.

(y) **“S&P”** means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, its successors and their assigns, or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the District.

(z) **“Taxable Bonds”** means any Bonds the interest on which is not excludable from gross income for federal income tax purposes.

(aa) **“Tax-Exempt Bonds”** means any Bonds the interest on which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

(bb) **“Term Bonds”** means those Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(cc) **“Transfer Amount”** means, for purposes of exchanging Outstanding Bonds pursuant to Section 8 hereof, the principal amount thereof.

(dd) **“Treasurer-Tax Collector”** means the Treasurer-Tax Collector of the County or other comparable officer of the County.

(ee) **“Underwriter”** means Piper Jaffray & Co. as Underwriter of the Bonds.

## **SECTION 6. Terms of the Bonds.**

(a) **Denomination, Interest, Date of Delivery.** The Bonds shall be issued as fully registered book-entry Bonds registered as to principal, in denominations of \$5,000 principal amount or any integral multiple thereof. The Bonds will be initially be registered in the name of “Cede & Co.,” as the Nominee of DTC.

Each Bond shall be dated as of the Date of Delivery, and shall bear interest at the rates set forth in the Purchase Contract, from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16<sup>th</sup> day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from the Date of Delivery. Interest on the Bonds shall be payable on the respective Bond Payment Dates and shall be computed on the basis of a 360-day year of 12, 30-day months.

To the extent the issuance of Bonds includes Long Current Interest Bonds, the useful life of any facility financed with such Long Current Interest Bonds will equal or exceed the maturity of such Long Current Interest Bonds.

(b) **Redemption.**

(i) Terms of Redemption. The Bonds shall be subject to optional or mandatory sinking fund redemption prior to maturity as provided in the Purchase Contract or the Official Statement.

(ii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed by the District and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption as directed by the District, and if not so directed by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.

The Purchase Contract may provide that (i) in the event that a portion of any Term Bond is optionally redeemed prior to maturity pursuant to Section 6(b)(i) hereof, the remaining mandatory sinking fund payments with respect to such Term Bonds shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect to the portion of such Term Bonds optionally redeemed, or (ii) within a maturity, Bonds shall be selected for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided further that, such pro-rata redemption is made in accordance with the operational arrangements of DTC then in effect.

(iii) Redemption Notice. When optional redemption is authorized or required pursuant to Section 6(b) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a “Redemption Notice”) of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the portion of the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue.

The Paying Agent shall take the following actions with respect to each such Redemption Notice:

(a) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository.

(c) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

(d) Such Redemption Notice shall be given to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided herein shall be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. Such Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon, or on the Bonds.

With respect to any notice of optional redemption of Bonds (or portions thereof) pursuant to Section 6(b)(i) hereof, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased pursuant to Section 19 hereof, such notice shall state that such redemption shall be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, premium, if any, and interest on such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect, no portion of the Bonds shall be subject to redemption on such date and such Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent shall distribute a notice of the rescission of such Redemption Notice in the same manner as such notice was originally provided.

(iv) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(v) Effect of Redemption Notice. Notice having been given as aforesaid, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as provided in Section 19 hereof, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 6(b) hereof, together with interest accrued to such redemption date, shall be held in trust as provided in Section 19 hereof so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as aforesaid, then from and after such redemption date,

interest on the Bonds to be redeemed shall cease to accrue and become payable. All money held for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds to be so redeemed.

(vi) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust as provided in Section 19 hereof for the payment of the redemption price of such Bonds or portions thereof, and accrued interest thereon to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination. The ownership of each such Bond shall be registered in the Bond Register maintained by the Paying Agent in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, and all or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

With respect to book-entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any Redemption Notice, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to principal of, premium, if any, or interest on the book-entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute Owner of such book-entry Bond for the purpose of payment of principal of, premium and interest on and to such Bond, for the purpose of giving Redemption Notices and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, and premium, if any, and interest on the book-entry Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the book-entry Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of principal of, premium, if any, and interest on the book-entry Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in

place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the Beneficial Owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such Outstanding book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 6(c).

3. Payments and Notices to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all Outstanding Bonds are held in book entry form and registered in the name of the Nominee, all payments by the District or the Paying Agent with respect to principal of, premium, if any, or interest on the book-entry Bonds and all notices with respect to such Bonds, including Redemption Notices, shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise required or instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Bonds to Substitute Depository.

(A) The Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its Nominee, or of any substitute depository designated pursuant to Section 6(c)(i)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;



(2) to any Substitute Depository, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(1) or (2), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(3), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such Beneficial Owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Bonds.

**SECTION 7. Execution of the Bonds.** The Bonds shall be signed by the President of the Board, or any other member of the Board authorized to sign on behalf of the President, by his or her manual or facsimile signature and countersigned by the manual or facsimile signature of the Secretary to or Clerk of the Board, or the designees thereof, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution

unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

**SECTION 8. Paying Agent; Transfer and Exchange.** So long as any of the Bonds remain Outstanding, the District will cause the Paying Agent to maintain and keep at its designated corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the principal of, premium, if any, and interest on any Bond shall be made only to or upon the order of such Owner; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for a Bond of like Series, tenor, maturity and Transfer Amount upon presentation and surrender at the designated corporate trust office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the designated corporate trust office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new bond or bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and Transfer Amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District, as provided in Section 7. In all cases of exchanged or transferred Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the

District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

**SECTION 9. Payment.** Payment of interest on any Bond on any Bond Payment Date shall be made to the person appearing on the Bond Register of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to such Owner on the Bond Payment Date to the bank and account number as it appears on such Bond Register or at such other address as he or she may have filed with the Paying Agent for that purpose on or before the Record Date. The principal of, and redemption premiums, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The principal of, premium, if any, and interest on, the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are obligations of the District payable solely from the levy of *ad valorem* property taxes upon all property subject to taxation within the District, which taxes shall be without limit as to rate or amount. The Bonds do not constitute an obligation of the Counties except as provided in this Resolution, and no part of any fund of either of the Counties is pledged or obligated to the payment of the Bonds.

**SECTION 10. Form of Bonds.** The Bonds shall be in substantially the form attached as Exhibit A, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution, the Purchase Contract and the Official Statement, or to correct or cure any defect, inconsistency, ambiguity or omission therein. The Paying Agent is authorized to deliver the Bonds in temporary form and, if so, the Paying Agent shall execute and deliver definitive Bonds in an equal aggregate principal amount of authorized denominations, when available, and thereupon the temporary Bonds shall be surrendered to the Paying Agent. Until so exchanged, the temporary Bonds shall be entitled to the same benefits hereunder as definitive Bonds.

**SECTION 11. Delivery of Bonds.** The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Underwriter upon payment of the purchase price therefor.

**SECTION 12. Deposit of Proceeds of Bonds.** (a) The purchase price received from the Underwriter pursuant to the Purchase Contract, to the extent of the principal amount thereof, shall be

paid to the County to the credit of the fund hereby authorized to be created to be known as the “San Bernardino Community College District Election of 2018 General Obligation Bonds, Series A Building Fund” (the “Building Fund”) of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued, and provided further that such proceeds shall be applied solely to the purposes authorized by the voters of the District at the Bond Election. The County shall have no responsibility for assuring the proper use of the Bond proceeds by the District. At the election of the District, (i) to the extent the Bonds are issued in more than one Series, there shall be created a separate Building Fund for each such Series of Bonds, with appropriate Series designation, and all references herein to the Building Fund shall be deemed to include any Building Fund created for a Series of Bonds, or (ii) the Building Fund may be established as a subaccount of, or otherwise combined with, a fund established by the County for the purpose of holding proceeds of bonds issued pursuant to the Authorization.

The purchase price received from the Underwriter pursuant to the Purchase Contract, to the extent of any accrued interest and any net original issue premium, shall be kept separate and apart in the fund hereby authorized to be created and designated as the “San Bernardino Community College District Election of 2018 General Obligation Bonds, Series A Debt Service Fund” (the “Debt Service Fund”) for the Bonds and used for payment of principal of and interest on the Bonds, and for no other purpose. At the election of the District, (i) to the extent the Bonds are issued in more than one Series, there shall be created a separate Debt Service Fund for each such Series of Bonds, with appropriate Series designation, and all references herein to the Debt Service Fund shall be deemed to include any Debt Service Fund created for a Series of Bonds, or (ii) the Debt Service Fund may be established as a subaccount of, or otherwise with, a fund established by the County for the purpose of holding proceeds of *ad valorem* property tax levies made to pay bonds issued pursuant to the Authorization.

Interest earnings on monies held in the Building Fund shall be retained in the Building Fund. Interest earnings on monies held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds on Deposit in the Building Fund not needed for the authorized purposes set forth herein for which the Bonds are being issued upon written notice from the District shall be transferred to the Debt Service Fund and applied to the payment of the principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds in the Debt Service Fund, any such excess amounts shall be transferred to the general fund of the District, as permitted by law.

The costs of issuance of the Bonds are hereby authorized to be paid either from premium withheld by the Underwriter upon the sale of the Bonds, or from the principal amount of the Bonds received from the Underwriter. To the extent costs of issuance are paid from such principal amount, the District may direct that a portion thereof, in an amount not-to-exceed 2.0% of such principal amount, in lieu of being deposited into the Building Fund, be deposited in a costs of issuance account to be held by a fiscal agent of the District appointed for such purpose.

(b) Subject to federal tax restrictions, all funds held by the County hereunder shall be invested in Permitted Investments pursuant to law and the investment policy of the County. Neither the County nor its officers and agents, as the case may be, shall have any responsibility or obligation to determine the tax consequences of any investment. The District hereby authorizes investments made pursuant to this Resolution with maturities exceeding five years. The interest earned on the moneys deposited in the Building Fund shall be deposited in the Building Fund and used for the purposes of that fund. Except as required to satisfy the requirements of Section 148(f) of the Code, interest earned on the

investment of moneys held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the Principal of and interest on the Bonds when due.

**SECTION 13. Rebate Fund.** The following provisions shall apply to any Bonds issued as Tax-Exempt Bonds.

(a) The District shall create and establish a special fund designated the “San Bernardino Community College District Election of 2018 General Obligation Bonds, Series A Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District in connection with the Tax-Exempt Bonds (the “Tax Certificate”).

(b) Within 45 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Treasury Regulations, using as the “computation date” for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the “rebate amount” and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Bonds, an amount equal to 100% of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until three years after the complete retirement of the Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Bonds.

**SECTION 14. Security for the Bonds.** There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* property tax annually during the period the Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due, which moneys when collected will be deposited in the Debt Service Fund of the District, and used for the payment of the principal of and interest on the Bonds when and as the same falls due, and for no other purpose. The District covenants to cause the Counties to take all actions necessary to levy such *ad valorem* property tax in accordance with this Section 14. Pursuant to Government Code Section 53515, the Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment of the Bonds.

Pursuant to Government Code Sections 5450 and 5451, the District hereby pledges all revenues received from the levy and collection of *ad valorem* property taxes for the payment of each Series of Bonds and all amounts on deposit in the corresponding Debt Service Fund created pursuant to Section 12 to the payment of such Series of Bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in such Debt Service Fund. This pledge shall constitute an agreement between

the District and the Owners of such Series of Bonds to provide security for the payment of such Bonds in addition to any statutory lien that may exist.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay such principal of and interest on. DTC will thereupon make payments of principal of and interest on the Bonds to the DTC Participants who will thereupon make payments of such principal of and interest on to the Beneficial Owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District, pursuant to Education Code Section 15234.

**SECTION 15. Arbitrage Covenant.** The District covenants that it will restrict the use of the proceeds of the Bonds issued as Tax-Exempt Bonds in such manner and to such extent, if any, as may be necessary, so that the Tax-Exempt Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed thereunder or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

**SECTION 16. Conditions Precedent.** The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

**SECTION 17. Official Statement.** The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Clerk of or Secretary to the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriter to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds, and such Underwriter is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District’s approval of the Official Statement.

**SECTION 18. Insurance.** In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the principal of and interest on the Bonds, it shall become the Owner of such Bonds with the right to payment of such principal or interest, and shall be fully subrogated to all of the Owners’ rights, including the Owners’ rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims of past due interest, the Paying Agent shall note the Bond Insurer’s rights as subrogee on the Bond Register for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Bond Insurer as subrogee on the

Bond Register for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 19. Defeasance.** All or any portion of the Outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with any amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Bonds Outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with cash and amounts transferred from the Debt Service Fund, if any, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds Outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated Outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), and obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that all such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either Moody's or S&P.

**SECTION 20. Nonliability of Counties.** Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither of the Counties, nor the respective officials, officers, employees or agents thereof, shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Bonds are not a debt of the Counties or a pledge of either of the Counties' full faith and credit, and the Bonds and any liability



in connection therewith shall be paid solely from *ad valorem* property taxes lawfully levied to pay the principal of or interest on the Bonds, which taxes shall be unlimited as to rate or amount.

**SECTION 21. Reimbursement of Counties’ Costs.** The District shall reimburse the Counties for all costs and expenses incurred by the County, its officials, officers, agents and employees in issuing or otherwise in connection with the issuance of the Bonds.

**SECTION 22. Request to Counties to Levy Tax.** The Boards of Supervisors and officers of the Counties are obligated by statute to provide for the levy and collection of *ad valorem* property taxes in each year sufficient to pay all principal of and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Boards of Supervisors of the Counties to annually levy a tax upon all taxable property in the District sufficient to pay all such principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The Board hereby finds and determines that such *ad valorem* taxes shall be levied specifically to pay the Bonds being issued to finance specific projects authorized by the voters of the District at the Bond Election.

**SECTION 23. Other Actions.** (a) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby appoints Piper Jaffray & Co. as underwriter and Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel and Disclosure Counsel, each with respect to the issuance of the Bonds.

(c) Notwithstanding any other provisions contained herein, the provisions of this Resolution as they relate to the Bonds may be amended by the Purchase Contract and the Official Statement.

(d) Based on a good faith estimate from the Underwriter, the District finds that (i) the True Interest Cost of the Bonds (as defined in Government Code Section 5852.1) is expected to be approximately 3.51%, (ii) the total Finance Charge of the Bonds (as defined in Government Code Section 5852.1) is expected to be \$1,854,159, (iii) the total proceeds expected to be received by the District from the sale of the Bonds, less the Finance Charge of the Bonds and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$298,935,841, and (iv) the District expects that the Total Payment Amount (as defined in Government Code Section 5852.1), calculated to the final maturity of the Bonds, will be \$539,591,950. The information presented in this section is included in satisfaction of Government Code Section 5852.1, and shall not abrogate or otherwise limit any other provision of this Resolution.

**SECTION 24. Resolution to Treasurer-Tax Collectors.** The Clerk of or Secretary to the Board is hereby directed to provide a certified copy of this Resolution to the Director of Finance, and to the treasurer-tax collector of Riverside County, immediately following its adoption.

**SECTION 25. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate

executed by the District and dated the Date of Delivery, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Board hereby approves the form of the Continuing Disclosure Certificate appended to the form of Preliminary Official Statement on file with the Clerk of or Secretary to the Board as of the date hereof, and the Authorized Officers, each alone, are hereby authorized to execute and deliver such Continuing Disclosure Certificate with such changes therein and modifications thereto as shall be approved by the Underwriter and the Authorized Officer executing the same, such approval to be conclusively evidenced by such execution and delivery. Any Bond Holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

**SECTION 26. Effective Date.** This Resolution shall take effect immediately upon its passage.

**SECTION 27. Further Actions Authorized.** It is hereby covenanted that the District, and its appropriate officials, have duly taken all actions necessary to be taken by them, and will take any additional actions necessary to be taken by them, for carrying out the provisions of this Resolution.

[REMAINDER OF PAGE LEFT BLANK]

**SECTION 28. Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

PASSED, ADOPTED AND APPROVED this 14th day of November, 2019, by the following vote:

AYES:	MEMBERS	_____
NOES:	MEMBERS	_____
ABSTAIN:	MEMBERS	_____
ABSENT:	MEMBERS	_____

\_\_\_\_\_  
President, Board of Trustees  
San Bernardino Community College District

Attest:

\_\_\_\_\_  
Secretary to the Board of Trustees  
San Bernardino Community College District

SECRETARY'S CERTIFICATE

I, Bruce R. Barron, Secretary to the Board of Trustees of the San Bernardino Community College District, San Bernardino and Riverside Counties, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of the District duly and legally held at the regular meeting place thereof on November 14, 2019, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

An Agenda of said meeting was posted at least 72 hours before said meeting at a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: November \_\_\_, 2019

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Secretary to the Board of Trustees  
San Bernardino Community College  
District

**EXHIBIT A**

**FORM OF BONDS**

**UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE PAYING AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN**

REGISTERED  
NO.

REGISTERED  
\$

SAN BERNARDINO COLLEGE DISTRICT  
(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)  
ELECTION OF 2018 GENERAL OBLIGATION BONDS, SERIES [A][A1]

INTEREST RATE:            MATURITY DATE:            DATED AS OF:            CUSIP  
\_\_\_% per annum            August 1, 20\_\_\_            \_\_\_\_\_, 2019

REGISTERED OWNER:        CEDE & CO.

PRINCIPAL AMOUNT:

The San Bernardino Community College District (the "District") in San Bernardino and Riverside Counties, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing February 1, 2020. This Bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2020, in which event it shall bear interest from the Date of Delivery. Interest shall be computed on the basis of a 360-day year of 12, 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond (or, if applicable, one or more predecessor bonds) is registered, such owner being the Registered Owner, on the Register maintained by the Paying Agent, initially U.S. Bank National Association Principal is payable upon presentation and surrender of this Bond at the designated office of the Paying Agent. Interest is payable by wire transfer by the Paying Agent on each Bond Payment Date to the Registered Owner of this Bond

(or one or more predecessor bonds) as shown and to the bank and account number on file at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date.

This Bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the Election (as defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general election held on November 6, 2018 (the "Election"), upon the question of issuing bonds in the amount of \$470,000,000 and the resolution of the Board of Trustees of the District adopted on November 14, 2019 (the "Bond Resolution"). This Bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code. This Bond and the issue of which this Bond is one are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with Education Code Sections 15250 and 15252. Pursuant to Government Code Section 535515, the Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of such *ad valorem* property taxes.

Pursuant to Government Code Sections 5450 and 5451, the District has pledged all revenues received from the levy and collection *ad valorem* property taxes for the payment of the Bonds, and all amounts on deposit in the Debt Service Fund (as defined in the Bond Resolution), to the payment of the Bonds. Such pledge shall constitute a lien on and security interest in such taxes and amounts in the Debt Service Fund, and shall constitute an agreement between the District and the Registered Owners of the Bonds to provide security for the payment of the Bonds in addition to any statutory lien that may exist.

The Bonds of this issue comprise \$ \_\_\_\_\_ principal amount of current interest bonds, of which this bond is a part (each a "Bond").

This Bond is exchangeable and transferable for a Bond of like series, tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) transfer any Bond which has been selected or called for redemption in whole or in part.

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

The Term Bonds maturing on August 1, 20\_\_, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date ( <u>August 1</u> )	Principal <u>Amount</u>
--	----------------------------

---

<sup>(1)</sup> Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 20\_\_ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be selected as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by the Paying Agent as directed by the District, and if not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The Registered Owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

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

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the San Bernardino Community College District, San Bernardino and Riverside Counties California, has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of Trustees of the District, all as of the date stated above.

SAN BERNARDINO COLLEGE DISTRICT

By: \_\_\_\_\_ (Facsimile Signature)  
President of the Board of Trustees

COUNTERSIGNED:

\_\_\_\_\_  
(Facsimile Signature)  
[Secretary to/Clerk of] the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2019.

By: U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

\_\_\_\_\_  
Authorized Officer



### ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): \_\_\_\_\_ this Bond and irrevocably constitutes and appoints attorney to transfer this Bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within Bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

### LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)  
[Secretary to/Clerk of] the Board of Trustees

(Form of Legal Opinion)

\$ \_\_\_\_\_  
**SAN BERNARDINO COMMUNITY  
COLLEGE DISTRICT**  
**(San Bernardino and Riverside Counties,  
California)**  
**Election of 2018 General Obligation Bonds,  
Series A**  
**(Federally Tax-Exempt)**

\$ \_\_\_\_\_  
**SAN BERNARDINO COMMUNITY  
COLLEGE DISTRICT**  
**(San Bernardino and Riverside Counties,  
California)**  
**Election of 2018 General Obligation Bonds,  
Series A-1**  
**(Federally Taxable)**

**PURCHASE CONTRACT**

\_\_\_\_\_, 2019

San Bernardino Community College District  
550 East Hospitality Lane, Suite 200  
San Bernardino, California 92408

Ladies and Gentlemen:

The undersigned, Piper Jaffray & Co. (the “Underwriter”), offers to enter into this Purchase Contract (the “Purchase Contract”) with the San Bernardino Community College District (the “District”), which, upon the District’s acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Resolution (defined below).

The District acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District, (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the District or any other person or entity and has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters), (iii) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission (“SEC”) or the rules of the Municipal Securities Rulemaking Board (“MSRB”), and (iv) the District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G 17 of the MSRB.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to

purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$ \_\_\_\_\_ aggregate initial principal amount of the District's Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt) (the "Series A Bonds") and \$ \_\_\_\_\_ aggregate initial principal amount of the District's Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) (the "Series A-1 Bonds" and, together with the Series A Bonds, the "Bonds").

The Bonds shall bear interest at the rates, shall mature in the years and shall be subject to redemption as shown on Appendix A hereto, which is incorporated herein by this reference. The Bonds shall be dated the date of delivery thereof (the "Date of Delivery") and shall bear interest from such date, payable semiannually on each February 1 and August 1, commencing February 1, 2020.

The Underwriter shall purchase the Series A Bonds at a price of \$ \_\_\_\_\_ (consisting of the principal amount of the Series A Bonds of \$ \_\_\_\_\_, plus net original issue premium of \$ \_\_\_\_\_, less an underwriting discount of \$ \_\_\_\_\_).

The Underwriter shall purchase the Series A-1 Bonds at a price of \$ \_\_\_\_\_ (consisting of the principal amount of the Series A-1 Bonds of \$ \_\_\_\_\_, plus original issue premium of \$ \_\_\_\_\_, less an underwriting discount of \$ \_\_\_\_\_).

2. **The Bonds.** The Bonds shall be dated their Date of Delivery. The Bonds shall mature on the dates and in the years shown on Appendix A hereto, shall otherwise be as described in the Official Statement (defined herein), and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on November 14, 2019 (the "Resolution"), this Purchase Contract and Government Code Section 53506 *et seq.* (the "Act"). The Bonds were authorized at an election of the District on November 6, 2018.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Resolution. The Bonds shall bear CUSIP numbers, and shall be in fully registered book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The Bonds shall initially be in authorized denominations of Five Thousand Dollars (\$5,000) principal amount, or any integral multiple thereof.

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, the Continuing Disclosure Certificate (as defined herein), this Purchase Contract, the Preliminary Official Statement (as defined herein), the Official Statement (as defined herein), the Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

4. **Establishment of Issue Price.** The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields to be set forth on the inside cover page of the Official Statement.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Series A Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and

Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series A Bonds. All actions to be taken by the District under this section to establish the issue price of the Series A Bonds may be taken on behalf of the District by the District’s municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District’s municipal advisor.

(b) The District will treat the first price at which 10% of each maturity of the Series A Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Series A Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series A Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Series A Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the date of Closing has occurred, until the 10% test has been satisfied as to the Series A Bonds of that maturity or until all Series A Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Series A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (1) report the prices at which it sells to the public the unsold Series A Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Series A Bonds of that maturity or all Series A Bonds of that maturity have been sold to the public and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Series A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires.

(d) The Underwriter acknowledges that sales of any Series A Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series A Bonds to the

public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series A Bonds to the public),

(iii) a purchaser of any of the Series A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated \_\_\_\_\_, 2019 (the “Preliminary Official Statement”). The District represents that it has duly authorized and prepared the Preliminary Official Statement for use by the Underwriter in connection with the sale of the Bonds, and that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, redemption provisions, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the SEC promulgated under the Securities Exchange Act of 1934, as amended (the “Rule”).

The Underwriter agrees that prior to the time the final Official Statement (the “Official Statement”) relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

The Underwriter agrees to file the Official Statement with the MSRB through its Electronic Municipal Market Access system within one business day after receipt thereof from the District, but in no event later than the Closing (as defined below).

6. **Closing.** At 9:00 A.M., California Time, on \_\_\_\_\_, 2019, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the “Closing”), the District will deliver to the Underwriter, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Bond Counsel, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Bonds identified in Section 1 above in immediately available funds to the account or accounts designated by the District.

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

(a) Due Organization. The District is a community college district duly organized and validly existing under the laws of the State of California (the “State”), with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Contract and the Continuing Disclosure Certificate (as defined herein), to adopt the Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement (as defined herein), and to carry out and effectuate the transactions contemplated by the Continuing Disclosure Certificate, this Purchase Contract and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Resolution, the Continuing Disclosure Certificate, and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract, assuming the due authorization and execution by the other party thereto, and the Continuing Disclosure Certificate, constitute valid and legally binding obligations of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Contract and the Continuing Disclosure Certificate, the adoption of the Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, excepting therefrom such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) Internal Revenue Code. The District has complied with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), with respect to the Bonds.

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

(f) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the

respective powers of the several offices of the District or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the collection or levy of *ad valorem* property taxes contemplated by the Resolution available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, the Continuing Disclosure Certificate or the Resolution or contesting the powers of the District or its authority with respect to the Bonds, the Resolution, the Continuing Disclosure Certificate, or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations or financial condition of the District or the consummation of the transactions contemplated by this Purchase Contract, the Continuing Disclosure Certificate or the Resolution, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Series A Bonds from gross income for federal income tax purposes and the exemption of such interest from State personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District, nor any person on behalf of the District, will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) Reserved.

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

(j) Continuing Disclosure. In accordance with the requirements of Rule 15c2-12 (the “Rule”), at or prior to the Closing, the District shall have duly authorized, executed and delivered a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement (as defined herein). The Continuing Disclosure Certificate shall comply with the provisions of the Rule and be substantially in the form attached to the Official Statement as Appendix C. Except as otherwise disclosed in the Official Statement and based on a review of its previous undertakings, the District has not, within the past five years, failed to comply in a material respect with any of its previous undertakings pursuant to the Rule to provide annual reports or notice of certain listed events.

(k) Official Statement Accurate and Complete. The Preliminary Official Statement, as of the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of the date hereof and on the date of Closing, the Official Statement (as defined herein) did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Official Statement in reliance upon and in conformity with

information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

If the Official Statement is supplemented or amended pursuant to paragraph (f) of Section 9 of this Purchase Contract, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which made, not misleading.

(l) Levy of Tax. The District hereby agrees to take any and all actions as may be required by Marin County (the “County”) or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the County Auditor and the County Director of Finance a copy of the Resolution, a copy of Appendix A hereto, and the full debt service schedule for the Bonds, in accordance with Education Code Section 15140(c) and policies and procedures of the County.

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

8. **Representations and Agreements of the Underwriter.** The Underwriter represents to and agrees with the District that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Contract and the Underwriter is duly authorized to take any action under the Purchase Contract required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and is not prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship, as that term is defined in the Government Code section 53590(c) or MSRB Rule G-23, with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

(d) The Underwriter has reasonably determined that the District’s undertaking to provide continuing disclosure with respect to the Bonds pursuant to Section 10(e)(13) hereof is sufficient to effect compliance with the Rule.

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



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

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the Resolution and as described in the Official Statement;

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

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District, until the date which is twenty-five (25) days following the Closing;

(e) References. References herein to the Preliminary Official Statement and the Official Statement include the cover page, the inside cover page, and all appendices, exhibits, maps, reports and statements included therein or attached thereto; and

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (as defined herein) (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, at its own expense, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

(1) For purposes of this Purchase Contract, the "End of the Underwriting Period" is used as defined in the Rule and shall occur on the later of (A) the date of Closing or (B) when the Underwriter no longer retains an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter on or prior to the Closing, or otherwise agreed to by the District and the Underwriter, the District may assume that the End of the Underwriting Period is the Closing.

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

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

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

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened which has any of the effects described in Section 7(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices of the Bonds set forth in the Official Statement, shall not have been materially adversely affected in the evidenced judgment of the Underwriter by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

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

(2) legislation enacted by the legislature of the State of California (the "State"), or a decision rendered by a court of the State, or a ruling, order, or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof;

(3) the formal declaration of war by Congress or a new major engagement in or escalation of military hostilities by order of the President of the United States, or the occurrence of any other declared national emergency that interrupts or causes disorder to the operation of the financial markets in the United States;

(4) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading by the New York Stock Exchange, any national securities exchange, or any governmental authority securities exchange;

(5) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not

now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

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

(7) there shall have occurred or any notice shall have been given of any intended downgrade, suspension, withdrawal or negative change in credit watch status by any national credit agency of the District's outstanding indebtedness (without regard to any bond insurance);

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

(9) the suspension by the SEC of trading in the outstanding securities of the District;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds; or

(11) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

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

(1) Opinions.

(i) The approving opinions of Bond Counsel, as to the validity and tax-exempt status of the Series A Bonds, and the validity of the Series A-1 Bonds, dated the date of the Closing, addressed to the District, in substantially the forms set forth in the Preliminary Official Statement and Official Statement as Appendix A.

(ii) A supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter, dated the date of Closing and addressed to the District and the Underwriter, substantially to the effect that:

(A) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions “INTRODUCTION,” “THE BONDS,” “LEGAL MATTERS – Continuing Disclosure – Current Undertaking” and “TAX MATTERS,” to the extent they purport to summarize certain provisions of the Bonds, the Resolution, the Continuing Disclosure Certificate and the form and content of Bond Counsel’s approving opinion with respect to the treatment of interest on the Bonds under State or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to (i) any information contained in Appendices \_\_\_, \_\_\_, or \_\_\_ to the Official Statement, (ii) financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to The Depository Trust Company or its book-entry only system included therein, (iv) any CUSIP numbers or information relating thereto, (v) the District’s compliance with its obligations to file annual reports or provide notice of the events described in Rule 15c2-12 promulgated under the Securities Act of 1934, (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption “MISCELLANEOUS - Underwriting”; and (vii) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption “MISCELLANEOUS - Ratings”;

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

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

(iii) Disclosure Counsel Letter. A letter from Stradling Yocca Carlson & Rauth, dated the date of Closing and addressed to the District and the Underwriter, substantially to the effect that based on such counsel’s participation in conferences with representatives of the Underwriter, the District, and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District and the Underwriter, as a

matter of fact and not opinion, that during the course of its engagement as Disclosure Counsel no information came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (provided that such counsel need not express any opinion with respect to (i) any information contained in Appendices \_\_, \_\_, or \_\_ to the Official Statement, (ii) financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to The Depository Trust Company or its book-entry only system included therein, (iv) any CUSIP numbers or information relating thereto, (v) the District's compliance with its obligations to file annual reports or provide notice of the events described in Rule 15c2-12 promulgated under the Securities Act of 1934, (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption "MISCELLANEOUS - Underwriting"; and (vii) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption "MISCELLANEOUS - Ratings");

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in (10)(e)(1)(i) above;

(3) Certificates. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution, the Continuing Disclosure Certificate and this Purchase Contract to be complied with by the District prior to or concurrently with the Closing, and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Resolution, and (vi) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should be disclosed in order to make the statements in the Official Statement in light of the circumstances in which they were made not misleading;

(4) Arbitrage. A nonarbitrage and tax certificate of the District in form satisfactory to Bond Counsel with respect to the Series A Bonds;

(5) Rating. Evidence satisfactory to the Underwriter (A) that the Bonds have been rated "\_\_\_" by S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), and "\_\_\_" by Moody's Investors Service ("Moody's") (or

such other equivalent ratings as such rating agencies may give), and (B) that any such ratings have not been revoked or downgraded;

(6) Resolution. A certificate, together with fully executed copies of the Resolution, of the Secretary to the District Board of Trustees to the effect that:

(i) such copies are true and correct copies of the Resolution; and

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(7) Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with the Rule;

(8) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate, substantially in the form presented in the Official Statement as Appendix C thereto;

(9) Certificate of the Paying Agent. A certificate of the Paying Agent, signed by a duly authorized officer thereof, and in form and substance satisfactory to the Underwriter, substantially to the effect that, no litigation is pending or, to the best of the Paying Agent's knowledge, threatened (either in state or federal courts) (i) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (ii) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent;

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

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter as provided in Section 6 hereof, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 12(c) and 14 hereof.

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

and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing in its sole discretion.

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

12. **Expenses.** (a) To the extent that the transactions contemplated by this Purchase Contract are consummated, the District shall pay (or cause to be paid), and the Underwriter shall be under no obligation to pay, the costs of issuance with respect to the Bonds, including but not limited to the following: (i) the fees and disbursements of the District's Bond Counsel and Disclosure Counsel; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees for bond ratings, including all necessary travel expenses; (iv) the cost of the printing and distribution of the Preliminary Official Statement and Official Statement; (v) the initial fees of the Paying Agent and fiscal agent; (vii) expenses for travel, lodging, and subsistence related to rating agency visits and other meetings connected to the authorization, sale, issuance and distribution of the Bonds; and (viii) all other fees and expenses incident to the issuance and sale of the Bonds. The District hereby directs the Underwriter to (i) deposit a portion of the proceeds of the Series A Bonds not-to-exceed \$ \_\_\_\_\_ with U.S. Bank National Association, as fiscal agent to the District, for the payment of costs of issuance with respect to the Series A Bonds and (ii) deposit a portion of the proceeds of the Series A-1 Bonds not-to-exceed \$ \_\_\_\_\_ with U.S. Bank National Association, as fiscal agent to the District, for the payment of costs of issuance with respect to the Series A-1 Bonds.

(b) Notwithstanding any of the foregoing, the Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, and other expenses (except those expressly provided above) without limitation, except travel and related expenses in connection with the bond rating.

(c) Notwithstanding Section 10(f) hereof, the District hereby agrees, in the event the purchase and sale of the Bonds does not occur as contemplated hereunder, to reimburse the Underwriter for any costs described in Subsection 12(a)(viii) above that are attributable to District personnel.

13. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to San Bernardino Community College District, 550 East Hospitality Lane, Suite 200, San Bernardino, California 92408, Attention: Executive Vice Chancellor; or if to the Underwriter, Piper Jaffray & Co., 50 California Street, Suite 3100, San Francisco, California 94111, Attention: Ivory Li, Managing Director.

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



of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Contract.

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

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

Very truly yours,

**PIPER JAFFRAY & CO.,** as Underwriter

By: \_\_\_\_\_  
Managing Director

The foregoing is hereby agreed to and accepted at \_\_\_\_\_ p.m. California Time as of the date first above written:

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

By: \_\_\_\_\_  
Executive Vice Chancellor

**APPENDIX A**

\$ \_\_\_\_\_  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Election of 2018 General Obligation Bonds, Series A**  
**(Federally Tax-Exempt)**

**\$70,000,000 Serial Bonds**

<b>Maturity (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>10% Rule</b>	<b>Hold the Price Rule</b>
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<sup>(1)</sup> Yield to call at par on August 1, 20\_\_.

\$ \_\_\_\_\_  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Election of 2018 General Obligation Bonds, Series A-1**  
**(Federally Taxable)**

\$ \_\_\_\_\_ **Serial Bonds**

<b>Maturity (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>
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\$ \_\_\_\_\_ **Term Bonds**

<b>Maturity (August 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>
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## Redemption

### *Optional Redemption.*

#### Series A Bonds.

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

#### Series A-1 Bonds.

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

### *Mandatory Redemption.*

Series A-1 Bonds. The Series A-1 Term Bonds maturing on August 1, 20\_\_ are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Series A-1 Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	<u>Principal Amount</u>
2035	
2036	
2037	
2038 <sup>(1)</sup>	
Total:	

---

<sup>(1)</sup> Maturity.

In the event that a portion of the Series A-1 Term Bonds maturing on August 1, 20\_\_ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Series A-1 Term Bonds optionally redeemed

## APPENDIX B

### FORM OF ISSUE PRICE CERTIFICATE

§ \_\_\_\_\_  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Election of 2018 General Obligation Bonds, Series A**  
**(Federally Tax-Exempt)**

The undersigned, on behalf of Piper Jaffray & Co. (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the Bonds.*** As of the Sale Date, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *Issuer* means the San Bernardino Community College District.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2019.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation

of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PIPER JAFFRAY & CO.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 2019

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES**

**General Rule Maturities**

<b><u>Maturity (August 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>
---------------------------------------	------------------------------------	---------------------------------	---------------------	---------------------

<sup>(1)</sup> Yield to call at par on August 1, 20\_\_.



[v. 10.30.2019, p. 50/158]

**NEW ISSUE—FULL BOOK-ENTRY**

**RATINGS: S&P: “\_\_\_”; Moody’s: “\_\_\_”**  
 (See “MISCELLANEOUS – Ratings” herein)

*In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, under existing statutes, rulings and judicial decisions, interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein with respect to tax consequences relating to the Bonds.*

**\$200,000,000\***  
**SAN BERNARDINO COMMUNITY COLLEGE**  
**DISTRICT**  
 (San Bernardino and Riverside Counties, California)  
 Election of 2018 General Obligation Bonds,  
 Series A (Federally Tax-Exempt)

**\$100,000,000\***  
**SAN BERNARDINO COMMUNITY COLLEGE**  
**DISTRICT**  
 (San Bernardino and Riverside Counties, California)  
 Election of 2018 General Obligation Bonds,  
 Series A-1 (Federally Taxable)

**\$300,000,000\***  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
 (San Bernardino and Riverside Counties, California)  
**2019 General Obligation Refunding Bonds**  
 (Federally Taxable)

**Dated: Dated Date**

**Due: August 1, as shown on inside cover**

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page but not otherwise defined shall have the meanings assigned thereto herein.*

The San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt) (the “Series A Bonds”) and the San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) (the “Series A-1 Bonds”, and together with the Series A Bonds, the “New Money Bonds”), were authorized at an election of the registered voters of the San Bernardino Community College District (the “District”) held on November 6, 2018, at which the requisite 55% of the persons voting on the proposition voted to authorize the issuance and sale of \$470,000,000 aggregate principal amount of general obligation bonds of the District. The Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuing the New Money Bonds.

The San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2019 General Obligation Refunding Bonds (Federally Taxable) (the “2019 Refunding Bonds,” and together with the Series A-1 Bonds, the “Taxable Bonds”, and together with the New Money Bonds, the “Bonds”), are being issued to (i) advance refund a portion of the District’s outstanding Election of 2008 General Obligation Bonds, Series D, (ii) advance refund a portion of the District’s outstanding 2013 General Obligation Refunding Bonds, Series A, (iii) advance refund a portion of the District’s outstanding 2015 General Obligation Refunding Bonds and (iv) pay the costs of issuing the 2019 Refunding Bonds.

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of San Bernardino County and Riverside County are empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as “DTC”). Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees.

The Bonds will be issued as current interest bonds (the “Current Interest Bonds”). Interest on the Bonds accrues from the date of initial delivery and issuance of the Bonds (the “Dated Date”), and is payable semiannually on August 1 and February 1 of each year, commencing February 1, 2020. The Bonds are issuable as fully registered Bonds in denominations of \$5,000 principal amount or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, as the paying agent, bond registrar and transfer agent for the Bonds (the “Paying Agent”), to DTC for subsequent disbursement to DTC Participants (as defined herein) who will remit such payments to the Beneficial Owners of the Bonds. See “THE BONDS – Book-Entry Only System” herein.

**The Bonds are subject to optional redemption as provided herein. The Bonds are further subject to mandatory sinking fund redemption as provided herein.\***

**MATURITY SCHEDULE**  
 (see inside front cover)

*The Bonds are being offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain matters are being passed upon for the District by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel. The Bonds, in book-entry form, will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about \_\_\_\_\_, 2019.\**

**[Piper Jaffray Logo]**

Dated: \_\_\_\_\_, 2019

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**MATURITY SCHEDULE\***

**\$200,000,000\***  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Election of 2018 General Obligation Bonds, Series A**  
**(Federally Tax-Exempt)**

**Base CUSIP<sup>(1)</sup>: 796720**

\$ _____ Serial Bonds				
Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP <sup>(1)</sup> Suffix

\$ \_\_\_\_\_ – \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ %; CUSIP<sup>(1)</sup>: \_\_\_\_\_

\* Preliminary, subject to change.

<sup>(1)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Series A Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series A Bonds.

**MATURITY SCHEDULE\***

**\$100,000,000\***  
**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**  
**(San Bernardino and Riverside Counties, California)**  
**Election of 2018 General Obligation Bonds, Series A-1**  
**(Federally Taxable)**

**Base CUSIP<sup>(1)</sup>: 796720**

<b>Maturity (August 1)</b>	<b>\$ _____ Serial Bonds Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP<sup>(1)</sup> Suffix</b>
--------------------------------	---	--------------------------	--------------	---------------------------------------

\$ \_\_\_\_\_ – \_\_\_\_\_% Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_%; CUSIP<sup>(1)</sup>: \_\_\_\_\_

\* Preliminary, subject to change.

<sup>(1)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CGS, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Series A-1 Bonds. Neither the Underwriter, nor the District are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds and Refunded Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series A-1 Bonds.

**MATURITY SCHEDULE<sup>†</sup>**

**\$300,000,000\***

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
(San Bernardino and Riverside Counties, California)  
2019 General Obligation Refunding Bonds  
(Federally Taxable)**

**Base CUSIP<sup>(1)</sup>: 796720**

\$ _____ Serial Bonds				
<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP<sup>(1)</sup> Suffix</u>

\$ \_\_\_\_\_ – \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ %; CUSIP<sup>(1)</sup>: \_\_\_\_\_

<sup>†</sup> Preliminary, subject to change.

<sup>(1)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CGS, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds and Refunded Bonds. Neither the Underwriter, nor the District are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds and Refunded Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2019 Refunding Bonds and Refunded Bonds.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” “forecast,” “expect,” “intend” and similar expressions identify “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following sentence for inclusion in this Official Statement: “The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.”

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The District maintains a website. However, the information presented on the District’s website is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**Board of Trustees**

John Longville, *President*  
Dr. Anne L. Viricel, *Vice President*  
Joseph Williams, *Clerk*  
Gloria Macías Harrison, *Trustee*  
Dr. Stephanie Houston, *Trustee*  
Frank Reyes, *Trustee*  
Dr. Donald L. Singer, *Trustee*

**District Administration**

Bruce Baron, *Chancellor*  
Jose F. Torres, *Executive Vice Chancellor*

**PROFESSIONAL SERVICES**

**Bond Counsel and Disclosure Counsel**

Stradling Yocca Carlson & Rauth,  
A Professional Corporation  
*San Francisco, California*

**Paying Agent**

U.S. Bank National Association  
*Los Angeles, California*

**Verification Agent**

Causey Demgen & Moore P.C.  
*Denver, Colorado*

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<b>\$200,000,000*</b> <b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b> <b>(San Bernardino and Riverside Counties, California)</b> <b>Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt)</b>	<b>\$100,000,000*</b> <b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b> <b>(San Bernardino and Riverside Counties, California)</b> <b>Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable)</b>
<b>\$300,000,000*</b> <b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b> <b>(San Bernardino and Riverside Counties, California)</b> <b>2019 General Obligation Refunding Bonds</b> <b>(Federally Taxable)</b>	

## INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of (i) San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt) (the “Series A Bonds”) (ii) San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) (the “Series A-1 Bonds”, and together with the Series A Bonds, the “New Money Bonds”) and (iii) San Bernardino Community College District (San Bernardino and Riverside Counties, California) 2019 General Obligation Refunding Bonds (Federally Taxable) (the “2019 Refunding Bonds,” and, together with the Series A-1 Bonds, the “Taxable Bonds”, and together with the New Money Bonds, the “Bonds”).

*This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.*

### **The District**

The San Bernardino Community College District (the “District”) was established in 1926 and serves most of the County of San Bernardino, California and a small portion of the County of Riverside, California. The District maintains two community colleges, Crafton Hills College and San Bernardino Valley College, located in Yucaipa and San Bernardino, California, respectively, which provide collegiate level instruction across a wide spectrum of subjects in grades 13 and 14. The District has approximately 27,000 full and part-time students and serves a resident population of approximately 1.75 million. The Colleges are each fully accredited by the Accrediting Commission of Community and Junior Colleges (the “ACCJC”). Taxable property within the District has a 2019-20 assessed valuation of \$75,660,879,653.

The governing body of the District is the Board of Trustees (the “Board”), which includes seven voting members elected by the voters of the District within seven trustee areas. The Trustees serve four-year terms. Elections for trustee positions to the Board are held every two years, alternating between three and four positions. The management and policies of the District are administered by a Board-appointed Chancellor. Bruce Baron is the District’s current Chancellor.

See “TAX BASE FOR REPAYMENT OF BONDS” herein for information regarding the District’s assessed valuation, and “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA” and

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\* Preliminary, subject to change.

“SAN BERNARDINO COMMUNITY COLLEGE DISTRICT” herein for information regarding the District generally. The District’s audited financial statements for the fiscal year ended June 30, 2018 are attached hereto as APPENDIX B and should be read in their entirety. The discussion of the District’s financial history and the financial information contained herein does not purport to be complete or definitive.

### **Purpose of the Bonds**

***New Money Bonds.*** The New Money Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) to pay the costs of issuing the New Money Bonds. See “THE BONDS – Application and Investment of Bond Proceeds,” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

***2019 Refunding Bonds*** The 2019 Refunding Bonds are being issued to (i) advance refund a portion of the District’s outstanding Election of 2008 General Obligation Bonds, Series D (the “2008 Series D Bonds”), (ii) advance refund a portion of the District’s outstanding 2013 General Obligation Refunding Bonds, Series A (the “2013 Refunding Bonds, Series A”), (iii) advance refund a portion of the District’s outstanding 2015 General Obligation Refunding Bonds (the “2015 Refunding Bonds”) and (iv) pay the costs of issuing the 2019 Refunding Bonds. See “THE BONDS – Application and Investment of Bond Proceeds” and “ESTIMATED SOURCES AND USES OF FUNDS” herein. The 2008 Series D Bonds, 2013 Refunding Bonds, Series A and 2015 Refunding Bonds to be refunded with proceeds of the Bonds are referred to herein as the “Refunded 2008 Series D Bonds”, “Refunded 2013 Refunding Bonds, Series A”, and “Refunded 2015 Refunding Bonds”, respectively, and collectively, as the “Refunded Bonds.”

### **Authority for Issuance of the Bonds**

The Bonds are being issued pursuant to certain provisions of the Government Code and pursuant to resolutions adopted by the Board on November 14, 2019 for the New Money Bonds (the “New Money Resolution”) and the 2019 Refunding Bonds (the “Refunding Resolution,” and together with the New Money Resolution, the “Resolutions”). See “THE BONDS – Authority for Issuance” herein.

### **Sources of Payment for the Bonds**

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of the Counties are empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS” herein.

### **Description of the Bonds**

***Form and Registration.*** The Bonds will be issued in fully registered book-entry form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. See “THE BONDS – General Provisions” and “THE BONDS – Book-Entry Only System” herein. Purchasers of the Bonds (the “Beneficial Owners”) will not receive physical certificates representing their interest in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution. See “THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners” herein.

**So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the “Owners,” “Bond Owners” or “Holders” of the Bonds (other than under the caption “TAX MATTERS” herein and in APPENDIX A attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.**

**Denominations.** Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of \$5,000 principal amount or any integral multiple thereof.

**Redemption.\*** The Bonds are subject to optional redemption prior to their stated maturity dates, as further described herein. Certain of the Bonds are further subject to mandatory sinking fund redemption as further described herein. See “THE BONDS – Redemption” herein.

**Payments.** The Bonds will be dated as of the date of their initial delivery (the “Date of Delivery”). Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each August 1 and February 1, commencing February 1, 2020 (each, a “Bond Payment Date”). Principal of the Bonds is payable on August 1 of each year, as shown on the inside cover pages hereof.

Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, as the designated paying agent, registrar and transfer agent for the Bonds (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners of the Bonds.

## **Tax Matters**

**Series A Bonds.** In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Series A Bonds is exempt from State of California (the “State”) personal income tax. See “TAX MATTERS – Series A Bonds” herein.

**Taxable Bonds.** In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). In the further opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Taxable Bonds is exempt from State personal income tax. See “TAX MATTERS – Taxable Bonds” herein.

## **Offering and Delivery of the Bonds**

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds will be available in book-entry form for delivery through the facilities of DTC in New York, New York, on or about \_\_\_\_\_, 2019.\*

## **Continuing Disclosure**

The District will covenant for the benefit of Owners and Beneficial Owners to make available certain financial information and operating data relating to the District and to provide notices of the

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\* Preliminary, subject to change.

occurrence of certain listed events in compliance with Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) (the “Rule”). These covenants have been made in order to assist the Underwriter (defined herein) in complying with the Rule. The specific nature of the information to be made available and of the notices of listed events required to be provided are summarized in APPENDIX C attached hereto.

### **Bond Owner’s Risks**

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District, and certain other considerations see “TAX BASE FOR REPAYMENT OF BONDS” and “LIMITATION ON REMEDIES; BANKRUPTCY” herein.

### **Professionals Involved in the Offering**

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation will receive compensation from the District contingent upon the sale and delivery of the Bonds. U.S. Bank National Association has been appointed as the Paying Agent with respect to the Bonds and Escrow Agent with respect to the 2019 Refunding Bonds and the Refunded Bonds. Causey Demgen & Moore P.C. is acting as Verification Agent (as defined herein) with respect to the 2019 Refunding Bonds and the Refunded Bonds. From time to time, Bond Counsel represents the Underwriter in matters unrelated to the District or the Bonds.

### **Forward Looking Statements**

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget,” “intend,” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

### **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the San Bernardino Community College District, 550 East Hospitality Lane, Suite 200, San Bernardino, California 92408, telephone: (909) 382-4000. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to each such documents, statutes and constitutional provisions.

The information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolutions.

## THE BONDS

### Authority for Issuance

The New Money Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code and applicable provisions of the Education Code, Article XIII A of the State Constitution, and pursuant to the New Money Resolution. The District received authorization at an election held on November 6, 2018, by the requisite 55% of the votes cast by eligible voters within the District, to issue not-to-exceed \$470,000,000 of general obligation bonds (the “2018 Authorization”). The Bonds are the first issuance of bonds pursuant to the 2018 Authorization, and following the issuance thereof, \$170,000,000\* of bonds shall remain authorized but unissued.

The 2019 Refunding Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and the Refunding Resolution.

### Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Boards of Supervisors of the Counties are empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due.

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\* Preliminary, subject to change.

Such *ad valorem* property taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The Counties, however, are not obligated to establish or maintain such a reserve for the Bonds, and the District can make no representation that such a reserve will be established by either of the Counties or that such a reserve, if previously established by either of the Counties, will be maintained in the future. Such taxes, when collected, will be placed by the County in the respective Debt Service Funds (defined herein) established by the Resolutions, each of which is required to be segregated and maintained by the County and which is designated for the payment of the respective series of Bonds to which such Debt Service Fund relates, and for no other purpose. Pursuant to the Resolutions, the District has pledged funds on deposit in the Debt Service Funds to the payment of the Bonds. Although the Counties are obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Funds, the Bonds are not a debt of the either of the Counties.

Moneys in the Debt Service Funds, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, will be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its DTC Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The amount of the annual *ad valorem* property taxes levied by the Counties to repay the Bonds as described above will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service due on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in real property values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, fire, wildfire, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

### **Statutory Lien**

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of

Article XIII A of the State Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

### **General Provisions**

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Beneficial Owners will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. See “THE BONDS – Book Entry Only System” herein.

The Bonds will be issued as current interest bonds, such that interest thereon will accrue from the date of delivery of the Bonds, and be payable semiannually on each Bond Payment Date, commencing February 1, 2020. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before November 15, 2019, in which event it shall bear interest from its date of delivery. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the cover hereof.

Payment of interest on any Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the 15th day of the month preceding any Bond Payment Date (a “Record Date”), whether or not such day is a business day, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds shall be payable upon maturity or redemption upon surrender at the principal corporate trust office of the Paying Agent. The principal of, premiums, if any, and interest on, the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof

So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered owner of the Bonds. See also “—Book-Entry Only System” below.

**Annual Debt Service**

The following table shows the debt service schedule with respect to the Bonds, assuming no optional redemptions.

	<u>Series A Bonds</u>		<u>Series A-1 Bonds</u>		<u>2019 Refunding Bonds</u>		
<u>Year Ending August 1</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Total Annual Debt Service</u>

<sup>(1)</sup> Interest payments on the Bonds will be made semiannually on August 1 and February 1 of each year, commencing February 1, 2020.

See “SAN BERNARDINO COMMUNITY COLLEGE DISTRICT – District Debt Structure – General Obligation Bonds” herein for a schedule of the combined debt service requirements for all of the District’s outstanding general obligation bonds.



## **Application and Investment of Bond Proceeds**

***New Money Bonds.*** The New Money Bonds are being issued to (i) finance the acquisition, construction, modernization and equipping of District sites and facilities, and (ii) pay the costs of issuing the New Money Bonds.

The net proceeds from the sale of the New Money Bonds will be paid to the County treasury to the credit of the building funds (the “Building Funds”) created by the New Money Resolution, shall be accounted for together with the proceeds of other bonds of the District separately from all other District and County funds. Any accrued interest or premium received by the County from the sale of the New Money Bonds will be paid to the County treasury, to the credit of the debt service funds created by the New Money Resolution (the “New Money Debt Service Fund”) and used only for payment of principal of and interest on the New Money Bonds, and for no other purpose. Any excess proceeds of the New Money Bonds not needed for the authorized purposes for which the New Money Bonds are being issued shall be transferred to the New Money Debt Service Fund and applied to the payment of principal of and interest on the New Money Bonds. Pursuant to the New Money Resolution, the District has pledged monies on deposit in the New Money Debt Service Fund to the payment of the New Money Bonds. If, after payment in full of the New Money Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

***2019 Refunding Bonds.*** The 2019 Refunding Bonds are being issued to (i) advance refund the Refunded Bonds, and (ii) pay the costs of issuing the 2019 Refunding Bonds.

The net proceeds from the sale of the 2019 Refunding Bonds will be deposited with the Escrow Agent, to the credit of the “San Bernardino Community College District 2019 General Obligation Refunding Bonds (Federally Taxable) Escrow Fund” (the “Escrow Fund”) held pursuant to an escrow agreement, dated September 1, 2019, by and between the District and U.S. Bank National Association (the “Escrow Agreement”). Pursuant to the Escrow Agreement, the amounts deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America (collectively, the “Federal Securities”), the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the redemption price of the Refunded Bonds the first optional redemption dates therefor, as well as the interest due on the Refunded Bonds on and prior to such dates. Amounts deposited into the Escrow Fund under the Escrow Agreement are not available to pay any other obligations of the District.

The tables on the following page show information on the specific maturities of the Refunded Bonds to be refunded with proceeds of the Bonds.

**REFUNDED 2008 SERIES D CURRENT INTEREST BONDS\*****San Bernardino Community College District  
Election of 2008 General Obligation Bonds, Series D  
(Current Interest Bonds)**

<u>Maturity Date (August 1)</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal to be Refunded</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price (% of Principal Amount)</u>	<u>CUSIP<sup>†</sup></u>
2045	\$13,155,000	\$13,155,000	5.000%	08/01/2025	100%	796720JW1
2048	12,260,000	12,260,000	5.000	08/01/2025	100	796720JX9

**REFUNDED 2008 SERIES D CAPITAL APPRECIATION BONDS****San Bernardino Community College District  
Election of 2008 General Obligation Bonds, Series D  
(Capital Appreciation Bonds)**

<u>Maturity Date (August 1)</u>	<u>Denominational Amount</u>	<u>Accretion Rate</u>	<u>Redemption Date</u>	<u>Accreted Value at Redemption Date</u>	<u>Redemption Price (Accreted Value)</u>	<u>CUSIP<sup>†</sup></u>
2029	\$567,380.00	4.150%	08/01/2025	\$848,480.00	100%	796720KG4
2030	582,736.00	4.340	08/01/2025	887,480.00	100	796720KH2
2031	597,792.00	4.460	08/01/2025	920,952.00	100	796720KJ8
2032	609,570.00	4.560	08/01/2025	948,129.00	100	796720KK5
2033	628,755.25	4.610	08/01/2025	982,660.90	100	796720KL3
2034	403,843.20	4.660	08/01/2025	634,185.60	100	796720KM1
2035	427,204.80	4.740	08/01/2025	676,026.00	100	796720KN9
2036	453,024.00	4.780	08/01/2025	719,635.40	100	796720KP4
2037	476,264.50	4.820	08/01/2025	759,454.25	100	796720KQ2
2038	496,940.40	4.860	08/01/2025	795,455.10	100	796720KR0
2039	517,853.55	4.890	08/01/2025	831,332.10	100	796720KS8
2040	560,134.10	4.910	08/01/2025	900,906.90	100	796720KT6

**REFUNDED 2013 REFUNDING BONDS, SERIES A\*****San Bernardino Community College District  
2013 General Obligation Refunding Bonds, Series A**

<u>Maturity Date (August 1)</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal to be Refunded</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price (% of Principal Amount)</u>	<u>CUSIP<sup>†</sup></u>
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† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter nor the District is responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds and Refunded Bonds. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Refunded Bonds.

\* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter nor the District

2024	\$16,665,000	\$16,665,000	5.000%	08/01/2023	100%	796720HQ6
2025	18,515,000	18,515,000	5.000	08/01/2023	100	796720HR4
2026	20,505,000	20,505,000	5.000	08/01/2023	100	796720HS2
2027	22,635,000	22,635,000	4.000	08/01/2023	100	796720HT0
2028	5,000,000	5,000,000	4.000	08/01/2023	100	796720HU7
2028	6,945,000	6,945,000	5.000	08/01/2023	100	796720HV5
2029	5,000,000	5,000,000	4.000	08/01/2023	100	796720HW3
2029	8,130,000	8,130,000	5.000	08/01/2023	100	796720HX1
2030	14,400,000	14,400,000	4.000	08/01/2023	100	796720HY9
2031	15,660,000	15,660,000	4.000	08/01/2023	100	796720HZ6
2032	17,010,000	17,010,000	4.000	08/01/2023	100	796720JA9
2033	9,665,000	9,665,000	4.000	08/01/2023	100	796720JB7

**REFUNDED 2015 REFUNDING BONDS\***  
**San Bernardino Community College District**  
**2015 General Obligation Refunding Bonds**

<u>Maturity Date (August 1)</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal to be Refunded</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price (% of Principal Amount)</u>	<u>CUSIP*</u>
2028	\$11,305,000	\$11,305,000	5.000%	08/01/2025	100%	796720KW9
2029	12,415,000	12,415,000	5.000	08/01/2025	100	796720KX7
2030	13,605,000	13,605,000	5.000	08/01/2025	100	796720KY5
2031	14,870,000	14,870,000	5.000	08/01/2025	100	796720KZ2

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to refund the Refunded Bonds as described above will be verified by Causey Demgen & Moore P.C., as the verification agent (the "Verification Agent"). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the computations of the Underwriter and the Verification Agent, the Refunded Bonds will be defeased and the obligation of the Counties to levy *ad valorem* property taxes for payment of the Refunded Bonds will terminate. See "LEGAL MATTERS – Escrow Verification" herein.

Any accrued interest and surplus moneys in the Escrow Fund following the redemption of the Refunded Bonds will be transferred to and accounted for in the fund designated as the debt service fund created by the Refunding Resolution (the "2019 Refunding Debt Service Fund," and together with the New Money Debt Service Funds, the "Debt Service Funds") and used by the District only for payment of principal of and interest on the 2019 Refunding Bonds and for no other purpose. Any excess proceeds of the 2019 Refunding Bonds not needed for the authorized purposes for which the 2019 Refunding Bonds are being issued will be transferred to the 2019 Refunding Debt Service Fund and applied to the payment of principal of and interest on the 2019 Refunding Bonds. Pursuant to the Refunding Resolution, the District has pledged monies on deposit in the 2019 Refunding Debt Service Fund to the payment of the

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is responsible for the selection, uses or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds and Refunded Bonds. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Refunded Bonds.

\* Preliminary, subject to change.

2019 Refunding Bonds. If, after payment in full of the 2019 Refunding Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

**Investment of Proceeds.** Funds on deposit in the Escrow Fund will be invested as described above. Moneys in the Building Funds and Debt Service Funds will be invested through the County’s pooled investment fund. See “APPENDIX E – SAN BERNARDINO COUNTY TREASURY POOL” attached hereto.

**Redemption**

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

**Series A Bonds Mandatory Sinking Fund Redemption.\*** The Series A Bonds maturing on August 1, 20\_\_ (the “Series A Term Bonds”) are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof as of the date fixed for redemption, together with interest accrued to the date set for such redemption, without premium. The principal amount represented by such Series A Bonds to be so redeemed and the redemption dates therefor, and the final payment date is as indicated in the following table:

<b><u>Year Ending</u></b>	<b><u>Principal</u></b>
<b><u>August 1</u></b>	<b><u>To Be Redeemed</u></b>

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<sup>(1)</sup> Maturity.

In the event that a portion of the Series A Term Bonds are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Term Bonds optionally redeemed.

**Series A-1 Bonds Mandatory Sinking Fund Redemption.\*** The Series A-1 Bonds maturing on August 1, 20\_\_ (the “Series A-1 Term Bonds”) are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof as of the date fixed for redemption, together with interest accrued to the date set for such redemption, without premium. The principal amount represented by such Series A-1 Bonds to be so redeemed and the redemption dates therefor, and the final payment date is as indicated in the following table:

<b><u>Year Ending</u></b>	<b><u>Principal</u></b>
<b><u>August 1</u></b>	<b><u>To Be Redeemed</u></b>

\* Preliminary, subject to change.

\* Preliminary, subject to change.

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<sup>(1)</sup> Maturity.

In the event that a portion of the Series A-1 Term Bonds are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Term Bonds optionally redeemed

**2019 Refunding Bonds Mandatory Sinking Fund Redemption.**\* The 2019 Refunding Bonds maturing on August 1, 20\_\_ (the “Refunding Term Bonds”) are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof as of the date fixed for redemption, together with interest accrued to the date set for such redemption, without premium. The principal amount represented by such 2019 Refunding Bonds to be so redeemed and the redemption dates therefor, and the final payment date is as indicated in the following table:

<b><u>Year Ending</u></b> <b><u>August 1</u></b>	<b><u>Principal</u></b> <b><u>To Be Redeemed</u></b>
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<sup>(1)</sup> Maturity.

In the event that a portion of the Refunding Term Bonds are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Term Bonds optionally redeemed

**Selection of Bonds for Redemption.** Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption as directed by the District and, if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent will determine; provided, however, that with respect to redemption by lot, the portion of any Bond to be redeemed in part will be in the principal amount of \$5,000 or any integral multiple thereof.

**Redemption Notice.** When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a “Redemption Notice”) of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage

prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, or overnight delivery service, to one of the Information Services; and (d) provide a Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

“Information Services” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

“Securities Depository” means The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

***Payment of Redeemed Bonds.*** When a Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in “—Defeasance” herein, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

***Partial Redemption of Bonds.*** Upon the surrender of any Bond redeemed in part only, the Paying Agent will authenticate and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amount to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the County and the District will be released and discharged thereupon from all liability to the extent of such payment.

***Effect of Redemption Notice.*** If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest to such redemption date, is held by an independent escrow agent selected by the District so as to be available therefor on such redemption date as described in the Resolution and in “—Defeasance” herein, and if a Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest on the Bonds to be redeemed will cease to accrue and become payable. All money held for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

***Rescission of Redemption Notice.*** With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in “—Defeasance” herein, such Redemption Notice will state that such redemption will be conditional upon the

receipt by an independent escrow agent selected by the District, on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal, premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of the rescission of such Redemption Notice in the same manner as such notice was originally provided.

***Bonds No Longer Outstanding.*** When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity pursuant to the provisions of the Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, accrued interest thereon to the date fixed for redemption, all as provided in the Resolution, then such Bonds will no longer be deemed outstanding and will be surrendered to the Paying Agent for cancellation.

### **Book-Entry Only System**

*The information under this caption concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter takes any responsibility for the accuracy or completeness thereof. The District and the Underwriter cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants (as defined herein) (collectively, the "DTC Participants") will distribute to the Beneficial Owners (a) payments of principal, interest, or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.*

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such bond, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct

Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). However, the information presented on such website is not incorporated herein by any reference to such website.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the Record Date.



The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds or distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

**So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the caption "TAX MATTERS" herein and "APPENDIX A – FORM OF OPINION OF BOND COUNSEL" attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.**

#### **Discontinuation of Book-Entry Only System; Payment to Beneficial Owners**

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its designated office all books and records necessary for the registration, exchange and transfer of such Bonds, which will at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

*In the event that the book-entry only system as described herein is no longer used with respect to the Bonds, the following provisions will govern the payment, registration, transfer, and exchange of the Bonds.*

Payment of interest on any Bond will be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption premiums, if any, payable on the Bonds, will be payable upon maturity or redemption upon surrender at the designated corporate trust office of the Paying Agent. The principal of, premiums, if any, and interest on, the Bonds will be payable in lawful money of the United States of America.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof) upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding any Bond Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending with the close of business on the applicable Bond Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

### **Defeasance**

All or any portion of the outstanding maturities of the Bonds may be defeased at any time prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with any amounts transferred from the respective Debt Service Funds, is sufficient to pay all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any), at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with any amounts transferred from the respective Debt Service Funds and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid, all sums due with respect thereto.

“Government Obligations” means direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such

proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), or Moody’s Investors Service (“Moody’s”).

**ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds with respect to the Bonds are expected to be as follows:

<b>Sources of Funds</b>	<b><u>Series A Bonds</u></b>	<b><u>Series A-1 Bonds</u></b>	<b><u>2019 Refunding Bonds</u></b>
Principal Amount of the Bonds			
[Net] Original Issue Premium			
Total Sources			
<b>Uses of Funds</b>			
Deposit to Building Funds			
Deposit to Series A Debt Service Fund			
Deposit to Series A-1 Debt Service Fund			
Deposit to Escrow Fund			
Underwriting Discount			
Costs of Issuance <sup>(1)</sup>			
Total Uses			

<sup>(1)</sup> Represents all costs of issuance to be paid from proceeds of the Bonds, including, but not limited to legal fees, printing costs, the costs and fees of the Paying Agent, Escrow Agent, and Verification Agent, rating agency fees, and other costs of issuance of the Bonds.

**TAX BASE FOR REPAYMENT OF BONDS**

*The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The principal of and interest on the Bonds are payable solely from the proceeds of ad valorem property taxes levied and collected by the Counties on taxable property in the District. The District’s general fund is not a source for the repayment of the Bonds.*

**Ad Valorem Property Taxation**

District property taxes are assessed and collected by the Counties at the same time and on the same tax rolls as county, city and special district property taxes. Assessed valuations are the same for both the District and the Counties’ taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property is assessed on the “unsecured roll.” Unsecured property comprises all property not attached to land, such as personal property or business property. Boats and airplanes are examples of

unsecured property. A supplemental roll is developed when property changes hands or new construction is completed. The Counties levy and collect all property taxes for property falling within the Counties taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Tax Collector of the respective Counties (each, a “Tax Collector”). After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of \$10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a \$15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Tax Collector.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecured tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder’s office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also “– Tax Levies, Collections and Delinquencies” herein.

State law exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property, such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, K-14 school districts (as defined herein), will share the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year.

### **Assessed Valuations**

The table on the following page shows the assessed valuations for the District for fiscal years 2010-11 through 2019-20, each as of the date the equalized assessment tax roll is established in August of each year.

**ASSESSED VALUATIONS**  
**Fiscal Years 2010-11 through 2019-20**  
**San Bernardino Community College District**  
San Bernardino County Portion

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2010-11	\$48,102,225,348	\$22,211,984	\$2,573,011,000	\$50,697,448,332
2011-12	47,441,439,373	653,349,202	2,444,183,035	50,538,971,610
2012-13	47,852,992,373	634,079,873	2,544,636,467	51,031,708,713
2013-14	49,046,055,762	613,977,400	2,635,586,804	52,295,619,966
2014-15	52,070,446,839	646,817,687	2,804,917,216	55,522,181,742
2015-16	54,764,466,184	703,919,414	2,968,715,761	58,437,101,359
2016-17	58,022,371,593	709,702,741	2,842,648,075	61,574,722,409
2017-18	61,350,167,849	704,674,036	3,022,779,043	65,077,620,928
2018-19	65,775,983,704	768,052,966	3,176,842,931	69,720,879,601
2019-20	70,739,160,292	707,074,039	3,321,874,158	74,768,108,489

Riverside County Portion

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2010-11	\$616,305,411	--	\$9,661,756	\$625,967,167
2011-12	599,232,542	--	10,289,144	609,521,686
2012-13	595,438,145	--	11,758,251	607,196,396
2013-14	603,648,584	--	17,075,546	620,724,130
2014-15	657,473,869	--	10,750,105	668,223,974
2015-16	692,377,123	--	10,362,378	702,739,501
2016-17	740,694,108	--	9,758,486	750,452,594
2017-18	793,309,516	--	10,346,970	803,656,486
2018-19	845,163,909	--	10,064,165	855,228,074
2019-20	881,698,016	--	11,073,148	892,771,164

Total District

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2010-11	\$48,718,530,759	\$22,211,984	\$2,582,672,756	\$51,323,415,499
2011-12	48,040,671,915	653,349,202	2,454,472,179	51,148,493,296
2012-13	48,448,430,518	634,079,873	2,556,394,718	51,638,905,109
2013-14	49,649,704,346	613,977,400	2,652,662,350	52,916,344,096
2014-15	52,727,920,708	646,817,687	2,815,667,321	56,190,405,716
2015-16	55,456,843,307	703,919,414	2,979,078,139	59,139,840,860
2016-17	58,763,065,701	709,702,741	2,852,406,561	62,325,175,003
2017-18	62,143,477,365	704,674,036	3,033,126,013	65,881,277,414
2018-19	66,621,147,613	768,052,966	3,186,907,096	70,576,107,675
2019-20	71,620,858,308	707,074,039	3,332,947,306	75,660,879,653

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as a general market decline in real property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, drought, fire, wildfire, flood or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rates levied by the Counties to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

**Appeals and Adjustments of Assessed Valuations.** Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the "SBE"), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market

conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A. See also “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” herein.

The District does not have information regarding pending appeals of assessed valuation of property within the District. No assurance can be given that property tax appeals currently pending or in the future, or actions by the respective county assessors, will not significantly reduce the assessed valuation of property within the District.

**Assembly Bill 102.** On June 27, 2017, the Governor of the State (the “Governor”) signed into law Assembly Bill 102 (“AB 102”). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

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**Assessed Valuation by Jurisdiction.** The following table below shows an analysis of the distribution of taxable property in the District by jurisdiction, in terms of its fiscal year 2019-20 assessed valuation.

**ASSESSED VALUATION BY JURISDICTION**  
**Fiscal Year 2019-20**  
**San Bernardino Community College District**

<b>Jurisdiction:</b>	<b>Assessed Valuation in District</b>	<b>% of District</b>	<b>Assessed Valuation of Jurisdiction</b>	<b>% of Jurisdiction in District</b>
City of Big Bear Lake	\$3,532,962,295	5.01%	\$3,532,962,295	100.00%
City of Colton	3,473,652,884	4.92	3,473,652,884	100.00
City of Fontana	2,478,974,559	3.51	19,666,430,280	12.61
City of Grand Terrace	1,073,330,816	1.52	1,073,330,816	100.00
City of Highland	3,628,290,209	5.14	3,628,290,209	100.00
City of Loma Linda	2,212,275,555	3.13	2,212,275,555	100.00
City of Redlands	9,858,066,091	13.97	9,858,066,091	100.00
City of Rialto	8,025,401,792	11.37	9,146,266,649	87.75
City of San Bernardino	14,190,216,655	20.11	14,190,216,655	100.00
City of Yucaipa	4,494,969,535	6.37	4,494,969,535	100.00
Unincorporated San Bernardino County	16,752,739,210	23.74	33,648,691,594	49.79
City of Calimesa	624,086,275	0.88	893,658,003	69.84
City of Jurupa Valley	195,007	0.00	9,794,348,618	0.00
Unincorporated Riverside County	<u>230,946,792</u>	<u>0.33</u>	43,011,850,793	0.54
Total District	\$70,576,107,675	100.00%		
<b>Summary by County:</b>				
Riverside County	\$855,228,074	1.21%	\$280,327,986,244	0.31%
San Bernardino County	<u>69,720,879,601</u>	<u>98.79</u>	222,444,908,287	31.34
Total District	\$70,576,107,675	100.00%		

Source: California Municipal Statistics, Inc.

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**Assessed Valuation and Parcels by Land Use.** The following table shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2019-20.

**ASSESSED VALUATION AND PARCELS BY LAND USE**  
**Fiscal Year 2019-20**  
**San Bernardino Community College District**

	<b>2019-20</b>	<b>% of</b>	<b>No. of</b>	<b>% of</b>
	<b><u>Assessed Valuation</u><sup>(1)</sup></b>	<b><u>Total</u></b>	<b><u>Parcels</u></b>	<b><u>Total</u></b>
<b><u>Non-Residential:</u></b>				
Agricultural/Rural	\$300,125,835	0.41%	810	0.27%
Commercial	6,047,800,660	8.25	6,319	2.14
Professional/Office	1,685,043,166	2.30	1,558	0.53
Industrial	7,861,647,574	10.72	3,104	1.05
Recreational	285,463,018	0.39	780	0.26
Government/Social/Institutional	288,086,732	0.39	818	0.28
Power Plant/Utilities	707,074,039	0.96	79	0.03
Miscellaneous	<u>64,552,081</u>	<u>0.09</u>	<u>699</u>	<u>0.24</u>
Subtotal Non-Residential	\$17,239,793,105	23.51%	14,167	4.80%
<b><u>Residential:</u></b>				
Single Family Residence	\$48,715,522,922	66.42%	198,279	67.15%
Condominium/Townhouse	1,412,780,908	1.93	11,350	3.84
Mobile Home	201,450,369	0.27	6,565	2.22
Mobile Home Park	342,921,768	0.47	179	0.06
Timeshare Use	58,805,156	0.08	9,982	3.38
Miscellaneous Residential	33,027,851	0.05	400	0.14
2-4 Residential Units	1,634,821,801	2.23	7,194	2.44
5+ Residential Units/Apartments	<u>2,689,253,913</u>	<u>3.67</u>	<u>2,179</u>	<u>0.74</u>
Subtotal Residential	\$55,088,584,688	75.11%	236,128	79.97%
Vacant Parcels	\$1,015,697,359	1.38%	44,975	15.23%
Total	\$73,344,075,152	100.00%	295,270	100.00%

<sup>(1)</sup> Local secured assessed valuation; excluding tax-exempt property.

Source: *California Municipal Statistics, Inc.*

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**Assessed Valuation of Single Family Homes.** The following table shows the distribution of single family homes within the District among various fiscal year 2019-20 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

**ASSESSED VALUATION OF SINGLE FAMILY HOMES**  
**Fiscal Year 2019-20**  
**San Bernardino Community College District**

	<b>No. of Parcels</b>	<b>2019-20 Assessed Valuation</b>	<b>Average Assessed Valuation</b>	<b>Median Assessed Valuation</b>
Single Family Residential	198,279	\$48,715,522,922	\$245,692	\$210,519

<b>2019-20 Assessed Valuation</b>	<b>No. of Parcels<sup>(1)</sup></b>	<b>% of Total</b>	<b>Cumulative % of Total</b>	<b>Total Valuation</b>	<b>% of Total</b>	<b>Cumulative % of Total</b>
\$0 - \$24,999	1,656	0.835%	0.835%	\$29,165,831	0.060%	0.060%
25,000 - 49,999	7,158	3.610	4.445	278,038,289	0.571	0.631
50,000 - 74,999	9,499	4.791	9.236	596,392,719	1.224	1.855
75,000 - 99,999	11,901	6.002	15.238	1,046,092,009	2.147	4.002
100,000 - 124,999	14,164	7.143	22.382	1,599,085,085	3.282	7.285
125,000 - 149,999	15,788	7.963	30.344	2,172,091,378	4.459	11.743
150,000 - 174,999	16,593	8.369	38.713	2,695,315,904	5.533	17.276
175,000 - 199,999	15,722	7.929	46.642	2,943,699,085	6.043	23.319
200,000 - 224,999	14,716	7.422	54.064	3,121,516,293	6.408	29.726
225,000 - 249,999	13,663	6.891	60.955	3,243,962,724	6.659	36.385
250,000 - 274,999	11,941	6.022	66.977	3,131,069,548	6.427	42.813
275,000 - 299,999	10,188	5.138	72.115	2,922,732,235	6.000	48.812
300,000 - 324,999	9,485	4.784	76.899	2,959,175,163	6.074	54.887
325,000 - 349,999	7,972	4.021	80.919	2,686,292,750	5.514	60.401
350,000 - 374,999	6,849	3.454	84.374	2,478,093,509	5.087	65.488
375,000 - 399,999	5,799	2.925	87.298	2,242,806,868	4.604	70.092
400,000 - 424,999	4,888	2.465	89.763	2,011,881,027	4.130	74.222
425,000 - 449,999	3,743	1.888	91.651	1,634,647,952	3.355	77.577
450,000 - 474,999	2,982	1.504	93.155	1,377,010,636	2.827	80.404
475,000 - 499,999	2,379	1.200	94.355	1,158,678,200	2.378	82.782
500,000 and greater	11,193	5.645	100.000	8,387,775,717	17.218	100.000
Total	198,279	100.000%		\$48,715,522,922	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
Source: California Municipal Statistics, Inc.

### Tax Delinquencies

The County and Riverside County levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes for property falling within the respective Counties' taxing boundaries.

The following table shows the secured tax charges and delinquencies for fiscal years 2007-08 through 2018-19 in the portion of the District in Riverside County. Secured tax charges and delinquency information is not available for the County portion of the District.

**SECURED TAX CHARGES AND DELINQUENCIES**  
**Fiscal Years 2007-08 through 2018-19**  
**San Bernardino Community College District**  
**(Riverside County Portion Only)**

	<u>Secured Tax Charge<sup>(1)</sup></u>	<u>Amount Delinquent (as of June 30)</u>	<u>Percent Delinquent (as of June 30)</u>
2007-08	\$81,837.90	\$8,869.45	10.84%
2008-09	280,836.40	52,233.70	18.60
2009-10	174,743.57	20,950.00	11.99
2010-11	282,048.04	23,472.33	8.32
2011-12	218,598.63	7,182.92	3.29
2012-13	248,714.53	6,340.35	2.55
2013-14	268,617.33	6,425.47	2.39
2014-15	254,148.32	7,166.19	2.82
2015-16	274,556.89	7,731.48	2.82
2016-17	255,558.21	5,880.85	2.30
2017-18			
2018-19			

<sup>(1)</sup> Bond debt service levy.

Source: California Municipal Statistics, Inc.

#### **Alternative Method of Tax Apportionment - Teeter Plan**

The Board of Supervisors of each of the Counties has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Revenue and Taxation Code Section 4701 *et seq.* Under the Teeter Plan, each of the Counties apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the respective county acts as the tax-levying or tax-collecting agency.

The Teeter Plan of each of the Counties is applicable to all tax levies for which such county acts as the tax-levying or tax-collecting agency, or for which such county’s treasury is the legal depository of the tax collections.

The secured *ad valorem* property tax to be levied to pay the principal of and interest on the Bonds will be subject to the Teeter Plan of each of the Counties, beginning in the first year of such levy. The District will receive 100% of the secured *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by each of the respective Counties.

The Teeter Plan of each of the Counties is to remain in effect unless the Board of Supervisors of such county orders its discontinuance or unless, prior to the commencement of any fiscal year of the county (which commences on July 1), the Board of Supervisors of such county receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in such county. In the event the Board of Supervisors of either of the Counties is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected in such county would be allocated to political subdivisions (including the District) for which such county acts as the tax-levying or tax-collecting agency.

## Tax Rates

Representative tax rate areas (“TRAs”) located within the District are Tax Rate Areas 5-000, 17-001 and 105-17. The table below demonstrates the total *ad valorem* tax rates levied by all taxing entities in these TRAs during the five-year period from 2015-16 through 2019-20.

**TYPICAL TAX RATES (TRA 5-000)**  
**Fiscal Years 2015-16 through 2019-20**  
**San Bernardino Community College District**

**Total Tax Rates per \$100 of Assessed Valuation for Largest Tax Rate Areas**

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b><u>TRA 5-000 – 2019-20 Assessed Valuation: \$5,743,011,063</u></b>					
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
City of Redlands	.0105	--	--	--	--
Redlands Unified School District	.0567	.0524	.0494	.0324	.0339
San Bernardino Community College District	.0403	.0350	.0376	.0407	.0562
San Bernardino Valley Municipal Water District	<u>.1625</u>	<u>.1625</u>	<u>.1525</u>	<u>.1525</u>	<u>.1425</u>
Total Tax Rate	1.2595%	1.2499%	1.2395%	1.2256%	1.2326%
<b><u>TRA 17-001 – 2019-20 Assessed Valuation: \$2,846,893,252</u></b>					
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Bear Valley Unified School District	.0348	.0320	.0313	.0302	.0301
San Bernardino Community College District	<u>.0403</u>	<u>.0350</u>	<u>.0376</u>	<u>.0407</u>	<u>.0562</u>
Total Tax Rate	1.0751%	1.0670%	1.0689%	1.0709%	1.0863%
<b><u>TRA 105-17 – 2019-20 Assessed Valuation: \$3,390,568,621</u></b>					
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Rim of the World Unified School District	.0161	.0181	.0171	.0141	.0159
San Bernardino Community College District	<u>.0403</u>	<u>.0350</u>	<u>.0376</u>	<u>.0407</u>	<u>.0562</u>
Total Tax Rate	1.0564%	1.0531%	1.0547%	1.0548%	1.0721%

Source: *California Municipal Statistics, Inc.*

## Largest Property Owners

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses is such a taxpayer’s financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2019-20 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representations as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

**LARGEST LOCAL SECURED TAXPAYERS**  
**Fiscal Year 2019-20**  
**San Bernardino Community College District**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2019-20 Assessed Valuation</u>	<u>% of Total<sup>(1)</sup></u>
1.	Prologis LP	Industrial	\$919,900,297	1.27%
2.	Southern California Edison Company	Power Plant	684,336,529	0.95
3.	Stater Bros. Markets	Industrial/Office Building	371,478,302	0.51
4.	Target Corporation	Industrial	359,714,167	0.50
5.	Teachers Insurance & Annuity Association	Industrial	262,513,064	0.36
6.	Rialto Bldg 6 Project LLC	Industrial	182,668,654	0.25
7.	AM Institutional Alliance Fund III	Industrial	154,682,778	0.21
8.	WI Loma Linda LLC	Medical Buildings	135,037,384	0.19
9.	PVT Apartments SPE LLC	Apartments	130,600,000	0.18
10.	Watson land Company	Industrial	129,295,424	0.18
11.	Mountain Grove Partners	Shopping Center	118,959,846	0.16
12.	WM Inland Investors IV LLC	Shopping Center	115,513,944	0.16
13.	Ashley Furniture Industries Inc.	Industrial	114,219,642	0.16
14.	Lit Industrial LP	Industrial	109,824,227	0.15
15.	Sierra Lakes Commerce LLC	Industrial	109,023,747	0.15
16.	IE Logistics Inc.	Industrial	108,017,895	0.15
17.	Thrifty Oil Co.	Industrial	107,316,923	0.15
18.	NYS/New LLC	Office Building	105,105,844	0.15
19.	Westcore II Tippecanoe LLC	Industrial	97,461,000	0.13
20.	Gear 6207 Cajon Propco LLC	Industrial	96,638,000	0.13
			\$4,412,307,667	6.10%

<sup>(1)</sup> 2019-20 local secured assessed valuation: \$72,328,628,088.

Source: California Municipal Statistics, Inc.

### Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the “Debt Report”) prepared by California Municipal Statistics, Inc., effective as of November 1, 2019 for debt issued as of October 14, 2019. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The table shows the percentage of each overlapping entity’s assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity’s existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the

table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

**STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT  
San Bernardino Community College District**

**2019-20 Assessed Valuation:** \$75,660,879,653

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable<sup>(1)</sup></u>	<u>Debt 11/1/19</u>
Metropolitan Water District	0.035%	\$16,818
<b>San Bernardino Community College District</b>	<b>100.000</b>	<b>418,218,861<sup>(2)</sup></b>
Bear Valley Unified School District	100.000	8,414,898
Beaumont Unified School District	0.059	49,308
Colton Joint Unified School District	100.000	182,403,765
Redlands Unified School District	100.000	67,818,512
Rialto Unified School District	100.000	78,573,902
Rim of the World Unified School District	100.000	19,429,996
San Bernardino City Unified School District	100.000	230,457,341
San Gorgonio Memorial Hospital District	0.384	409,210
Community Facilities Districts	40.064-100.000	168,970,753
1915 Act Bonds	42.272-100.000	4,822,803
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$1,179,586,167</b>
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Bernardino County General Fund Obligations	31.343%	\$74,953,650
San Bernardino County Pension Obligation Bonds	31.343	74,349,557
San Bernardino County Flood Control District General Fund Obligations	31.343	17,914,092
Riverside County General Fund and Pension Obligation Bonds	0.305	3,094,641
San Bernardino City Unified School District Certificates of Participation	100.000	102,105,000
Rialto Unified School District Certificates of Participation	100.000	12,389,391
Other School District Certificates of Participation	Various	18,725,346
City of Colton General Fund and Pension Obligation Bonds	100.000	27,599,400
City of Redlands Pension Obligation Bonds	100.000	8,098,225
City of San Bernardino General Fund Obligations and Pension Obligation Bonds	100.000	47,868,762
Other City General Fund Obligations	Various	11,001,485
Special District General Fund Obligations	99.975-100.000	6,041,070
<b>TOTAL GROSS OVERLAPPING GENERAL FUND DEBT</b>		<b>\$404,140,619</b>
Less: Riverside County supported obligations		5,298
<b>TOTAL NET OVERLAPPING GENERAL FUND DEBT</b>		<b>\$404,135,321</b>
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>		
Successor Agency to Fontana Redevelopment Agency	15.196-43.130%	\$40,381,131
Successor Agency to Highland Redevelopment Agency	100.000	44,945,000
Successor Agency to Rialto Redevelopment Agency	85.867	102,417,864
Successor Agency to San Bernardino County Redevelopment Agency	100.000	237,290,000
Successor Agency to San Bernardino City Redevelopment Agency	100.000	66,201,797
Successor Agency to Other Redevelopment Agencies	Various	77,256,481
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>		<b>\$568,492,273</b>
 GROSS COMBINED TOTAL DEBT		 \$2,152,219,059 <sup>(3)</sup>
NET COMBINED TOTAL DEBT		\$2,152,213,761

(1) 2018-19 ratios.

(2) Excludes issue to be sold.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:

<b>Direct Debt (\$418,218,861)</b> .....	<b>0.55%</b>
Total Direct and Overlapping Tax and Assessment Debt .....	1.56%
Gross Combined Total Debt .....	2.84%
Net Combined Total Debt .....	2.84%

Ratios to Redevelopment Incremental Valuation (\$23,733,184,184):

Total Overlapping Tax Increment Debt .....	2.40%
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<sup>(1)</sup> Excludes the Bonds but includes the Refunded Bonds.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

## CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

*The principal of and interest on the Bonds are payable solely from the proceeds of an ad valorem property tax levied by the Counties for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the Counties to levy taxes on behalf of the District and of the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the Counties to levy ad valorem property taxes for payment of the principal of and interest on the Bonds.*

### Article XIII A of the California Constitution

Article XIII A (“Article XIII A”) of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 bill under “full cash value,” or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the “base year value.” The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the adjusted base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the Counties to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations” herein.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem* property, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIII A requires the approval of two-thirds or more of all members of the legislature of the State (the “State Legislature”) to change any State taxes for the purpose of increasing tax revenues.

***Split Roll Property Tax Ballot Measure.*** On October 15, 2018, a proposed ballot initiative became eligible for the November 2020 Statewide ballot (the “2020 Ballot Measure”). If approved by a majority of voters casting a ballot at the November 2020 Statewide election, the 2020 Ballot Measure would amend Article XIII A such that the “full cash value” of commercial and industrial real property that is not zoned for commercial agricultural production, for each lien date, would be equal to the fair market value of that property. If passed, the 2020 Ballot Measure would not affect the “full cash value” of residential property or real property used for commercial agricultural production, which would continue to be subject to annual increases not to exceed 2%. After compensating the State General Fund for resulting reductions in State personal income tax and corporate tax revenues, and compensating cities, counties and special districts for the cost of implementing the 2020 Ballot Measure, approximately 40% of the remaining additional tax revenues generated as a result of the 2020 Ballot Measure would be deposited into a fund created pursuant to the 2020 Ballot Measure called the Local School and Community College Property Tax Fund, with such funds being used to supplement, and not replace, existing funding school districts and community college districts receive under the State’s constitutional minimum funding requirement. The District cannot predict whether the 2020 Ballot Measure will appear on the Statewide ballot at the November 2020 election or, if it does, whether the 2020 Ballot Measure will be approved by a majority of voters casting a ballot. If approved, the District cannot make any assurance as to what effect the implementation of the 2020 Ballot Measure will have on District revenues or the assessed valuation of real property in the District.

### **Legislation Implementing Article XIII A**

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIII A.

### **Proposition 50 and Proposition 171**

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A of the State Constitution to allow owners of property that was “substantially damaged or destroyed” by a disaster, as declared by the Governor, (the “Damaged Property”), to transfer their existing base year value (the “Original Base Year Value”) to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the “Original Cash Value”); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120 percent of the Original Cash Value, then the Replacement Base Year Value is calculate by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120 percent of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105 percent of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110 percent of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115 percent of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

### **Unitary Property**

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the SBE as part of a “going concern” rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a community supported district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State’s school financing formula. See “DISTRICT FINANCIAL INFORMATION – State Funding of Education” herein.

### **Article XIII B of the California Constitution**

Article XIII B (“Article XIII B”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population



and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines

- (a) “change in the cost of living” with respect to school districts and community college districts (collectively “K-14 school districts”) to mean the percentage change in State per capita income from the preceding year, and
- (b) “change in population” with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for bonded debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See “– Propositions 98 and 111” below.

### **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its

maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the Counties pursuant to Article XIII A of the State Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

### **Proposition 26**

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIC of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

### **Propositions 98 and 111**

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act were modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-14 school districts at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.
- b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of such districts' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.
- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, and (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. A complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (“Test 1”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (“Test 2”). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test (“Test 3”), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a “credit” to K-14 school districts (also referred to as a “maintenance factor”) which will be paid in future years when State general fund revenue growth exceeds personal income growth.

### **Proposition 39**

On November 7, 2000, State voters approved an amendment (commonly known as “Proposition 39”) to the State Constitution. Proposition 39 is an initiated Constitutional amendment that (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property, such that property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate projected to be levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for an elementary school district, such as the District, or a high school district), or \$25 (for a community college district), per \$100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIII A of the State Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

## **Proposition 1A and Proposition 22**

On November 2, 2004, State voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. The State may shift from schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was projected to be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

## **Proposition 55**

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 6, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community

college districts. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111” herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “EPA”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

### **Jarvis v. Connell**

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District’s budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the State Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the State Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

### **Proposition 2**

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as “Proposition 2”). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State’s Budget Stabilization Account (the “BSA”) established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the “Annual BSA Transfer”). Supplemental transfers to the BSA (a “Supplemental BSA Transfer”) are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as an emergency within the meaning of Article XIII B of the State Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living.

### **Proposition 51**

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of \$9 billion in general obligation bonds by the State for the new construction and modernization of K-14 facilities.

***K-12 School Facilities.*** Proposition 51 includes \$3 billion for the new construction of K-12 facilities and an additional \$3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school district lacks sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of \$1 billion will be available for the modernization

and new construction of charter school facilities (\$500 million) and technical education facilities (\$500 million). Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, school districts that cannot cover their local share for these two types of projects may apply for State loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, State grants are capped at \$3 million for a new facility and \$1.5 million for a modernized facility. Charter schools must be deemed financially sound before project approval.

***Community College Facilities.*** Proposition 51 includes \$2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State Legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State Legislature will select among eligible projects as part of the annual state budget process.

The District makes no representation or guarantees that it will either pursue or qualify for Proposition 51 State facilities funding.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the State Constitution and Propositions 22, 26, 30, 39, 98, 55 and 51 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.



## FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

*The information in this section concerning State funding of community college districts is provided as supplementary information only, and it should not be inferred from the inclusion of the information under this heading that the principal of and interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the Counties in an amount sufficient for the payment thereof.*

### Major Revenues

**General.** California community college districts (other than “community supported” Basic Aid districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, lottery funds, and other minor sources. Every community college district receives the same amount of State lottery funds on a per-student basis (which is generally less than 3%), although lottery funds are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery requires the funds to be used for instructional purposes, and prohibits their use for capital purposes.

The major local revenue source is local property taxes that are collected from within district boundaries, with student enrollment fees accounting for the most of the remainder. A small part of a community college district’s budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations, educational foundation contributions and sales or leases of property.

The sum of property taxes, student enrollment fees, EPA funds, and State aid comprise a district’s revenue limit. State funding is generally subject to the appropriation of funds in the State’s annual budget. Thus, decreases in State revenues may affect appropriations made by the State Legislature to community college districts.

“Basic Aid” community college districts (also referred to “community supported” districts) are those districts whose local property taxes, student enrollment fee collections, and Education Protection Account funds exceed the revenue allocation determined by the current State funding model. Thus, Basic Aid districts do not receive any general apportionment funding from the State. The current law in the State allows these districts to keep the excess funds without penalty. The implication for Basic Aid districts is that legislatively determined annual COLAs and other politically determined factors are less significant in determining such districts primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District is not currently a Basic Aid district.

**Enrollment Based Funding.** California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361 (“SB 361”). SB 361 provided for a basic allocation (a “Basic Allocation”) based on the number of colleges, state-approved education centers and total enrollment, together with funding based on per-student rates for credit FTES, non-credit FTES and career development and college preparation (“CDCP”) non-credit FTES.

SB 361 specified that, commencing with the 2006-07 fiscal year the minimum funding per FTES would be: (a) not less than \$4,367 per credit FTES; (b) at a uniform rate of \$2,626 per non-credit FTES; and (c) \$3,092 per CDCP FTES. Although CDCP FTES were initially funded at a lower rate than credit FTES, subsequent legislation effective as of the 2015-16 fiscal year set the minimum funding for CDCP FTES at the same level as credit FTES. Each such minimum funding rate was subject to cost of living adjustments (each, a “COLA”), if any, funded through the State budgeting legislation in each fiscal year.

One unit of FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District.

In each fiscal year, the State budget established an enrollment cap on the maximum number of resident FTES, known as the “funded” FTES, for which a community college district would receive a revenue allocation. A district’s enrollment cap was based on the previous fiscal year’s reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap were considered “unfunded” FTES. Nonresident and international students are excluded from the State funding formula and pay full tuition.

***Student Centered Funding Formula.*** Assembly Bill 1809 (“AB 1809”), the higher education trailer bill passed as part of the State budget for fiscal year 2018-19, referred to as the “Student Centered Funding Formula,” (the “SCFF”). The SCFF includes three components: (1) a base allocation (the “Base Allocation”) driven primarily by enrollment, (2) a supplemental allocation (the “Supplemental Allocation”) based on the number of certain types of low-income students, and (3) a student success allocation (the “Student Success Allocation”) that is calculated using various performance-based metrics.

The SCFF includes several provisions to provide districts greater financial stability in transitioning to the new formula: (i) for fiscal years 2018-19 through 2021-22, community college districts will receive no less in total apportionment funding than they received in 2017-18, adjusted for COLAs; (ii) for fiscal year 2022-23 and onward, districts will receive no less in apportionment funding per-student than they received in fiscal year 2017-18; and (iii) beginning in fiscal year 2018-19, districts will receive the greater of the amount calculated by the SCFF for the current or prior year (excluding amounts districts receive pursuant to the provision summarized in (i) above.)

**Base Allocation.** The Base Allocation is composed of (1) the Basic Allocation, determined consistent with the prior funding formula (see “—Enrollment Based Funding”), and (2) funding for credit, non-credit and CDCP FTES. The Base Allocation is expected to constitute approximately 70% of Statewide funding for community college districts in fiscal year 2018-19 and in fiscal year 2019-20. Future years’ allocations are yet to be determined.

The SCFF provides minimum funding levels for credit FTES for the first fiscal year at \$3,727 for fiscal year 2018-19. For fiscal year 2019-20 the State’s 2019-20 Budget recalculates funding rates in the base, supplemental and student success allocations so that 70% of SCFF funds would be allocated to the base allocation. Beginning in 2020-21 those funding rates would be adjusted by COLA. Notwithstanding the foregoing, the SCFF provides higher credit FTES funding rates for certain districts, that were entitled to higher funding rates under the prior funding formula. Beginning in fiscal year 2021-22, the provision of COLAs and other adjustments will be subject to appropriation therefor in the annual State budget. Total funding for credit FTES will be based on a rolling three-year average of the funded credit FTES from the current fiscal year and the two immediately preceding fiscal years. Credit FTES associated with enrollment growth proposed in the annual budget act shall be excluded from the three-year average and shall instead be added to the computed three-year rolling average. In computing the three-year average, credit FTES generated by incarcerated and special admit students shall be excluded and funded consistent with the prior funding formula.

Funding levels for non-credit and CDCP FTES are determined consistent with the prior funding formula. See “—Enrollment Based Funding” herein. Total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent fiscal year.

For fiscal year 2018-19, the District received a Base Allocation equal to \$66,092,275. For fiscal year 2019-20, the District has budgeted the receipt of Base Allocation equal to \$68,590,811.

The table below shows a breakdown of the District’s historical resident FTES figures for the last ten fiscal years, and a projection for the current fiscal year.

**FULL TIME EQUIVALENT STUDENTS<sup>(1)</sup>**  
**Fiscal Years 2009-10 through 2019-20**  
**San Bernardino Community College District**

<u>Year</u>	<u>Funded FTES<sup>(2)</sup></u>	<u>Unfunded FTES<sup>(2)(3)</sup></u>	<u>Total FTES</u>
2009-10	13,777	2,061	15,838
2010-11	14,151	1,038	15,189
2011-12	13,069	696	13,765
2012-13	13,241	--	13,241
2013-14	13,576	825	14,401
2014-15	14,245	472	14,717
2015-16	15,343	--	15,343
2016-17 <sup>(4)</sup>	15,343	--	15,343
2017-18	15,304	--	15,304
2018-19	15,292	--	15,292
2019-20 <sup>(5)</sup>	15,364	--	15,364

<sup>(1)</sup> One FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District. Reflects resident FTES counts only. Non-resident FTES are generally excluded from State funding formula calculations.

<sup>(2)</sup> In each fiscal year, the State budget will establish an enrollment cap on the maximum number of FTES, known as the “funded” FTES, for which a community college district will receive a revenue allocation, as determined by the program-based model. A district’s enrollment cap is based on the previous fiscal year’s reported FTES, plus the growth allowance provided for by the State budget, if any. All student hours in excess of the enrollment cap are considered “unfunded” FTES.

<sup>(3)</sup> Unfunded FTES amounts are the product of increased enrollment coupled with lower State funding levels.

<sup>(4)</sup> In fiscal year 2016-17, FTES figures include approximately 1,090 FTES in excess of the District’s actual FTES count, and for which it received State funding. Reflects the receipt of “stability” funding. Under California Code Regulations Section 58776, during the initial year of a decline in FTES, community college districts are eligible to receive “stability” funding, in an amount equal to the revenue loss associated with a decline in FTES for that year. Stability funding is available for a one year period. If FTES are not restored to the pre-decline level within a period of two years following the initial decline, a community college district that has received stability funding is subject to a permanent reduction of its funded FTES and an attendant decline in operating revenue.

<sup>(5)</sup> Budgeted.

Supplemental Allocation. The Supplemental Allocation, accounting for approximately 20% of Statewide funding, will be distributed to districts based on their headcounts of students that receive Federal Pell Grants, a student who is granted an exemption from nonresident tuition pursuant to Section 68130.5 (AB540), and student fee waivers under Education Code 76300 (California College Promise Grant). The SCFF provides \$919 per qualifying student for fiscal year 2018-19. Beginning in fiscal year 2019-20, the State’s 2019-20 Budget recalculates funding rates for supplemental allocation so that in 2019-20, 20% of the SCFF funds would be allocated for the supplemental allocation. Beginning in 2020-21 those rates would be adjusted by COLA. Headcounts are not unduplicated, such that districts will receive twice or three times as much supplemental funding for a student that falls into more than one of the aforementioned categories. For fiscal year 2018-19, the District received a Supplemental Allocation of approximately \$22,221,420. For fiscal year 2019-20, the District has budgeted the receipt of a Supplemental Allocation of approximately \$22,955,180.

Student Success Allocation. The Student Success Allocation will be distributed to districts based on their performance in various student outcome metrics, including obtaining various degrees and certificates, completing transfer-level math and English courses within a student's first year, and having students obtain a regional living wage within a year of completing community college. The Student Success Allocation is expected to account for 10% of statewide funding for community college districts. Each metric is assigned a point value, with some metrics weighted more than others. A single student outcome with more points will generate more funding. Beginning in fiscal year 2019-20 the student success allocation will count only the highest of all awards a student earned in the same year and will only count the award if the student was enrolled in the district in the year the award was granted. The student success allocation will also calculate based on the three-year rolling average of each metric. Outcome metrics for students that qualify for Federal Pell Grants, AB 540 and California College Promise Grants are eligible for additional funding.

For fiscal year 2018-19, the SCFF provides a rate for all students of \$440 per point, and additional \$111 per point for Pell Grant, AB 540 and California College Promise Grant students. For fiscal year 2019-20 the State's 2019-20 Budget recalculates funding rates for the student success allocation so that in 2019-20, 10% of the SCFF funds would be allocated for the student success allocation. Beginning in 2020-21 those rates would be adjusted by COLA. For fiscal year 2018-19, the District received a Student Success Allocation equal to \$9,451,000 and for fiscal year 2019-20, the District has budgeted the receipt of a Student Success Allocation equal to \$9,759,206.

### **Budget Procedures**

On or before September 15, the Board of Trustees of a community college district is required under Section 58305 of the California Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor, submits to the Department of Finance ("DOF") proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals ("BCPs"), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the DOF makes recommendations to the governor, and by January 10 a proposed State budget is presented by the governor to the legislature. The Governor's State budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the governor issues a revised budget with changes he or she can support. The law requires the legislature to submit its approved budget by June 15, and by June 30 the governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the Board of Governors and the Chancellor's Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of California's community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district's financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district's financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district's financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district's financial condition, the Chancellor will pay special attention to each district's general fund balance, spending pattern, and full-time equivalent student patterns. Those districts

with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

See "SAN BERNARDINO COMMUNITY COLLEGE DISTRICT – General Fund Budgeting" herein for more information regarding the District's recent budgets.

### **Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111**

**General.** In 1988, California voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual K-14 funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding test ("Test 3") to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in California's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIII B).

**Calculating Minimum Funding Guarantee.** There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-12 districts, community college districts, and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is the 1989-90 fiscal year. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount under Proposition 98 guarantee (K-14 education aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40 percent. Because of the major shifts of property tax from local government to school districts and community college districts which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth and per-capita personal income COLA.

Test 3 established pursuant to Proposition 111, provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The total allocation, however, is increased by an amount equal to one-half of one percent of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance (also referred to as a “maintenance factor”) equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

### **Additional Sources of Funding**

***FCC Auction Proceeds.*** The District, which previously held the KVCR-TV’s broadcast license, participated in the Federal Communications Commission’s voluntary incentive auction designed to increase bandwidth for mobile and wireless providers. By electing to participate in the auction, the District voluntarily relinquished their spectrum usage rights on its ultra-high frequency (UHF) channel. In July 2017, the District received \$157,713,171 in one time funds from the sale of its spectrum rights. As a result, the KVCR will now broadcast over a very-high frequency (VHF) channel. Approximately \$16 million of the proceeds from the auction have been invested in KVCR to cover expenses necessary to transition its broadcast facilities from UHF to VHF, and other improvements. Of the remainder, approximately \$90 million is being invested in Public Agency Retirement Services (PARS) accounts. The funds invested in the PARS fund are invested in a tax-exempt prefunding vehicle to mitigate long-term STRS and PERS contribution rate volatility. Such funds are protected from diversion to other uses and may be used to offset contribution rate increases or as source of funds for pension related costs. Funds in the PARS Trust can be withdrawn annually in amounts equal to annual STRS and PERS expenses for the current fiscal year, which currently is approximately \$16 million. In addition, \$44,350,000 has been invested in commercial real estate. Rental income from the commercial real estate, is expected to be approximately \$2 million annually, which is available for any lawful purpose. Initially, the District plans to use the rental income generated from the commercial real estate investment to fund a portion of the District’s free college promise program.

***Tax Offset and Pass-Through Revenues.*** The District previously received tax offset revenue from the County as a part of certain redevelopment projects within the County (the “Tax Offset Revenues”). The Tax Offset Revenues received are deposited directly into the District’s general fund and are offset against the State apportionment received by the District. The District also receives pass-through tax increment revenue (the “Pass-Through Revenues”) from the former redevelopment agencies within the District’s boundaries. The Pass-Through Revenues received by the District are deposited into the District’s Fund 41 – Capital Outlay Fund, and are used for capital facilities projects and capital equipment. The Pass-Through Revenues are not offset against the State apportionment received by the District. The amount of Tax Offset Revenues and Pass-Through Revenues received by the District from fiscal years 2012-13 through 2018-19, and a budgeted amount for fiscal year 2019-20 are shown in the following table.

**TAX OFFSET AND PASS-THROUGH REVENUES**  
**Fiscal Years 2012-13 through 2019-20**  
**San Bernardino Community College District**

<b><u>Fiscal Year</u></b>	<b><u>Tax Offset Revenues<sup>(1)</sup></u></b>	<b><u>Pass-Through Revenues<sup>(2)</sup></u></b>
2012-13	\$4,285,109	--
2013-14	7,629,340	\$1,342,784
2014-15	5,067,569	1,260,664
2015-16	5,129,739	1,606,611
2016-17	7,115,077	1,484,403
2017-18	8,187,986	1,683,706
2018-19	10,738,620	1,926,017
2019-20 <sup>(3)</sup>	--	1,325,000

<sup>(1)</sup> Tax Offset Revenues received by the District are offset against the State apportionments received by the District.

<sup>(2)</sup> Pass-Through Revenues received by the District are not offset against the State apportionments received by the District.

<sup>(3)</sup> Budgeted.

Source: *San Bernardino Community College District.*

The District, however, can make no representations that Tax Offset Revenues and Pass-Through Revenues will continue to be received by the District in amounts consistent with prior years, or as currently projected, particularly in light of the elimination of redevelopment agencies. See “-State Dissolution of Redevelopment Agencies” below. The Bonds, however, are not payable from such revenue. The Bonds shall be payable solely from the proceeds of an *ad valorem* property tax required to be levied by the Counties in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.

### **Dissolution of Redevelopment Agencies**

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all Redevelopment Agencies in the State ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the State Constitution, as amended by Proposition 22. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22” herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling \$1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) (“AB 1484”), which, together with ABx1 26, is referred to herein as the “Dissolution Act.” The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a “Successor Agency”). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller’s cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund (“Trust Fund”), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any “enforceable obligations” of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines “enforceable obligations” to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least \$250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the State Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the State Controller. If the State Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) (“AB 1290”), are restricted to educational facilities without offset against apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount “which would have been received . . . had the redevelopment agency existed at that time,” and that the county auditor-controller shall “determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved using current assessed values . . . and pursuant to statutory formulas and contractual agreements with other taxing agencies.”



Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which its base apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies any other surplus property tax revenues pursuant to the Dissolution Act.

### **State Assistance**

*State community college districts' principal funding formulas and revenue sources are derived from the State budget. The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District nor the Underwriter takes any responsibility as to the accuracy or completeness thereof and has not independently verified such information.*

**2019-20 Budget.** On June 27, 2019, the Governor signed into law the State budget for fiscal year 2019-20 (the "2019-20 Budget"). The following information is drawn from the State Department of Finance's summary of the 2019-20 Budget.

For fiscal year 2018-19, the 2019-20 Budget projects total general fund revenues and transfers of \$138 billion and total expenditures of \$142.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of \$20.7 billion, including \$5.4 billion in the traditional general fund reserve, \$14.4 billion in the BSA and \$900 million in the Safety Net Reserve Fund for the CalWORKs and Medi-Cal programs. For fiscal year 2019-20, the 2019-20 Budget projects total general fund revenues and transfers of \$143.8 billion and authorizes expenditures of \$147.8 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of \$18.8 billion, including \$1.4 billion in the traditional general fund reserve, \$16.5 billion in the BSA and \$900 million in the Safety Net Reserve Fund. The 2019-20 Budget also authorizes a deposit to the PSSSA of \$376.5 million in order to comply with Proposition 2.

For fiscal year 2019-20, the Budget sets the minimum funding guarantee at \$81.1 billion. Other significant features with respect to community college funding include the following:

- *Student Centered Funding Formula* – An ongoing increase of \$254.7 million in Proposition 98 funding to support the SCFF, including (i) an increase of \$230 million to support a 3.26% COLA for total apportionment growth, and (ii) an increase of \$24.7 million to fund 0.55% of enrollment growth.
- *Settle-Up Payment* - An increase of \$686.6 million for K-14 school districts to pay the balance of past-year Proposition 98 funding owed through fiscal year 2017-18.
- *Pension Costs* – A \$3.15 billion payment from non-Proposition 98 funds to CalSTRS and CalPERS, to reduce long-term liabilities for K-14 school districts. Of this amount, \$850 million would be provided to buy down employer contribution rates in fiscal years 2019-20 and 2020-21. With these payments, STRS employer contributions will be reduced from 18.13% to 17.1% in fiscal year 2019-20, and from 19.1% to 18.4% in fiscal year 2020-21. The PERS employer contribution will be reduced from 20.7% to 19.7% in fiscal year 2019-20, and the projected PERS employer contribution is expected to be reduced from 23.6% to 22.9% in fiscal year 2020-21. The remaining \$2.3 billion would be paid towards employers' long-term

unfunded liability. See also “SAN BERNARDINO COMMUNITY COLLEGE DISTRICT – Retirement Programs” herein.

- *Free College* - \$42.6 million in ongoing Proposition 98 funding to support a second academic year of the California College Promise to waive enrollment fees for first-time, full-time students.
- *Deferred Maintenance* – A one-time increase of \$13.5 million in Proposition 98 funding for deferred maintenance, instructional equipment and specified water conservation projects.
- *Student Support* – An ongoing increase of \$9 million in Proposition 98 funding to provide support to community college students who are homeless or are experiencing housing insecurity. The 2019-20 Budget also provides a one-time increase of \$3.9 million in Proposition 98 funding to address student basic needs, including housing and food insecurity.
- *Veterans Resources* – An ongoing increase of \$5 million in Proposition 98 funding for the establishment or enhancement of veterans resource centers at community colleges. In addition, the 2019-20 Budget also provides an increase of \$2.25 million in Proposition 98 settle-up funds to expand veterans resource centers at specified colleges.
- *Workforce Development* – A one-time increase of \$4.75 million in one-time, Proposition 98 settle-up funds to support the improvement of workforce development programs at specified community colleges.
- *Proposition 51* – a total allocation of \$535.3 million in Proposition 51 bond funds for critical fire and life safety projects at campuses statewide.

***Future Actions.*** The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State’s ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Bonds would not be impaired.

## SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

*The information in this section concerning the operations of the District and the District’s finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax levied by the Counties for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.*

### Introduction

The District was established in 1926 and serves most of the County of San Bernardino, California and a small portion of the County of Riverside, California. The District maintains two community colleges, Crafton Hills College and San Bernardino Valley College, located in Yucaipa and San Bernardino, California, respectively, which provide collegiate level instruction across a wide spectrum of subjects in

grades 13 and 14. The District has approximately 27,000 full and part-time students and serves a resident population of approximately 1.75 million. The District has a 2019-20 total assessed valuation of \$75,660,879,653.

## **Accreditation**

**General.** The ACCJC is authorized by the federal Department of Education as one of the seven regional associations that accredit public and private schools, colleges and universities in the United States. The ACCJC is the recognized accrediting association for the western region, which includes the States of California and Hawaii, as well as the territories of Guam, American Samoa and Northern Marianas Islands. The ACCJC reviews community colleges on rolling, six year cycles.

Accreditation by the ACCJC is voluntary and designed to evaluate and enforce standards of educational quality and institutional effectiveness. Accreditation is also a form of peer review. ACCJC standards and criteria are developed and implemented by representatives from the member institutions. Although the ACCJC is not a governmental agency, and has no direct authority over the operations of the District, it is responsible for determining whether the College receives or retains accreditation. For public colleges, the loss of accreditation would result in the loss of federal funding and most state funding, including student financial aid.

To obtain accreditation, institutions must first satisfy minimum ACCJC eligibility requirements (the “Eligibility Requirements”), of which there are 21 covering a wide range of areas. Accredited institutions must continually meet these Eligibility Requirements. As part of the institutional self-study prepared during each accreditation cycle, compliance with certain of the Eligibility Requirements must be specifically demonstrated, while the balance may be addressed as part of the institution’s response to related Accreditation Standards (defined herein).

As part of each accrediting cycle, the ACCJC requires member institutions to demonstrate compliance with its accreditation standards (the “Accreditation Standards”). There are four main standards: (i) Mission, Academic Quality and Institutional Effectiveness, and Integrity, (ii) Student Learning Programs and Support Services, (iii) Institutional Resources, and (iv) Leadership and Governance. Each Accreditation Standard is subdivided in several components, for a total of 127 separate standards.

In addition, to maintain accreditation, institutions must also be in compliance with the ACCJC’s policies at all times during the six-year review cycle. In support of its Policy on Monitoring Institutional Performance, the ACCJC applies a set of annual monitoring and evaluation approaches that assess an institution’s continued compliance with the ACCJC Standards, and that take into account institutional strength and stability. Such annual monitoring includes, but is not limited to headcount enrollment data and the collection and analysis of key data and indicators of fiscal stewardship and stability. In furtherance of this policy, institutions are required to submit an Annual Financial Report (“AFR”) including their annual audited financial statements to the ACCJC. The purpose of the AFR is to monitor the fiscal condition of the institutions in accordance with federal requirements and to enable the ACCJC to identify institutions that are at potential financial risk. The ACCJC has developed a Composite Financial Index (“CFI”) to assess institutional finances. Based on their analysis, institutions are assigned one of three levels of financial risk. Institutions in Category N (Normal Monitoring) are not subject to additional monitoring. Institutions in Category M (Enhanced Monitoring) will have enhanced monitoring of their financial condition in the current and subsequent reporting years to assess whether financial conditions improve or deteriorate. Institutions assigned as Category R (Referred) undergo a more comprehensive analysis of their financial condition by the ACCJC’s financial reviewers.

If the ACCJC determines that a community college is out of compliance with Accreditation Standards, Eligibility Requirements or Policies, it may issue several levels of sanctions, including a warning, indicating the ACCJC's concern regarding identified deficiencies. If a college significantly deviates from Accreditation Standards, Eligibility Requirements or Policies, it may also be placed on "probation" status. Finally, if a college continues to be significantly out of compliance with Accreditation Standards, Eligibility Requirements or Policies, or fails to properly respond to ACCJC recommendations with respect to identified deficiencies, the ACCJC may place the affected college on a "show cause" status, requiring the affected institution to show cause why its accreditation should not be withdrawn at the end of the stated period. For a community college district issued such show cause status, ACCJC policies require the development of a closure plan for the affected college, to become operative in the event such district is unable to remedy the identified deficiencies. The requirement to develop a closure plan ensures that all those affected by the potential loss of accreditation are informed as early as possible, and that the affected district has a contingency plan for the completion of programs by students, the securing of confidential student and employee records, and the disposition of assets of the affected college. The ACCJC's policy, however, does not address State or federal laws that could bear on the ability of a community college district to close a college. Therefore, the development of a closure plan, as required by the ACCJC, should not be seen as an affirmative election to close an affected college.

***Recent Accreditation History of the District.*** By letters dated February 6, 2015, the District was notified by the ACCJC that the accredited status of both Crafton Hills College and San Bernardino Valley College were being placed on "warning" status, the least severe level of sanctions. In so doing, the ACCJC found that Crafton Hills College was deficient in meeting certain portions of the following accreditation standards: (i) Standard II.A (Student Learning Programs and Services – Instructional Programs); (ii) Standard II.B (Student Learning Programs and Services – Library and Learning Support Services); (iii) Standard II.C (Student Learning Programs and Services – Student Support Services) and (iv) Eligibility Requirement 10 (Student Learning and Achievement). In addition, the ACCJC found that the San Bernardino Valley College was deficient in meeting certain portions the following accreditation standards: (i) Standard I.B (Mission, Academic Quality and Institutional Effectiveness, and Integrity – Assuring Academic Quality and Institutional Effectiveness); (ii) Standard II.A (Student Learning Programs and Support Services – Instructional Programs); and (iii) Eligibility Requirement 5 (Administrative Capacity) and 20 (Integrity in Communication with the Public). The ACCJC also found that the District was deficient in meeting certain portions of the following accreditation standards: (i) Standard III.A (Resources – Human Resources); (ii) Standard III.D (Resources – Financial Resources); (iii) Standard IV.A (Leadership and Governance – Decision-Making Roles and Processes); and (iv) Standard IV.B (Leadership and Governance – Chief Executive Officer).

The ACCJC advanced four major recommendations for Crafton Hills College, one major recommendation for San Bernardino Valley College and three recommendations for the District to address in the areas detailed above. The ACCJC also advanced two additional recommendations for Crafton Hills College and one additional recommendation for the District to improve institutional effectiveness. In addition the ACCJC also made one recommendation to resolve deficiencies relating to a third party comment noting that San Bernardino Valley College's President holds a single higher education degree, which is from an institution that was not accredited by a recognized U.S. accrediting agency at the time the degree was conferred.

By letters dated July 8, 2016, the ACCJC notified the District that it had removed both San Bernardino Valley College and Crafton Hills College from Warning status and reaffirmed the accreditation of both colleges. The ACCJC based its actions on follow up reports submitted by both colleges and site visits conducted in April 2016.

Additional information regarding each of the College's accreditation is available at [http://www.sbccd.org/About the District/Chancellor/Accreditation](http://www.sbccd.org/About_the_District/Chancellor/Accreditation). However, the information presented on such website is not incorporated herein by any reference.

## Administration

The governing board of the District is called the Board of Trustees (the "Board"). The Board includes seven voting members elected by the voters of the District (the "Trustees"). The Trustees serve four-year terms. Elections for Trustee positions to the Board are held every two years, alternating between three and four available positions. Current Trustees, together with their office and the date their term expires, are listed below:

<b><u>Board Member</u></b>	<b><u>Office</u></b>	<b><u>Term Expires</u></b>
John Longville	President	November 2020
Dr. Anne L. Viricel	Vice President	November 2020
Joseph Williams	Clerk	November 2022
Dr. Stephanie Houston	Trustee	November 2022
Gloria Macías Harrison	Trustee	November 2020
Frank Reyes	Trustee	November 2020
Dr. Donald L. Singer	Trustee	November 2022

The Chancellor of the District is appointed by the Board and reports to the Board. The Chancellor is responsible for management of the District's day-to-day operations and supervises the work of other key administrators.

Brief biographies of the Chancellor and the Executive Vice Chancellor follow:

***Bruce Baron, Chancellor.*** With a career in education administration spanning 40 years, Bruce Baron has provided leadership in higher education both at the university level and the community college level. For eleven years he served in the City University of New York as Director of Finance, Assistant Vice President and Vice President for Administration. He has also served as Vice President for Administrative Services at Los Angeles Southwest College, Victor Valley Community College and Los Angeles City College, before joining the District in July 2009 as Vice Chancellor for Business and Fiscal Services. In December 2009, he was named the Interim Chancellor and on March 21, 2011, he was appointed as Chancellor by the Board of Trustees.

Mr. Baron holds a Bachelor's Degree in communications from Queens College and a Master's Degree in adult and community Education from The City College of New York.

***Jose F. Torres, Executive Vice Chancellor.*** Mr. Torres has served as the Executive Vice Chancellor since April 2018. From November 2014 to April 2018, he served as Vice Chancellor of Business and Fiscal Services and from June 2013 to November 2014 as the District's Director of Fiscal Services. Prior thereto, Mr. Torres served six years as the Vice President of Financial Services for the County of San Bernardino Housing Authority, and seven years as Finance Manager for the Don Bosco Technical Institute in Rosemead.

Mr. Torres holds a Bachelor of Science in Business Administration/Accounting from the California Polytechnic Institute in Pomona, and a Master's Degree in Public Administration from California State University in San Bernardino.

**Labor Relations**

The District currently employs 265 full-time academic professionals, 423 full-time classified employees, and 102 managerial employees. In addition, the District employs 962 part-time faculty and 1,001 part-time staff. These employees, except supervisors, management and some part-time employees, are represented by two bargaining units as noted below.

**BARGAINING UNITS  
San Bernardino Community College District**

<u>Labor Organization</u>	<u>Number of Employees In Organization</u>	<u>Contract Expiration Date</u>
California School Employees Association	408	June 30, 2020
California Teachers Association	265	June 30, 2020

*Source: San Bernardino Community College District.*

**Retirement Programs**

*The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

**STRS.** All full-time certificated employees, as well as certain classified employees, are members of the State Teachers’ Retirement System (“STRS”). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the “STRS Defined Benefit Program”). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 (“AB 1469”) into law as a part of the State’s fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the “2014 Liability”), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

**MEMBER CONTRIBUTION RATES  
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>STRS Members Hired Prior to January 1, 2013</u>	<u>STRS Members Hired After January 1, 2013</u>
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

*Source: AB 1469.*

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year commencing July 1, 2019, the contribution rate for employees hired after the Implementation Date (defined below) will be 10.205%.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES  
STRS (Defined Benefit Program)**

<u>Effective Date</u>	<u>K-14 school districts</u>
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

*Source: AB 1469.*

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated \$2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of

the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. The remainder of the payment not committed for the reduction in employer contribution rates described above, is required to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance – 2019-20 Budget" herein.

The District's contributions to STRS were \$2,249,776 in fiscal year 2012-13, \$2,557,524 in fiscal year 2013-14, \$2,994,123 in fiscal year 2014-15, \$3,743,259 in fiscal year 2015-16, \$4,475,608 in fiscal year 2016-17, \$5,387,059 in fiscal year 2017-18 and \$6,665,489 in fiscal year 2018-19 (unaudited). The District has budgeted \$6,778,766 for its contribution to STRS for fiscal year 2019-20.

The State also contributes to STRS, currently in an amount equal to 7.828% for fiscal year 2019-20. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

**PERS.** Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2017 included 1,624 public agencies and 1,366 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 20.733% of eligible salary expenditures in fiscal year 2019-20. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2018-19 and will be 7% in fiscal year 2019-20, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2018-19 and will be 7% in fiscal year 2019-20. See "—California Public Employees' Pension Reform Act of 2013" herein.

Pursuant to SB 90, the State Legislature appropriated \$144 million for fiscal year 2019-20 and \$100 million for fiscal year 2020-21 to be transferred to the Public Employees' Retirement Fund, to pay in advance, on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years. In addition, the State Legislature appropriated \$660 million to be



applied toward certain unfunded liabilities for K-14 school district employers. See also “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance – 2019-20 Budget” herein.

The District’s contributions to PERS were \$2,410,369 in fiscal year 2012-13, \$2,477,411 in fiscal year 2013-14, \$2,897,702 in fiscal year 2014-15, \$3,255,332 in fiscal year 2015-16, \$3,710,189 in fiscal year 2016-17, \$4,654,746 in fiscal year 2017-18 and \$5,568,919 in fiscal year 2018-19 (unaudited). The District has budgeted \$6,504,314 for its contribution to PERS for fiscal year 2019-20.

***State Pension Trusts.*** Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: [www.calstrs.com](http://www.calstrs.com); (ii) PERS: [www.calpers.ca.gov](http://www.calpers.ca.gov). However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are “forward-looking” information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

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**FUNDED STATUS**  
**STRS (Defined Benefit Program) and PERS (Schools Pool)**  
**(Dollar Amounts in Millions)<sup>(1)</sup>**  
**Fiscal Years 2010-11 through 2017-18**

<b>STRS</b>					
<b>Fiscal Year</b>	<b>Accrued Liability</b>	<b>Value of Trust Assets (MVA)<sup>(2)</sup></b>	<b>Unfunded Liability (MVA)<sup>(2)</sup></b>	<b>Value of Trust Assets (AVA)<sup>(3)</sup></b>	<b>Unfunded Liability (AVA)<sup>(3)</sup></b>
2010-11	\$208,405	\$147,140	\$68,365	\$143,930	\$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152

<b>PERS</b>					
<b>Fiscal Year</b>	<b>Accrued Liability</b>	<b>Value of Trust Assets (MVA)</b>	<b>Unfunded Liability (MVA)</b>	<b>Value of Trust Assets (AVA)<sup>(3)</sup></b>	<b>Unfunded Liability (AVA)<sup>(3)</sup></b>
2010-11	\$58,358	\$45,901	\$12,457	\$51,547	\$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2014-15	73,325	56,814	16,511	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2015-16	77,544	55,785	21,759	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2016-17	84,416	60,865	23,551	-- <sup>(4)</sup>	-- <sup>(4)</sup>
2017-18 <sup>(5)</sup>	92,071	64,846	27,225	-- <sup>(4)</sup>	-- <sup>(4)</sup>

(1) Amounts may not add due to rounding.

(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.

(3) Reflects actuarial value of assets.

(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

(5) On April 16, 2019, the PERS Board (defined below) approved the K-14 school district contribution rate for fiscal year 2019-20 and released certain actuarial information to be incorporated into the June 30, 2018 actuarial valuation to be released in summer 2019.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the "2017 STRS Actuarial Valuation"), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation

rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on salary increases less than assumed and actuarial asset gains recognized from the current and prior years, the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2018 (the “2018 STRS Actuarial Valuation”) reports that the unfunded actuarial obligation decreased by \$109 million since the 2017 STRS Actuarial Valuation and the funded ratio increased by 1.4% to 64.0% over such time period.

According to the 2018 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.9%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In recent years, the PERS Board of Administration (the “PERS Board”) has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for

fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

On April 16, 2019, the PERS Board established the employer contribution rates for 2019-20 and released certain information from the Schools Pool Actuarial Valuation as of June 30, 2018, ahead of its summer of 2019 release date. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for 2020-21 is projected to be 23.6%, with annual increases thereafter, resulting in a projected 26.5% employer contribution rate for fiscal year 2025-26.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

***California Public Employees' Pension Reform Act of 2013.*** On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation

amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps “pensionable compensation” for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

***GASB Statement Nos. 67 and 68.*** On June 25, 2012, GASB approved Statements Nos. 67 and 68 (“Statements”) with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government’s balance sheet (currently, such unfunded liabilities are typically included as notes to the government’s financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

As of June 30, 2018, the District’s proportionate shares of the STRS and PERS net pension liabilities were \$61,286,649 and \$50,863,523, respectively. For more information, see “APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 13” attached hereto.

***Pension Rate Stabilization Program.*** In fiscal year 2016-17, the District became a member of the PARS Pension Rate Stabilization Program (the “PRSP”). Through the PRSP, community college districts can manage their pension costs through an IRS Section 115 irrevocable trust designed to pre-fund pension costs and offset net pension liabilities. Districts are allowed to set aside funds, separate and apart from STRS and PERS contributions, in a tax-exempt prefunding vehicle to mitigate long-term contribution rate volatility. Such funds are protected from diversion to other uses and may be used to offset contribution rate increases or as an emergency source of funds for pension related costs in the event district revenues are impaired by economic or other conditions. The District deposited \$5,000,000 into the PRSP trust in fiscal year 2017-18. As of September 30, 2019, the value of assets in the PRSP Trust was \$5,456,180.

***Accumulation Program for Part-Time and Limited Service Employees (APPLE) Plan.*** The District contributes to the Accumulation Program for Part-Time and Limited-Service Employees (“APPLE”) plan. All employees who do not participate in another retirement plan provided by the District are eligible to participate in the APPLE plan, a multi-employer defined contribution retirement program. The District’s contributions for employees covered by the APPLE plan for the years ended June 30, 2019,

2018, 2017, 2016, and 2015, were \$103,194 (unaudited), \$143,612, \$264,119, \$68,460, and \$63,538, respectively. Participants become 100% vested in the Employer Contribution Account at normal retirement age, total disability or death. Participants are 100% vested in the Employee Contribution Account at all times.

### **Post-Employment Health Care Benefits**

**Plan Description.** The District currently provides retiree medical coverage to eligible academic and classified employees up to the age of 65 (the “Benefits”). Eligibility requirements vary by employee classification. All participants must have a minimum service of 10 years and be eligible to retire under STRS or PERS. Academic and classified employees must be at least 60 years of age, or 55 for classified employees with 20 years of service. The District pays for 100 percent of the premium for retiree coverage, and the retiree pays for the cost of dependent coverage. Membership of the District’s Other Post-Employment Benefits Plan (the “Plan”) consists of 27 retirees and beneficiaries currently receiving benefits, and 659 active plan members.

**Funding Policy.** The contribution requirements of the Plan members and the District are established and amended by the District and the District’s bargaining units on an annual basis. The required contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as determined annually through agreements between the District and bargaining units. For fiscal year 2013-14, the District contributed \$4,384,127 to the Plan, of which \$447,763 was used for current premiums and \$3,936,364 was contributed to the Trust (defined below). For fiscal year 2014-15, the District contributed \$374,226 to the Plan, all of which was used for current premiums. For fiscal year 2015-16, the District contributed \$304,023 to the Plan, all of which was used for current premiums. For fiscal year 2016-17, the District contributed \$386,897 to the Plan, all of which was used for current premiums. For fiscal year 2017-18, the District contributed \$295,696 to the Plan, all of which was used for current premiums. For fiscal year 2018-19, the District contributed \$287,888 to the Plan, all of which was used for current premiums.

For fiscal year 2019-20, the District has budgeted a contribution of \$250,200 to the Plan, all of which is expected to be used for current premiums.

In February 2007, the District established an irrevocable trust (the “Trust”) with Benefit Trust Company, into which the District has transferred \$5,528,364. As of April 30, 2019, the value of assets in the Trust was \$8,695,078.

**GASB Statement Nos. 74 and 75.** On June 2, 2015, GASB approved Statements Nos. 74 and 75 (each, “GASB 74” and “GASB 75”) with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB 74 replaces GASB Statements No. 43 and 57 and GASB 75 replaces GASB 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the Net OPEB Liability, to be recognized on the balance sheet of the plan and the participating employer’s financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the Net OPEB Liability and a

sensitivity analysis of the Net OPEB Liability to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB. The Fiduciary Net Position measures the value of trust assets, adjusted for payees and receivables.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District's financial statements for fiscal year 2016-17. GASB Statement No. 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized GASB No. 75 in their financial statements for fiscal year 2017-18. For fiscal year 2017-18, the District reported a Total OPEB Liability of \$9,299,047, a Fiduciary Net Position of \$8,035,853 and a Net OPEB Liability of \$1,263,194. See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11" attached hereto.

**Actuarial Valuation.** The District has implemented *Governmental Accounting Standards Board Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions 74*) and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. The new GASB statements No. 74 and No. 75 (discussed above) require biennial actuarial valuations for all plans. The actuarial study, dated as of April 28, 2019, (the "Study"), concluded that, as of June 30, 2017, the Total OPEB Liability (the "TOL") with respect to such benefits, was \$9,299,047, the Net OPEB Liability (the "NOL") was \$1,263,194, and the Total OPEB Expense (the "TOE") to be \$832,112. The District has a Fiduciary Net Position (the "FNP") of \$8,035,853. The TOL is the amount of the actuarial present value of projected benefits payments attributable to employees' past service based on the actuarial cost method used. The FNP are the net assets (liability) of the qualifying irrevocable trust or equivalent arrangement. The NOL is TOL minus the FNP. The TOE is the annual change in the District's NOL, with deferred recognition provided for certain items. For more information regarding the District's other post-employment benefit liability, see See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11" attached hereto.

**Medicare Premium Payment Program.** The District participates in the Medicare Premium Payment ("MPP") Program, a cost-sharing multiple-employer other postemployment benefit plan. STRS administers the MPP Program through the Teachers' Health Benefit Fund (the "THBF"). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRS Defined Benefit Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium free Medicare Part A. The MPP Program is now closed to new entrants.

The MPP Program is funded on a pay-as-you-go basis from a portion of the monthly District benefit payments. Benefit payments that would otherwise be credited to the STRS Defined Benefit Program each month are instead credited to the MPP Program to fund monthly program and administrative costs.

An actuarial study of the liability of the MPP Program has been prepared pursuant to GASB statements No. 74 and No. 75. The District’s proportionate share of the net MPP Program liability as of June 30, 2018 was \$504,754. See also “APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11” attached hereto.

**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 fiscal year ended June 30, 2018, the District contracted with the Statewide Association for Excess Risks (SAFER) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

**Workers’ Compensation.** For fiscal year 2017-18, the District participated in the Schools Alliance for Workers’ Compensation Excess (SAWCX II) Joint Powers Authority (JPA), an insurance purchasing pool. The District is self-insured for the first \$500,000 of each workers’ compensation claim. The intent of the JPA is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the JPA. The workers’ compensation experience of the participating districts is calculated as one experience, and a common premium rate is applied to all districts in the JPA. Each participant pays its workers’ compensation premium based on its individual rate. Total savings are then calculated and each participant’s individual performance is compared to the overall saving. A participant will then either receive money from or be required to contribute to the “equity-pooling fund.” This “equity pooling” arrangement ensures that each participant shares equally in the overall performance of the JPA. Participation in the JPA is limited to K-12 and community college districts that can meet the JPA’s selection criteria.

<u>Insurance</u>	<u>Program/</u>	<u>Company</u>	<u>Name</u>	<u>Type of Coverage</u>	<u>Limits</u>
Schools Alliance for Worker’s Compensation Excess (SAWCX II)				Excess Workers’ Compensation	\$50,500,000
Schools Association for Excess Risk (SAFER)				Property	250,000,000
Schools Association for Excess Risk (SAFER)				Liability	25,000,000

See also “APPENDIX A – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12” attached hereto.

**Accounting Practices**

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. GASB has released Statement No. 34, which makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective for fiscal periods beginning after June 15, 2001 (Phase I) for any governmental agency with annual revenues in excess of \$100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred. See also “—Comparative Financial Statements” herein.



### **General Fund Budgeting**

The following table reflects the District's general fund budgets for fiscal years 2015-16 through 2019-20, and ending results for fiscal years 2014-15 through 2018-19.

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**GENERAL FUND BUDGETING<sup>(1)</sup>**  
**Fiscal Years 2015-16 through 2019-20**  
**San Bernardino Community College District**

[v.10.30.2019.p.123/158]

	Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20
	<u>Budget<sup>(1)</sup></u>	<u>Actual<sup>(1)</sup></u>	<u>Budget<sup>(1)</sup></u>	<u>Actual<sup>(1)</sup></u>	<u>Budget<sup>(1)</sup></u>	<u>Actual<sup>(1)</sup></u>	<u>Budget<sup>(1)</sup></u>	<u>Actual<sup>(1)</sup></u>	<u>Budget<sup>(1)</sup></u>
<b>REVENUES:</b>									
Federal	\$6,179,608	\$4,597,680	\$3,769,839	\$3,011,376	\$2,457,245	\$1,930,092	\$2,578,673	\$1,007,228	\$3,128,751
State	91,100,221	87,502,201	109,659,626	95,494,201	105,195,500	83,674,496	106,765,559	97,473,824	106,740,304
Local	<u>25,845,492</u>	<u>29,901,161</u>	<u>28,174,950</u>	<u>34,713,276</u>	<u>35,476,028</u>	<u>38,063,694</u>	<u>38,691,378</u>	<u>40,340,834</u>	<u>48,990,061</u>
<b>TOTAL REVENUES</b>	123,125,321	122,001,042	141,604,415	133,218,853	143,128,773	123,668,282	148,035,610	138,821,886	158,859,116
<b>EXPENDITURES:</b>									
Academic Salaries	40,057,147	40,213,257	42,290,491	41,552,042	42,863,770	43,317,517	48,683,468	47,809,199	53,231,186
Classified Salaries	25,410,337	25,395,204	26,968,712	26,205,589	29,571,786	29,354,431	34,707,818	34,808,352	37,075,610
Employee Benefits	19,695,999	19,279,058	22,088,471	23,763,314	24,251,366	26,680,874	27,348,440	26,281,612	30,122,039
Books and Supplies	2,496,023	1,970,957	2,757,187	2,371,073	3,027,109	2,168,257	3,419,179	2,527,270	4,302,584
Services and Other	22,943,640	14,971,747	42,518,573	27,378,450	39,776,153	15,683,091	34,232,228	20,013,799	38,467,933
Operating Expenditures									
Capital Outlay	<u>4,911,835</u>	<u>4,542,294</u>	<u>4,732,418</u>	<u>3,968,773</u>	4,490,018	4,042,955	<u>4,233,133</u>	<u>6,871,078</u>	<u>4,193,119</u>
<b>TOTAL EXPENDITURES</b>	115,514,981	106,372,517	141,355,852	125,239,241	143,980,202	121,247,125	152,624,266	138,311,310	167,392,471
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	7,610,340	15,628,525	248,563	7,979,612	(851,429)	2,421,157	(4,588,656)	510,576	(8,533,355)
<b>OTHER FINANCING SOURCES (USES)</b>	92,000	4,846	172,000	196,241	210,000	9,160,781	11,591,054	16,900,952	16,295,182
<b>OTHER OUTGO</b>	8,101,924	13,844,820	3,627,211	2,714,047	2,035,196	11,260,506	11,321,136	11,998,360	13,062,251
<b>NET INCREASE (DECREASE) IN FUND BALANCES</b>	(399,584)	1,788,551	(3,206,648)	5,461,806	(2,676,625)	321,432	(4,318,738)	5,413,168	(5,300,424)
<b>BEGINNING FUND BALANCE</b>	16,218,594	16,218,594	18,332,396	18,332,396	23,579,534	23,579,534	19,259,684	19,259,684	31,120,940
<b>Prior Year Adjustments</b>	--	325,251	--	(214,668)	--	(4,641,282)	--	6,448,089	--
<b>ENDING FUND BALANCE</b>	<u>--</u>	<u>16,543,845</u>	<u>--</u>	<u>18,117,728</u>	<u>--</u>	<u>18,938,252</u>	<u>--</u>	<u>25,707,773</u>	<u>--</u>
	<u>\$15,819,010</u>	<u>\$18,332,396</u>	<u>\$15,125,748</u>	<u>\$23,579,534</u>	<u>\$20,902,909</u>	<u>\$19,259,684</u>	<u>\$14,940,946</u>	<u>\$31,120,940</u>	<u>\$25,820,517</u>

<sup>(1)</sup> Reflects combined unrestricted and restricted general funds.

<sup>(2)</sup> From the District's CCFS-311 Reports filed with the Chancellor's Office. Budgeted amounts for fiscal years 2013-14 through 2017-18 and unaudited ending results for fiscal years 2013-14 through 2016-17 in object-oriented format provided for comparison. For audited results of fiscal years 2011-12 through 2015-16 in the revised reporting format, see "-- Comparative Financial Statements" herein.

Source: San Bernardino Community College District.

## **Comparative Financial Statements**

The following table reflects the District's audited revenues, expenditures and changes in net assets in the District's primary government funds from fiscal years 2013-14 through 2017-18.

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**SUMMARY OF AUDITED REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FISCAL YEARS 2012-13 THROUGH 2016-17  
San Bernardino Community College District**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
	<u><b>Audited</b></u>	<u><b>Audited</b></u>	<u><b>Audited</b></u>	<u><b>Audited</b></u>	<u><b>Audited</b></u>
<b>OPERATING REVENUES</b>					
Tuition and fees (gross)	\$19,090,967	\$19,990,165	\$19,679,609	\$19,670,664	\$21,026,371
Less: Scholarship discounts and allowances	<u>(12,869,287)</u>	<u>(13,445,022)</u>	<u>(13,258,131)</u>	<u>(12,581,348)</u>	<u>(12,903,371)</u>
Net tuition and fees	6,221,680	6,545,143	6,421,478	7,089,316	8,123,000
Grants and Contracts, Noncapital					
Federal	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	2,372,766
State	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	30,239,208
Local	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	-- <sup>(1)</sup>	2,406,378
Net grants and contracts, noncapital	--	--	--	--	35,018,352
Auxiliary enterprises sales/internal service sales and charges	4,316,428	--	--	--	--
Bookstore	--	3,845,397	3,906,680	3,906,025	2,799,608
Cafeteria	--	<u>703,490</u>	<u>630,607</u>	<u>564,508</u>	<u>589,342</u>
<b>TOTAL OPERATING REVENUES</b>	10,538,108	11,094,030	10,958,765	11,559,849	46,530,302
<b>OPERATING EXPENSES</b>					
Salaries	60,689,582	65,386,639	69,985,148	72,226,990	75,264,689
Employee benefits	20,047,878	20,622,531	25,956,181	24,659,151	34,412,380
Supplies, materials and other operating expenses and services	25,765,016	24,944,383	25,659,842	40,701,086	28,588,385
Financial aid	27,397,075	27,424,651	28,331,807	23,877,053	25,630,531
Equipment, maintenance, and repairs	1,091,345	2,888,010	9,994,839	4,954,220	1,767,834
Depreciation	<u>15,312,264</u>	<u>15,158,868</u>	<u>15,309,710</u>	<u>15,523,888</u>	<u>17,087,085</u>
<b>TOTAL OPERATING EXPENSES</b>	150,303,160	156,425,082	175,237,527	181,942,388	182,750,904
<b>OPERATING INCOME (LOSS)</b>	(139,765,052)	(145,331,052)	(164,278,762)	(170,382,539)	(136,220,602)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State apportionments, noncapital	45,921,621	55,259,312	59,827,136	51,417,428	57,176,853
Local property taxes	18,795,862	18,163,906	21,681,347	26,355,145	28,211,597
Taxes levied for other specific purposes	25,148,129	24,426,035	26,620,823	16,258,114	25,571,878
State revenue – other	3,031,252	4,101,136	3,519,219	12,709,018	3,505,715
Federal grants	29,552,508	29,828,773	29,508,162	23,332,346	21,244,822
State grants	12,007,694	16,721,550	31,188,340	40,878,174	3,066,397
Interest and investment income – Non Capital	312,019	236,526	437,580	828,798	2,600,042
Other nonoperating revenue	9,206,801	7,114,899	9,706,637	6,605,104	160,904,473
Investment Income on capital asset-related debt	821,498	88,153	86,623	161,001	291,323
Transfer to fiduciary fund	--	(60,800)	(256,000)	(195,000)	(75,225,000)
Transfer from fiduciary fund	--	--	1,131,015	881,770	850,000
Interest expense	<u>(31,191,979)</u>	<u>(31,269,048)</u>	<u>(31,125,122)</u>	<u>(18,868,098)</u>	<u>(26,547,495)</u>
<b>NET NONOPERATING REVENUES</b>	113,605,405	124,610,442	152,325,760	160,363,800	201,650,605
<b>INCOME (LOSS) BEFORE OTHER REVENUES, EXPENSES, GAINS, AND LOSSES</b>	(26,159,647)	(20,720,610)	(11,953,002)	(10,018,739)	65,430,003
<b>OTHER REVENUES, EXPENSES, GAINS, AND LOSSES</b>					
State apportionments, capital	450,583	403,706	211,475	167,129	988,385
Local revenue, capital	<u>1,507,698</u>	<u>1,266,439</u>	<u>1,801,499</u>	<u>1,603,973</u>	<u>1,777,334</u>
<b>TOTAL OTHER REVENUES, EXPENSES, GAINS, AND LOSSES</b>	1,958,281	1,670,145	2,012,974	1,771,102	2,765,719
<b>INCREASE (DECREASE) IN NET POSITION</b>	(24,201,366)	(19,050,465)	(9,940,028)	(8,247,637)	68,195,722
<b>NET POSITION, BEGINNING OF YEAR</b>	186,946,710	160,031,110	70,364,577	60,424,549	45,892,893 <sup>(4)</sup>
Net Position, as Restated	<u>184,262,476<sup>(2)</sup></u>	<u>89,415,042<sup>(3)</sup></u>	<u>70,364,577</u>	<u>60,424,549</u>	<u>45,892,893</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$160,061,110</u>	<u>\$70,364,577</u>	<u>\$60,424,549</u>	<u>\$52,176,912</u>	<u>\$114,088,615</u>

<sup>(1)</sup> For fiscal years 2013-14 through 2016-17, the District's Auditor classified Federal, State and Local grants and contracts as non-operating revenue.

<sup>(2)</sup> Reflects a \$2,669,609 decrease in the beginning net position to reflect the implementation of GASB. 65. The beginning net position was also restated for the correction of certain errors. The Supplemental Early Retirement Plan liability and the Other Postemployment Benefit Plan obligations were not stated fairly. In addition, the District's 2013 Refunding Bonds were not properly accounted for in the financial statements.

<sup>(3)</sup> The District adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions, in fiscal year 2014-15. The implementation of this standard required a change in accounting principle and restatement of the beginning net position of the District by \$69,462,285. Also, during fiscal year 2014-15, the District created the KVCR Education Foundation Fund, a fiduciary fund, which was previously included in KVCR Special Revenue Fund within the primary government fund, which resulted in a downward adjustment to the net position of \$1,183,784.

<sup>(4)</sup> The District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in fiscal year 2017-18. The implementation of this standard required a change in accounting principle and restatement of the beginning net position of the primary government fund, which resulted in a downward adjustment to the net position of \$6,284,019.

Source: San Bernardino Community College District.

## District Debt Structure

**Short-Term Debt.** The District currently has no outstanding short-term debt obligations.

**Long-Term Debt.** A schedule of changes in long-term debt for the fiscal year ended June 30, 2018, is shown below:

	<b>Beginning Balance July 1, 2017</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance June 30, 2018</b>
Bonds Payable				
Election 2002 Series D	\$8,784,260	\$682,878	--	\$9,467,138
Election 2002 Series E	<u>15,000,000</u>	--	--	<u>15,000,000</u>
Subtotal Election 2002	23,784,260	682,878	--	24,467,138
2005 GO Refunding Bonds	8,452,198	1,044,692	--	9,496,890
Election 2008 Series A	4,165,000	--	\$1,830,000	2,335,000
Election 2008 Series B	121,200,193	6,012,869	1,540,000	126,673,062
Election 2008 Series C	45,210,000	--	--	45,210,000
Election 2008 Series D	<u>36,861,824</u>	<u>393,015</u>	<u>1,200,000</u>	<u>36,054,839</u>
Subtotal Election 2008	207,437,017	6,405,884	4,570,000	209,272,901
2013 GO Refunding Bonds, Series A	191,940,000	--	1,285,000	190,655,000
2013 GO Refunding Bonds, Series B	25,695,000	--	2,190,000	23,505,000
2015 GO Refunding Bonds,	55,375,000	--	3,180,000	52,195,000
2017 GO Refunding Bonds, Series A	--	14,145,000	--	14,145,000
2017 GO Refunding Bonds, Series B	--	32,070,000	--	32,070,000
Premium on debt	35,595,720	5,147,554	2,801,000	37,942,265
Total Bonds Payable	548,279,195	59,496,008	14,026,009	593,749,194
Other Liabilities				
Community service grant payable	109,374	--	109,374	--
Compensated absences	3,346,683	--	91,210	3,255,473
Claims liabilities	3,078,245	96,538	--	3,174,783
Aggregate net OPEB liability	1,755,126	1,212,116	1,199,294	1,767,948
Aggregate net pension obligation	76,351,759	35,798,413	--	112,150,172
Total Other Liabilities	<u>84,641,187</u>	<u>37,107,067</u>	<u>1,399,878</u>	<u>120,348,376</u>
Total Long-Term Obligations	<u>\$632,920,382</u>	<u>\$96,603,075</u>	<u>\$15,425,887</u>	<u>\$714,097,570</u>

Source: San Bernardino Community College District.

**General Obligation Bonds.** The District received authorization at an election held on November 5, 2002 (the “2002 Authorization”) at which the requisite vote of at least fifty-five percent of the persons voting on the proposition voted to authorize the issuance of \$190,000,000 principal amount of general obligation bonds of the District. On May 15, 2003, the District issued its Election of 2002 General Obligation Bonds, Series A in the aggregate principal amount of \$50,000,000 (the “2002 Series A Bonds”). On February 26, 2004, the District issued its Election of 2002 General Obligation Bonds, Series B in the aggregate principal amount of \$20,000,000 (the “2002 Series B Bonds”). On April 7, 2005, the District issued its 2005 General Obligation Refunding Bonds in the aggregate principal amount of \$56,562,550.30 (the “2005 Refunding Bonds”), the proceeds of which were used to advance refund a portion of the 2002 Series A Bonds and 2002 Series B Bonds. On September 13, 2006, the District issued its Election of 2002 General Obligation Bonds, 2002 Series C in an aggregate principal amount of \$100,000,000 (the “2002 Series C Bonds”). On June 18, 2009 the District issued its Election of 2002 General Obligation Bonds, Series D in the aggregate principal amount of \$4,999,796.90 (the “2002 Series D Bonds”) and its Election of 2002 Taxable General Obligation Bonds (Build America Bonds–Direct Payment to District) Series E in the aggregate principal amount of \$15,000,000 (the “2002 Series E Bonds”). On May 2, 2013, the District concurrently issued its 2013 General Obligation Refunding Bonds, Series A (Tax-Exempt) in the aggregate principal amount of \$198,570,000 (the “2013 Refunding Bonds, Series A”) and its 2013 General Obligation Refunding Bonds, Series B (Federally Taxable) in the aggregate principal amount of \$32,460,000 (the “2013 Refunding Bonds, Series B”), the proceeds of which were used to advance refund portions of the District’s 2002 Series C Bonds and 2008 Series A Bonds. On October 14, 2015, the District issued its 2015 General Obligation Refunding Bonds in an aggregate principal amount of \$55,975,000 (the “2015 Refunding Bonds”), the proceeds of which were utilized to currently refund portions of the District’s outstanding 2005 Refunding Bonds and advance refund portions of the District’s outstanding 2002 Series C Bonds. On December 28, 2017, the District issued its 2017 General Obligation Refunding Bonds, Series A (2019 Crossover) in an aggregate principal amount of \$14,145,000 (the “2017 Refunding Bonds, Series A”), the proceeds of which were utilized to advance refund portions of the District’s outstanding 2002 Series E Bonds.

The District received a second authorization at an election held on February 5, 2008 (the “2008 Authorization”) at which the requisite vote of at least fifty-five percent of the persons voting on the proposition voted to authorize the issuance of \$500,000,000 principal amount of General Obligation Bonds of the District. On December 30, 2008, the District issued its Election of 2008 General Obligation Bonds, Series A Bonds in an aggregate principal amount of \$140,000,000 (the “2008 Series A Bonds”). On June 18, 2009, the District issued its Election of 2008 General Obligation Bonds, Series B in the aggregate principal amount of \$73,102,389.40 (the “2008 Series B Bonds”) and its Election of 2008 Taxable General Obligation Bonds, Series C (Build America Bonds-Direct Payment to District) in the aggregate principal amount of \$45,210,000.00 (the “2008 Series C Bonds”). On October 14, 2015, the District issued its Election of 2008 General Obligation Bonds, Series D in an aggregate principal amount of \$37,536,960.30 (the “2008 Series D Bonds”). On December 28, 2017, the District issued its 2017 General Obligation Refunding Bonds, Series B (2024 Crossover) in an aggregate principal amount of \$32,070,000 (the “2017 Refunding Bonds, Series B”), the proceeds of which were utilized to advance refund portions of the District’s outstanding 2008 Series B Bonds. There is currently \$204,150,650.30 of the 2008 Authorization remaining which is authorized but unissued.

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The following table shows the total debt service with respect to the District’s outstanding general obligation bonded debt, including the Bonds (and assuming no optional redemptions):

**GENERAL OBLIGATION BONDED DEBT SERVICE  
San Bernardino Community College District**

Period Ending August 1	2005 Refunding Bonds	2002 Series D Bonds	2002 Series E Bonds <sup>(1)</sup>	2008 Series B Bonds <sup>(1)</sup>	2008 Series C Bonds <sup>(2)</sup>	2013 Refunding Bonds, Series A <sup>(2)</sup>	2013 Refunding Bonds, Series B	Series D Bonds <sup>(2)</sup>	2015 Refunding Bonds <sup>(2)</sup>	2017 Refunding Bonds, Series A <sup>(3)</sup>	2017 Refunding Bonds, Series B <sup>(3)</sup>	Series A Bonds	Series A-1 Bonds	2019 Refunding Bonds	Total Annual Debt Service
2020	--	--	\$1,144,500.00	\$42,010,037.50	\$3,387,103.00	\$13,248,800.00	\$6,798,037.50	\$1,373,250.00	\$2,609,750.00	\$583,550.00	\$1,355,700.00	--	--	--	\$1,355,700.00
2021	\$1,635,000.00	--	1,144,500.00	2,175,037.50	3,387,103.00	13,879,300.00	5,410,387.50	1,428,250.00	2,609,750.00	583,550.00	1,355,700.00	--	--	--	1,355,700.00
2022	7,395,000.00	--	1,144,500.00	2,350,037.50	3,387,103.00	14,451,050.00	--	1,593,250.00	2,609,750.00	583,550.00	1,355,700.00	--	--	--	1,355,700.00
2023	7,655,000.00	--	1,144,500.00	2,535,037.50	3,387,103.00	15,134,800.00	--	1,658,250.00	2,609,750.00	583,550.00	1,355,700.00	--	--	--	1,355,700.00
2024	--	\$140,000.00	1,144,500.00	2,720,037.50	3,387,103.00	23,777,800.00	--	1,733,250.00	2,609,750.00	583,550.00	1,355,700.00	--	--	--	1,355,700.00
2025	--	250,000.00	1,144,500.00	2,920,037.50	3,387,103.00	24,794,550.00	--	1,811,500.00	2,609,750.00	583,550.00	1,585,700.00	--	--	--	1,585,700.00
2026	--	360,000.00	1,144,500.00	3,120,037.50	3,387,103.00	25,858,800.00	--	1,890,750.00	2,609,750.00	583,550.00	1,574,200.00	--	--	--	1,574,200.00
2027	--	470,000.00	1,144,500.00	3,335,037.50	3,387,103.00	26,963,550.00	--	1,975,750.00	2,609,750.00	583,550.00	1,567,700.00	--	--	--	1,567,700.00
2028	--	595,000.00	1,144,500.00	3,560,037.50	3,387,103.00	15,368,150.00	--	2,175,750.00	13,914,750.00	583,550.00	1,580,950.00	--	--	--	1,580,950.00
2029	--	730,000.00	1,144,500.00	3,790,037.50	3,387,103.00	16,005,900.00	--	2,270,750.00	14,459,500.00	583,550.00	1,572,950.00	--	--	--	1,572,950.00
2030	--	870,000.00	1,144,500.00	4,025,037.50	3,387,103.00	16,669,400.00	--	2,370,750.00	15,028,750.00	583,550.00	1,564,700.00	--	--	--	1,564,700.00
2031	--	1,020,000.00	1,144,500.00	4,279,922.30	3,387,103.00	17,353,400.00	--	2,470,750.00	15,613,500.00	583,550.00	1,551,200.00	--	--	--	1,551,200.00
2032	--	11,645,000.00	8,644,500.00	4,536,993.10	3,387,103.00	18,077,000.00	--	2,570,750.00	--	7,698,550.00	1,267,700.00	--	--	--	1,267,700.00
2033	--	12,810,000.00	8,072,250.00	13,578,104.70	3,387,103.00	10,051,600.00	--	2,685,750.00	--	7,311,200.00	7,897,700.00	--	--	--	7,897,700.00
2034	--	--	--	25,258,743.76	3,387,103.00	--	--	2,230,750.00	--	--	24,627,200.00	--	--	--	24,627,200.00
2035	--	--	--	26,358,046.50	3,387,103.00	--	--	2,350,750.00	--	--	--	--	--	--	--
2036	--	--	--	27,501,588.75	3,387,103.00	--	--	2,480,750.00	--	--	--	--	--	--	--
2037	--	--	--	28,686,800.85	3,387,103.00	--	--	2,615,750.00	--	--	--	--	--	--	--
2038	--	--	--	29,925,000.00	3,387,103.00	--	--	2,755,750.00	--	--	--	--	--	--	--
2039	--	--	--	--	34,597,103.00	--	--	2,905,750.00	--	--	--	--	--	--	--
2040	--	--	--	34,051,944.40	1,068,200.00	--	--	3,135,750.00	--	--	--	--	--	--	--
2041	--	--	--	35,444,195.00	1,068,200.00	--	--	3,300,750.00	--	--	--	--	--	--	--
2042	--	--	--	36,888,055.20	1,068,200.00	--	--	3,474,250.00	--	--	--	--	--	--	--
2043	--	--	--	38,390,598.75	1,068,200.00	--	--	3,654,000.00	--	--	--	--	--	--	--
2044	--	--	--	25,955,000.00	15,068,200.00	--	--	3,844,000.00	--	--	--	--	--	--	--
2045	--	--	--	42,275,862.65	--	--	--	4,078,000.00	--	--	--	--	--	--	--
2046	--	--	--	43,968,180.00	--	--	--	4,283,000.00	--	--	--	--	--	--	--
2047	--	--	--	45,722,935.30	--	--	--	4,509,500.00	--	--	--	--	--	--	--
2048	--	--	--	47,555,000.00	--	--	--	4,735,500.00	--	--	--	--	--	--	--
Total	\$16,685,000.00	\$28,890,000.00	\$30,450,750.00	\$582,917,383.76	\$118,293,060.00	\$251,634,100.00	\$12,208,425.00	\$78,363,000.00	\$79,894,500.00	\$22,012,350.00	\$51,568,500.00	--	--	--	\$51,568,500.00

<sup>(1)</sup> Includes debt service on the Refunded Bonds expected to be refinanced with proceeds of the Refunding Bonds. Prior to their respective Crossover Dates, each series of Refunded Bonds will continue to be obligations of the District payable solely from ad valorem property taxes.

<sup>(2)</sup> The 2002 Series E Bonds and 2008 Series B Bonds are designated as “Build America Bonds” pursuant to an irrevocable election by the District to have Sections 54AA and Section 54AA(g) of the Code apply thereto. The District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 35% of the interest payable on such bonds on or about each semi-annual interest payment date (each a “BAB Subsidy”). This table reflects gross debt service payments with respect to the 2002 Series E Bonds and 2008 Series C Bonds and does not reflect the anticipated receipt of the BAB Subsidy. The BAB Subsidy is subject to reduction (the “Sequestration Reduction”) pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the BAB Subsidy by 5.9% through the end of the current federal fiscal year (September 30, 2020). In the absence of action by the United States Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect the BAB Subsidies currently scheduled for receipt in future federal fiscal years. However, notwithstanding any such reduction, the Boards of Supervisors of the Counties are empowered and obligated to levy *ad valorem* property taxes in an amount sufficient to pay the principal of and interest on the 2002 Series E Bonds and 2008 Series B Bonds. The County will deposit any cash BAB Subsidy received into the respective debt service fund for the 2002 Series E Bonds and 2008 Series B Bonds.

<sup>(3)</sup> Prior to the respective Crossover Dates, the interest on the Bonds is secured by and payable solely from the proceeds thereof on deposit in their corresponding sub-accounts within the Escrow Fund.

## TAX MATTERS

### Series A Bonds

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, interest on the Series A Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Series A Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Series A Bond (the first price at which a substantial amount of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Series A Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Series A Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Series A Bond Owner will increase the Series A Bond Owner’s basis in the applicable Series A Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Series A Bond is excluded from the gross income of such owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Beneficial Owner of the Series A Bonds is exempt from State of California personal income tax.

Bond Counsel’s opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Series A Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Series A Bonds to assure that interest (and original issue discount) on the Series A Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Series A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series A Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Series A Bond Owner’s original basis for determining loss on sale or exchange of the applicable Series A Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Series A Bond premium, which must be amortized under Section 171 of the Code; such amortizable Series A Bond premium reduces the Series A Bond Owner’s basis in the applicable Series A Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series A Bond premium may result in a Series A Bond Owner realizing a taxable gain when a Series A Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series A Bond to the Owner. Purchasers of the Series A Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Series A Bonds will be selected for audit by the IRS. It is also possible that the market value of the Series A Bonds might be affected as a result of such an audit of the Series A Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Series A Bonds to the



extent that it adversely affects the exclusion from gross income of interest (or original issue discount) on the Series A Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE SERIES A BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE SERIES A BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE SERIES A BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE SERIES A BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE SERIES A BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE SERIES A BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE SERIES A BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Series A Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any Series A Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Series A Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Series A Bonds and the accrual or receipt of interest (and original issue discount) on the Series A Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Series A Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series A Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Series A Bonds is attached hereto as APPENDIX A.

### **Taxable Bonds**

In the opinion of Bond Counsel, under existing statutes, regulation, rulings and judicial decisions, interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code but is exempt from State of California personal income tax.

Except for certain exceptions, the difference between the issue price of a Taxable Bond (the first price at which a substantial amount of the Taxable Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Taxable Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Owner of a Taxable Bond will increase the Owner's basis in the Taxable Bond. Owners of Taxable Bonds

should consult their own tax advisor with respect to taking into account any original issue discount on the Taxable Bonds.

The amount by which a Taxable Bond Owner's original basis for determining loss on sale or exchange in the applicable Taxable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Owner of a Taxable Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Taxable Bond Owner's basis in the applicable Taxable Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of 2019 Refunding Bond premium may result in the Owner of a Taxable Bond realizing a taxable gain when a Taxable Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Taxable Bond to the Owner. The Owners of the Taxable Bonds that have a basis in the Taxable Bonds that is greater than the principal amount of the Taxable Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

The federal tax and State of California personal income tax discussion set forth above with respect to the Taxable Bonds is included for general information only and may not be applicable depending upon an Owner's particular situation. The ownership and disposal of the Taxable Bonds and the accrual or receipt of interest with respect to the Taxable Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences.

A copy of the proposed form of opinion of Bond Counsel for the Taxable Bonds is attached hereto as APPENDIX A.

## **LIMITATION ON REMEDIES; BANKRUPTCY**

### **General**

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing a petition under Chapter 9. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover,

regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

### **Statutory Lien**

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the District or the Board, and is valid and binding from the time the Bonds are executed and delivered. See “THE BONDS – Security and Sources of Payment” herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

### **Special Revenues**

If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to finance or refinance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

### **Possession of Tax Revenues; Remedies**

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County’s pooled investment fund, as described in “THE BONDS – Application and Investment of Bond Proceeds” herein and “APPENDIX E – SAN BERNARDINO COUNTY TREASURY POOL” attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

### **Opinions of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor’s Rights**

The proposed forms of the approving opinions of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and

interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

## LEGAL MATTERS

### Legality for Investment in California

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the Government Code, are eligible for security for deposits of public moneys in the State.

### Enhanced Reporting Requirements

Under Section 6049 of the Internal Revenue Code of 1986, as amended by the Tax Increase Prevention and Reconciliation Act of 2005 (“TIPRA”), interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

### Escrow Verification

Upon delivery of the Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriter relating to the adequacy of the maturing principal of and interest on the Federal Securities in the Escrow Fund, together with any moneys held therein as cash, to pay the redemption price of and interest on the Refunded Bonds

### Continuing Disclosure

***Current Undertaking.*** The District has covenanted for the benefit of Owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (the District’s fiscal year ends on June 30), commencing with the report for the 2018-19 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Report and the notices of listed events will be filed in accordance with the requirements of the Rule. The specific nature of the information to be made available and to be contained in the notices of listed events is described in the form of Continuing Disclosure Certificate attached hereto as APPENDIX C. These covenants have been made in order to assist the Underwriter in complying with the Rule.

***[Prior Undertakings.*** Within the past five years, the District has failed to timely file its annual reports for fiscal year 2013-14. The District also failed to file in a timely manner material event notices as required by its previous continuing disclosure undertakings with regard to the Rule.]

### **Absence of Material Litigation**

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue and retire the Bonds.

There are certain lawsuits and claims pending against the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims, if determined adverse to the District, would not materially affect the finances of the District.

### **Legal Opinions**

The legal opinions of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinion is attached to this Official Statement as APPENDIX A.

## **MISCELLANEOUS**

### **Ratings**

The Bonds have been assigned ratings of “\_\_\_\_\_” and “\_\_\_\_\_” by Moody's and S&P, respectively. The ratings reflect only the view of the rating agencies, and any explanation of the significance of such ratings should be obtained from the rating agencies at the following addresses: Moody's, 7 World Trade Center at 250 Greenwich, New York, NY 10007 and S&P Global Ratings, 55 Water Street, 45th Floor, New York, NY 10041. Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies. There is no assurance that the ratings will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the ratings obtained may have an adverse effect on the market price of the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website (“EMMA”) notices of any ratings changes on the Bonds. See “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

### **Financial Statements**

The financial statements with supplemental information for the year ended June 30, 2018, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 7, 2018 of Vavrinek, Trine, Day & Co., LLP (the “Auditor”), are included in this Official Statement as APPENDIX B. In connection with the inclusion of

the financial statements and the report of the Auditor thereon in APPENDIX B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report

### **Underwriting**

The Bonds are being purchased by Piper Jaffray & Co. (the “Underwriter”), pursuant to contracts for purchase and sale thereof by and between the Underwriter and the District (the “Purchase Contracts”). The Underwriter has agreed to purchase (i) all of the Series A Bonds at a price of \$\_\_\_\_\_ (consisting of the principal amount of the Series A Bonds of \$\_\_\_\_\_, plus [net] original issue premium of \$\_\_\_\_\_, and less an Underwriter’s discount of \$\_\_\_\_\_), (ii) all of the Series A-1 Bonds at a price of \$\_\_\_\_\_ (consisting of the principal amount of the Series A-1 Bonds of \$\_\_\_\_\_, plus [net] original issue premium of \$\_\_\_\_\_, and less an Underwriter’s discount of \$\_\_\_\_\_), and (iii) all of the 2019 Refunding Bonds at a price of \$\_\_\_\_\_, (consisting of the principal amount of the 2019 Refunding Bonds of \$\_\_\_\_\_, plus [net] original issue premium of \$\_\_\_\_\_, and less the Underwriter’s discount of \$\_\_\_\_\_).

The Purchase Contracts for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by Bond Counsel and certain other conditions. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page. The offering prices may be changed from time to time by the Underwriter.

### **Additional Information**

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners, beneficial or otherwise, of any of the Bonds. This Official Statement and the delivery thereof have been duly approved and authorized by the District.

**SAN BERNARDINO COMMUNITY COLLEGE  
DISTRICT**

By \_\_\_\_\_  
Bruce Baron  
Superintendent/President

## APPENDIX A

### FORM OF OPINIONS OF BOND COUNSEL

*Upon issuance of the Series A Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Series A Bonds in substantially the following form:*

[Closing Date]

Board of Trustees  
San Bernardino Community College District

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ \_\_\_\_\_ San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Act”) commencing with Section 53506 *et seq.*, a fifty-five percent vote of the qualified electors of the San Bernardino Community College District (the “District”) voting at an election held on November 6, 2018, and a resolution of the Board of Trustees of the District adopted on November 14, 2019 (the “Resolution”).
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner’s basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.



6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

*Upon issuance and delivery of the Series A-1 Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the Series A-1 Bonds substantially in the following form:*

[Closing Date]

Board of Trustees  
San Bernardino Community College District

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ \_\_\_\_\_ San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Act") commencing with Section 53506 *et seq.*, a fifty-five percent vote of the qualified electors of the San Bernardino Community College District (the "District") voting at an election held on November 6, 2018, and a resolution of the Board of Trustees of the District adopted on November 14, 2019 (the "Resolution").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").
4. Interest on the Bonds is exempt from State of California personal income tax.
5. Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated payment price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond.
6. The amount by which a Bond owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the owner of Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of taxable interest received) for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in the owner of a Bond realizing a taxable gain when a Bond is sold by

the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner. The owners of the Bonds that have a basis in the Bonds that is greater than the principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

Except as expressly set forth in paragraphs (3), (4), (5) and (6), we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

*Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the 2019 Refunding Bonds substantially in the following form:*

[Closing Date]

Board of Trustees  
San Bernardino Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ \_\_\_\_\_ San Bernardino Community College District 2019 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution of the Board of Trustees of the District adopted on November 14, 2019 (the "Resolution").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").
4. Interest on the Bonds is exempt from State of California personal income tax.
5. Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated payment price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond.
6. The amount by which a Bond owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the owner of Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of taxable interest received) for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in the owner of a Bond realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner. The owners of the Bonds that have a basis in the Bonds that is greater than the

principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

Except as expressly set forth in paragraphs (3), (4), (5) and (6), we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

**APPENDIX B**

**2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT**

## APPENDIX C

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the San Bernardino Community College District (the “District”) in connection with the issuance of (i) \$ \_\_\_\_\_ San Bernardino Community College District (San Bernardino, California) Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt) (ii) \$ \_\_\_\_\_ San Bernardino Community College District (San Bernardino, California) Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) and (iii) \$ \_\_\_\_\_ of the District’s 2019 General Obligation Refunding Bonds (Federally Taxable) (the “Bonds”). The Bonds are being issued pursuant to Resolutions of the District adopted on November 14, 2019 (collectively, the “Resolutions”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Rulemaking Board consistent with the Rule.

“Holders” shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Sections 5(a) or (b) of this Disclosure Certificate.

“Official Statement” shall mean the Official Statement, dated as of \_\_\_\_\_, 2019, relating to the offer and sale of the Bonds.

“Participating Underwriter” shall mean, Piper Jaffray & Co., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

### SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently ending June 30), commencing with the report for the 2018-19 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

### SECTION 4. Content and Form of Annual Reports.

(a) The District’s Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.



2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

- (A) State funding received by the District for the last completed fiscal year;
- (B) Full time equivalent student counts of the District for the last completed fiscal year;
- (C) outstanding District indebtedness;
- (D) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year.
- (E) assessed valuation of taxable property within the District, for the current fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

**SECTION 5. Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

- 1. principal and interest payment delinquencies.
- 2. tender offers.
- 3. defeasances.
- 4. rating changes.
- 5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
- 6. unscheduled draws on the debt service reserves reflecting financial difficulties.
- 7. unscheduled draws on credit enhancement reflecting financial difficulties.
- 8. substitution of the credit or liquidity providers or their failure to perform.
- 9. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties; and

10. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(10), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. optional, contingent or unscheduled Bond calls.
4. unless described under Section 5(a)(5) above, adverse tax opinions, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. appointment of a successor or additional paying agent with respect to the Bonds or the change of name of such paying agent.
8. incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any

report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and
- (d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements

as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: \_\_\_\_\_, 2019

SAN BERNARDINO COMMUNITY COLLEGE  
DISTRICT

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

Name of District: SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2018 General Obligation Bonds, Series A (Federally Tax-Exempt)  
Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable) 2019  
General Obligation Refunding Bonds (Federally Taxable)

Date of Issuance: \_\_\_\_\_, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

SAN BERNARDINO COMMUNITY COLLEGE  
DISTRICT

By \_\_\_\_\_ [form only; no signature required]

## APPENDIX D

### GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF SAN BERNARDINO, SAN BERNARDINO COUNTY AND RIVERSIDE COUNTY

*The following information regarding the City of San Bernardino (the “City”), San Bernardino County (the “County”) and Riverside County (collectively, the “Counties”) is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the Counties. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel.*

#### General

***The City of San Bernardino.*** The City is located in San Bernardino County and serves as the County seat. The City lies on the floor of the San Bernardino Valley, south of the San Bernardino Mountains and has an area of 81 square miles. It is the 17th largest city in the State of California (the “State”) and the largest city in the County. The City lies 60 miles east of Los Angeles and 120 miles northeast of San Diego. The City was incorporated in 1854. The City government operates under a hybrid mayor-council-city manager form. The mayor is elected by the voters at large, as are the seven members of the city council, each elected within their respected wards. The mayor and council members serve four-year terms.

***San Bernardino County.*** The County is located in the southern portion of the State. The County is bordered by the State of Nevada to the east, Riverside County to the south, Inyo County to the north and Kern, Los Angeles and Orange Counties to the west. It is the fifth most populous county in the State and the twelfth most populous in the United States. The County has an area of 20,160 square miles, with more than three-quarters of the area vacant and covered by desert, forest and mountain ranges. The County is governed by a five-member Board of Supervisors, each elected from their districts. The County was established on May 23, 1853. The County seat is San Bernardino.

***Riverside County.*** Riverside County is the fourth largest county in the State of California (the “State”), encompassing approximately 7,243 square miles. It is located in the southern portion of the State and is bordered by San Bernardino County on the north, Los Angeles and Orange Counties on the west, the State of Arizona and the Colorado River on the east, and San Diego and Imperial Counties on the south. The County has experienced a long period of growth and development. It is currently the eleventh most populous county in the United States, and fourth largest in the State. The County, incorporated in 1893, is a general law county with its seat located in the city of Riverside.

## Population

The following table below shows historical population figures for the City, the Counties and the State from 2010 through 2019.

**POPULATION ESTIMATES  
2010 through 2019  
City of San Bernardino, San Bernardino County, Riverside County and State of California**

<u>Year</u> <sup>(1)</sup>	<u>City of San Bernardino</u>	<u>San Bernardino County</u>	<u>Riverside County</u>	<u>State of California</u>
2010 <sup>(2)</sup>	209,924	2,035,210	2,189,641	37,253,956
2011	211,260	2,058,416	2,217,946	37,594,781
2012	212,924	2,076,145	2,246,951	37,971,427
2013	214,334	2,090,945	2,272,031	38,321,459
2014	214,091	2,104,088	2,295,798	38,622,301
2015	215,292	2,123,562	2,321,837	38,952,462
2016	216,834	2,136,242	2,350,992	39,214,803
2017	218,514	2,156,115	2,384,660	39,504,609
2018	218,992	2,171,517	2,412,536	39,740,508
2019	219,233	2,192,203	2,440,124	39,927,315

<sup>(1)</sup> As of January 1.

<sup>(2)</sup> As of April 1.

Source: 2010: U.S. Department of Commerce, Bureau of the Census, for April 1.

2009, 2011-19 (2010 Demographic Research Unit Benchmark): California Department of Finance for January 1.

## Income

The following table shows per capita personal income for the Counties, the State and the United States from 2008 through 2017.

**PER CAPITA PERSONAL INCOME<sup>(1)</sup>  
2008 through 2017  
San Bernardino County, Riverside County, State of California and the United States**

<u>Year</u>	<u>San Bernardino County</u>	<u>Riverside County</u>	<u>State of California</u>	<u>United States</u>
2008	\$30,150	\$31,627	\$43,895	\$40,904
2009	29,122	30,451	42,050	39,284
2010	29,557	30,685	43,609	40,545
2011	31,051	32,179	46,145	42,727
2012	31,703	32,707	48,751	44,582
2013	32,404	33,383	49,173	44,826
2014	34,218	34,732	52,237	47,025
2015	36,245	36,603	55,679	48,940
2016	37,514	37,827	57,497	49,831
2017	38,816	39,261	59,796	51,640

Note: Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Estimates for 2010 through 2017 reflect county population estimates available as of March 2018. All dollar estimates are in current dollars (not adjusted for inflation). Data for 2018 is not yet available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## Employment

The following table summarizes the labor force, employment and unemployment figures for the City, the Counties, the State and the United States from 2014 through 2018.

**CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATE  
2014 through 2018<sup>(1)</sup>  
City of San Bernardino, San Bernardino County,  
Riverside County, State of California and the United States**

<u>Year and Area</u>	<u>Labor Force</u>	<u>Employment<sup>(2)</sup></u>	<u>Unemployment</u>	<u>Unemployment Rate (%)<sup>(3)</sup></u>
<u>2014</u>				
City of San Bernardino	82,200	73,900	8,300	10.1
San Bernardino County	905,400	833,000	72,500	8.0
Riverside County	1,011,100	928,300	82,900	8.2
State of California	18,714,700	17,310,900	1,403,800	7.5
United States	155,922,000	146,305,000	9,617,000	6.2
<u>2015</u>				
City of San Bernardino	82,900	76,100	6,800	8.2
San Bernardino County	920,000	860,800	59,200	6.4
Riverside County	1,034,200	965,000	69,300	6.7
State of California	18,851,100	17,681,800	1,169,200	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
<u>2016</u>				
City of San Bernardino	83,200	77,200	6,000	7.2
San Bernardino County	930,900	877,200	53,700	5.8
Riverside County	1,052,400	988,100	64,300	6.1
State of California	19,044,500	18,002,800	1,041,700	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
<u>2017</u>				
City of San Bernardino	84,000	78,600	5,300	6.3
San Bernardino County	944,300	897,800	46,500	4.9
Riverside County	1,073,400	1,017,100	56,300	5.2
State of California	19,205,300	18,285,500	919,800	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
<u>2018</u>				
City of San Bernardino	85,200	80,800	4,400	5.2
San Bernardino County	961,000	922,300	38,800	4.0
Riverside County	1,092,400	1,044,600	47,800	4.4
State of California	19,398,200	18,582,800	815,400	4.2
United States	162,075,000	155,761,000	6,314,000	3.9

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department.  
March 2018 Benchmark.



## Industry

The County is included in the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (the “MSA”). The distribution of employment in the MSA is presented in the following table for the last five years. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

### LABOR FORCE AND INDUSTRY EMPLOYMENT ANNUAL AVERAGES 2014 through 2018 San Bernardino County (Riverside-San Bernardino-Ontario MSA)

<u>Category</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Farm	14,400	14,800	14,700	14,500	14,500
Total Nonfarm	1,290,400	1,354,400	1,403,200	1,454,900	1,504,200
Total Private	1,061,600	1,121,100	1,160,900	1,203,900	1,246,600
Goods Producing	170,300	183,100	191,600	197,600	207,300
Mining and Logging	1,300	1,300	900	1,000	1,200
Construction	77,600	85,700	92,000	97,400	104,800
Manufacturing	91,400	96,200	98,700	99,200	101,300
Durable Goods	60,200	63,100	64,400	64,100	65,100
Nondurable Goods	31,200	33,100	34,300	35,200	36,200
Service Providing	1,120,100	1,171,200	1,211,700	1,257,300	1,296,900
Private Service Providing	891,300	937,900	969,400	1,006,300	1,039,300
Trade, Transportation and Utilities	314,800	333,100	347,900	365,500	378,300
Wholesale Trade	58,100	60,500	61,600	62,600	64,900
Retail Trade	169,600	174,400	178,300	180,900	180,800
Transportation, Warehousing and Utilities	87,100	98,100	108,000	122,100	132,600
Information	11,300	11,400	11,500	11,300	11,200
Financial Activities	42,900	44,000	44,600	44,200	43,700
Professional and Business Services	138,700	147,400	144,900	146,900	150,600
Educational and Health Services	195,900	206,300	215,700	226,700	240,000
Leisure and Hospitality	144,800	151,700	160,200	166,300	170,000
Other Services	43,000	44,000	44,600	45,400	45,600
Government	<u>228,800</u>	<u>233,300</u>	<u>242,300</u>	<u>251,000</u>	<u>257,500</u>
Total, All Industries	<u>1,304,800</u>	<u>1,369,100</u>	<u>1,417,900</u>	<u>1,469,400</u>	<u>1,518,700</u>

Note: The “Total, All Industries” data is not directly comparable to the employment data found herein.

Source: State of California, Employment Development Department, Labor Market Information Division, Industry Employment & Labor Force – by Annual Average. March 2018 Benchmark.

## Principal Employers

The following tables list the principal employers located in the Counties.

### PRINCIPAL EMPLOYERS 2018

#### San Bernardino County

<u>Company</u>	<u>Description</u>	<u>Employees</u>
County of San Bernardino	Public Administration	10,000+
Loma Linda University Medical Center	Health Services	10,000+
Amazon	Technology company focusing in e-commerce, cloud computing, and artificial intelligence	10,000+
State of California	Government	10,000+
Kaiser Permanente	Insurance Agents, Brokers, and Service	5,000-9,999
Wal-Mart	Retail Trade: Department/Food Stores	5,000-9,999
San Bernardino City Unified School District	Educational Services	5,000-9,999
Stater Bros. Market	Retail Trade: Food Stores	5,000-9,999
United States Government	Government	5,000-9,999
United Parcel Service	Transportation of Freight and Cargo	5,000-9,999

Source: "Comprehensive Annual Financial Report" of San Bernardino County, California for the fiscal year ended June 30, 2018.

### PRINCIPAL EMPLOYERS 2018

#### Riverside County

<u>Employer Name</u>	<u>Industry</u>	<u>Number of Employees</u>
County of Riverside	Public Administration	22,038
March Air Reserve Base	National Security	9,000
University of California Riverside	Services: Education	8,829
Kaiser Permanente Riverside Medical Center	Services: Health	5,500
Corona-Norco Unified School District	Services: Education	5,478
Pechanga Resort and Casino	Resort Casino	4,750
Riverside Unified School District	Services: Education	4,200
Hemet Unified School District	Services: Education	4,058
Riverside University Health Care Systems	Medical Center	3,965
Morongo Casino Resort and Spa	Resort Casino	3,800

Source: County of Riverside Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2018.

## Commercial Activity

Summaries of annual taxable sales for the City and the Counties from 2015 through 2018 are shown in the following tables.

### ANNUAL TAXABLE SALES 2015 through 2018 City of San Bernardino (Dollars in Thousands)

<u>Year</u>	<u>Retail Permits</u>	Retail Stores Taxable <u>Transactions</u>	<u>Total Permits</u>	Total Taxable <u>Transactions</u>
2015	5,539	\$2,380,149	7,110	\$2,868,852
2016	5,642	2,457,549	7,333	2,988,983
2017	5,598	2,573,089	7,313	3,101,215
2018	5,635	2,677,252	7,625	3,261,802

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

### ANNUAL TAXABLE SALES 2015 through 2018 San Bernardino County (Dollars in Thousands)

<u>Year</u>	<u>Retail Permits</u>	Retail Stores Taxable <u>Transactions</u>	<u>Total Permits</u>	Total Taxable <u>Transactions</u>
2015	37,696	\$23,384,548	56,128	\$35,580,276
2016	38,370	24,477,003	57,629	37,216,551
2017	39,067	25,603,171	58,956	38,399,373
2018	39,837	26,905,784	61,838	40,554,024

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

### TAXABLE SALES 2015-2018 Riverside County (Dollars in Thousands)

<u>Year</u>	<u>Retail Permits</u>	Retail Stores Taxable <u>Transactions</u>	<u>Total Permits</u>	Total Taxable <u>Transactions</u>
2015	37,304	\$23,537,475	55,587	\$33,166,600
2016	38,378	24,274,686	57,742	34,483,694
2017	38,967	25,856,341	58,969	36,407,460
2018	39,577	28,042,692	61,433	38,919,498

Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

**BUILDING PERMITS AND VALUATIONS**  
**2014 through 2018**  
**City of San Bernardino**  
**(Dollars in Thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Valuation					
Residential	\$36,608	\$36,100	\$16,064	\$6,804	\$21,342
Non-Residential	<u>112,312</u>	<u>138,704</u>	<u>88,221</u>	<u>172,915</u>	<u>175,647</u>
Total	\$148,920	\$174,804	\$104,285	\$179,719	\$196,989
Units					
Single Family	62	38	33	19	72
Multiple Family	<u>50</u>	<u>47</u>	<u>62</u>	<u>0</u>	<u>16</u>
Total	112	85	95	19	88

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

**BUILDING PERMITS AND VALUATIONS**  
**2014 through 2018**  
**San Bernardino County**  
**(Dollars in Thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Valuation					
Residential	\$708,471	\$1,056,572	\$888,142	\$1,366,023	\$1,455,281
Non-Residential	<u>958,267</u>	<u>1,146,722</u>	<u>994,282</u>	<u>1,285,597</u>	<u>1,080,130</u>
Total	\$1,666,738	\$2,203,294	\$1,882,424	\$2,651,620	\$2,535,411
Units					
Single Family	1,937	2,753	2,896	4,253	3,311
Multiple Family	<u>1,266</u>	<u>1,159</u>	<u>976</u>	<u>2,578</u>	<u>1,775</u>
Total	3,203	3,912	3,872	6,831	5,086

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

**BUILDING PERMIT VALUATIONS**  
**2014 through 2018**  
**Riverside County**  
**(Dollars in Thousands)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Valuation (\$000):					
Residential	\$1,621,751	\$1,536,742	\$1,759,535	\$1,903,417	\$2,558,081
Non-residential	<u>814,990</u>	<u>911,465</u>	<u>1,346,020</u>	<u>1,433,691</u>	<u>1,959,680</u>
Total*	\$2,436,741	\$2,448,207	\$3,105,555	\$3,337,108	\$4,517,761
Residential Units:					
Single family	5,007	5,007	5,662	6,265	7,540
Multiple family	<u>1,931</u>	<u>1,189</u>	<u>1,039</u>	<u>1,070</u>	<u>1,628</u>
Total	6,938	6,196	6,701	7,335	9,168

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board

## APPENDIX E

### SAN BERNARDINO COUNTY TREASURY POOL

*The following information concerning the San Bernardino County (the “County”) Treasury Pool (the “Treasury Pool”) has been provided by the Treasurer-Tax Collector of the County (the “Treasurer”), and has not been confirmed or verified by the District or the Underwriter. Neither the District nor the Underwriter has made an independent investigation of the investments in the Treasury Pool nor any assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer may change the investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District nor the Underwriter makes any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained is correct as of any time subsequent to its date. Further information may be obtained from the Treasurer at the following website: <https://www.mytaxcollector.com/>. However, the information presented on such website is not incorporated into this Official Statement by any reference.*

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Bruce Baron, Chancellor  
**PREPARED BY:** Bruce Baron, Chancellor  
**DATE:** November 14, 2019  
**SUBJECT:** Consideration of Approval of Employment Contract for Chancellor

**RECOMMENDATION**

It is recommended that the Board of Trustees approve an employment contract for the Chancellor as indicated below.

	Contract Dates	Salary
Bruce Baron	7/1/19 – 6/30/22	\$313,869.10

**OVERVIEW**

The issuance of contracts places SBCCD in accordance with proper employment practices as well as documents, for both employee and employer, the specific conditions of employment.

**ANALYSIS**

The Board evaluated the performance of the Chancellor according to the agreed upon goals and determined the overall evaluation to be satisfactory.

**INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

**FINANCIAL IMPLICATIONS**

The cost of this employment contract is included in the appropriate budget.

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Dr. Kevin Horan, President, CHC  
**PREPARED BY:** Dr. Keith Wurtz, Vice President of Instruction, CHC  
**DATE:** November 14, 2019  
**SUBJECT:** Appendix, College and Career Access Pathways (CCAP) - CHC

**RECOMMENDATION**

This item is for information only.

**OVERVIEW**

The Appendix is being added as an informational item and no action is required.

**ANALYSIS**

The Board adopted the College and Career Access Pathways (CCAP) dual enrollment partnership agreement between the San Bernardino Community College District and Redlands Unified School District on July 11, 2019.

**FINANCIAL IMPLICATIONS**

None.

## **APPENDIX**

### **COLLEGE AND CAREER ACCESS PATHWAYS (CCAP) A DUAL ENROLLMENT PARTNERSHIP AGREEMENT**

WHEREAS, the College and Career Access Pathways Partnership Agreement (CCAP Agreement) is between San Bernardino Community College District on behalf of Crafton Hills College (“COLLEGE”), 11711 Sand Canyon Road, Yucaipa, CA 92399, and Redlands Unified School District (“SCHOOL DISTRICT”), 20 W. Lugonia Avenue, Redlands, CA 92374.

WHEREAS, the COLLEGE and the SCHOOL DISTRICT agree to record COLLEGE and SCHOOL DISTRICT specific components of the CCAP Agreement using the Appendix for purposes of addressing mandated reporting requirements to include, but not limited to, the total number of high school students to be served and the total number of full-time equivalent students projected to be claimed by the community college district for those students; the scope, nature, time, location, and listing of community college courses to be offered; and criteria to assess the ability of pupils to benefit from those courses; and Sec. 2 (c)(1)

WHEREAS, the CCAP Agreement Appendix shall also be used to record protocols for information sharing in compliance with all applicable state and federal privacy laws, joint facilities use, and parental consent for high school pupils to enroll in community college courses; and Sec. 2 (c)(1)

WHEREAS, participation in the CCAP Agreement is consistent with the core mission of the community colleges pursuant to Section 66010.4, and that pupils participating in a CCAP Agreement will not lead to enrollment displacement of otherwise eligible adults in the community college; Sec. 2 (k)(3)

NOW THEREFORE, the COLLEGE and SCHOOL DISTRICT agree as follows:

#### **1. CCAP AGREEMENT**

- a. COLLEGE and SCHOOL DISTRICT shall ensure that two public (informational and adoption) meetings are held in the review and approval of this CCAP Agreement. Sec. 2 (b)
- b. COLLEGE shall file this CCAP Agreement with the office of the Chancellor of the California community colleges prior to the start of the partnership. Sec. 2 (c)(2)
- c. COLLEGE and SCHOOL DISTRICT shall review and establish new or amended CCAP Agreements annually on or before July 1<sup>st</sup> and follow the protocols set forth in (a) and (b) of this section.



e. COLLEGE and SCHOOL DISTRICT point of contact: Sec. 2 (c)(2)

LOCATION	NAME	TELEPHONE	EMAIL
College:	Souts Xayaphanthong Director of Outreach and Educational Partnerships	909-389-3212	sxayaphanthong@craftonh ills.edu
School District:	Stephanie Lock Coordinator of College, Career, and Special Programs	909-307-5300 x20305	stephanie_lock@redlands. k12.ca.us

**2. STUDENT SELECTION**

a. Minimum School Day - The SCHOOL DISTRICT shall certify that it shall teach SCHOOL DISTRICT students participating as part of a CCAP Agreement no less than the number of instructional minutes required to complete a minimum school day pursuant to Education Code §§ 46141 and 46142. In all circumstances the COLLEGE shall claim allowable FTES for the enrollment of high school students in a CCAP Agreement community college course.

b. SCHOOL DISTRICT shall select students consistent with the intent of AB 288 to include: high school students “who may not already be college bound or who are underrepresented in higher education with the goal of developing seamless pathways from high school to community college for career technical education or preparation for transfer improving high school graduation rates, and assisting high school pupils to achieve college and career readiness” *Sec. 2 (a)* and “underachieving students, those from groups underrepresented in postsecondary education, those who are seeking advanced studies while in high school, and those seeking a career technical education credential or certificate.” *Sec. 1 (d)*

c. COLLEGE and SCHOOL DISTRICT shall certify that participating students will have a signed parental consent form on file with the COLLEGE. *Preamble and Sec. 2 (c)(1)*

d. COLLEGE and SCHOOL DISTRICT shall certify that participating students may enroll in up to a maximum of 15 unit load per term, the units may not constitute more than four courses per term, the units are part of an academic (educational) program identified as part of this CCAP Agreement and the units are part of an academic (educational) program designed to award students both a high school diploma and an associate degree or a certificate or credential. *Sec. 2 (p)(1-3)*

**3. CCAP AGREEMENT EDUCATIONAL PROGRAM(S) AND COURSE(S)**

a. COLLEGE is responsible for all educational program(s) and course(s) and offered as part of this CCAP Agreement whether the educational program(s) and course(s) are offered at the SCHOOL DISTRICT or the COLLEGE.

**5. CCAP AGREEMENT PROGRAM YEAR: BEGINNING FALL 2019 THROUGH SPRING 2020** COLLEGE has identified the CSU and UC transfer pathways, course offerings per program year, estimated students served, and projected FTES. The employer of record for all courses under this CCAP Agreement is the COLLEGE and the location of the courses is the DISTRICT. The grid below is intended to project the courses that might be offered, subject to change based on the needs of the student cohorts within the pathway. The intent in Spring 2020 is to identify one or two courses that best align with students and offer only a small number of course.

	Fall 2019	Spring 2020
Course		<b>ENGL-010 (Accelerated Preparation for College English)* (4 units) with support co-requisite ENGL-918 (English 010 Support Lab) (.5 – 1 unit)?</b>
		<b>ENGL-010 (Accelerated Preparation for College English)* (4 units)</b>
		<b>ENGL-101 (Freshman Composition)* (4 units) with support co-requisite ENGL-917 (English 101 Support Lab) (.5 – 1 unit)?</b>
		<b>ENGL-101 (Freshman Composition)* (4 units)</b>
		<b>MATH-085 (Pre-Statistics)* (4 – 6 units)</b>
		<b>MATH-110 (Introduction to Probability and Statistics)* (4 units) with support co-requisite MATH-910 (Introduction to Probability and Statistics Support) (2 units)</b>
		<b>MATH-110 (Introduction to Probability and Statistics)* (4 units)</b>
		<b>MATH-095 (Intermediate Algebra)* (4 units)</b>
		<b>MATH-095 (Intermediate Algebra)* (4 units) with support co-requisite MATH-995 (Intermediate Algebra Support) (3 units)</b>
		<b>MATH-102 (College Algebra)* (5 units) with support co-requisite MATH-902 (College Algebra Support) (2 units)</b>
		<b>MATH-102 (College Algebra)* (5 units)</b>
		<b>MATH-115 (The Ideas of Mathematics)* (3 units) with support co-requisite MATH-915 (Ideas of Mathematics Support) (1-2 units)</b>
		<b>MATH-115 (The Ideas of Mathematics)* (3 units)</b>
		<b>WFPN/-601 (Essential Workplace Traits and Skills), Non-Credit, 18 Hours – Job Readiness Skills Certificate Pathway (JRSCP)</b>
		<b>WFPN/-602 (Essential Customer Service), Non-Credit, 18 Hours, JRSCP</b>
		<b>WFPN/-603 (Essential Skills for New Employees), Non-Credit, 9 Hours, JRSCP</b>
		<b>WFPN/-608 (Essential Skills for Job Search Success), Non-Credit, 9 Hours, JRSCP</b>

\*Prerequisite or Placement test needed

BEGINNING PROGRAM YEAR: 2019-2020 COLLEGE: Crafton Hills College

EDUCATIONAL PROGRAM: College and Career Readiness and CTE Pathway

SCHOOL DISTRICT: Redlands Unified School District

HIGH SCHOOL: Citrus Valley, Redlands East Valley, Orangewood High School and / or Redlands High School

**Required:** Describe the criteria used to assess the ability of pupils to benefit from the course(s) offered (*Sec. 2 (c)(1)*):

Students are being prepared to be college ready.

**Projected Number of Students and FTES:**

	Fall 2019	Spring 2020
Estimated Student Served		125
Estimated FTES		17.39

6. **BOOKS** - The total cost of books for students participating as part of this CCAP agreement will be borne by the SCHOOL DISTRICT. The COLLEGE will ensure, whenever possible, textbooks to remain the same throughout the term of the CCAP agreement.

Course Name	Text	ISBN	Cost
<b>Accelerated Preparation for College English</b> ENGL-010	To be determined by instructor teaching section	TBD	TBD
<b>English 010 Support Lab</b> ENGL-918	To be determined by instructor teaching section	TBD	TBD
<b>Freshman Composition</b> ENGL-101	To be determined by instructor teaching section	TBD	TBD
<b>English 101 Support Lab</b> ENGL-917	To be determined by instructor teaching section	TBD	TBD
<b>Pre-Statistics</b> MATH-085	To be determined by instructor teaching section	TBD	TBD
<b>Introduction to Probability and Statistics</b> MATH-110	To be determined by instructor teaching section	TBD	TBD

Note: All referenced Sections from AB 288 (Education Code §76004)

<b>Introduction to Probability and Statistics Support</b> MATH-910	To be determined by instructor teaching section	TBD	TBD
<b>Intermediate Algebra</b> MATH-095	To be determined by instructor teaching section	TBD	TBD
<b>Intermediate Algebra Support</b> MATH-995	To be determined by instructor teaching section	TBD	TBD
<b>College Algebra</b> MATH-102	To be determined by instructor teaching section	TBD	TBD
<b>College Algebra Support</b> MATH-902	To be determined by instructor teaching section	TBD	TBD
<b>The Ideas of Mathematics</b> MATH-115	To be determined by instructor teaching section	TBD	TBD
<b>Ideas of Mathematics Support</b> MATH-915	To be determined by instructor teaching section	TBD	TBD
Essential Workplace Traits and Skills <b>WFPN/-601</b>	To be determined by instructor teaching section	TBD	TBD
Essential Customer Service <b>WFPN/-602</b>	To be determined by instructor teaching section	TBD	TBD
Essential Skills for New Employees <b>WFPN/-603</b>	To be determined by instructor teaching section	TBD	TBD
Essential Skills for Job Search Success <b>WFPN/-608</b>	To be determined by instructor teaching section	TBD	TBD

## 7. MANDATED ANNUAL STATE REPORTING

- a. COLLEGE and SCHOOL DISTRICT shall ensure accurate and timely reporting of the total number of full-time equivalent students generated by CCAP partnership community college district participants.
- b. COLLEGE and SCHOOL DISTRICT shall report the annual total number of unduplicated high school student headcount by school site enrolled in each CCAP Agreement aggregated by gender and ethnicity and shall be reported annually in compliance with all applicable state and federal privacy laws. The COLLEGE shall annually report the student data to the office of the Chancellor of the California Community Colleges. *Sec. 2 (t) (1)(A)*
- c. COLLEGE and SCHOOL DISTRICT shall report the annual total number of community college courses by category and type and by school site enrolled in by this CCAP Agreement. *Sec. 2 (t) (1)(B)*
- d. COLLEGE and SCHOOL DISTRICT shall report the annual total number of the unduplicated high school student headcount and the percentage of successful course completions, by course category and type and by school site. *Sec. 2 (t)(1)(C)*
- e. COLLEGE and SCHOOL DISTRICT shall report the annual total number of full-time

*Note: All referenced Sections from AB 288 (Education Code §76004)*

equivalent students generated by this CCAP Agreement. *Sec. 2 (t)(1)(D)*

f. COLLEGE and SCHOOL DISTRICT shall ensure that the point of contact for each site establish protocols for the collection and dissemination of participating student data each semester within 30 days of the end of the term.

## **8. CCAP AGREEMENT DATA MATCH AND REPORTING**

a. COLLEGE and SCHOOL DISTRICT shall ensure operational protocols consistent with the collection of participating student data and the timely submission of the data.

b. COLLEGE shall report all program and participating student data to the office of the Chancellor of the California Community Colleges.

## **9. PRIVACY OF STUDENT RECORDS**

a. COLLEGE and SCHOOL DISTRICT understand and agree that education records of students enrolled in the CCAP course and personally identifiable information contained in those educational records are subject to the Family Educational Rights and Privacy Act (FERPA) 20 U.S.C. § 1232g; 34 C.F.R. Part 99, including the disclosure provisions of § 99.30 and state law as set forth in Education Code §§ 49064 and 49076). COLLEGE and SCHOOL DISTRICT agree to hold all student education records generated pursuant to this CCAP Agreement in strict confidence, and further agrees not to re-disclose such records except as authorized by applicable law or regulation or by the parent or guardian's prior written consent. (34 C.F.R. § 99.33 (a), (b); 34 C.F.R. § 99.34(b) and Education Code §§ 49064 and 49076.)

b. **Limitation on Use.** COLLEGE and SCHOOL DISTRICT shall use each student education record that he or she may receive pursuant to this CCAP Agreement solely for a purpose(s) consistent with his or her authority to access that information pursuant to Federal and State law, as may be as applicable. (34 C.F.R. § 99.31, 34 C.F.R. § 99.34, and Education Code § 49076.)

c. **Recordkeeping Requirements.** COLLEGE and SCHOOL DISTRICT shall comply with the requirements governing maintenance of records of each request for access to and each disclosure of, student education records set forth under Title 34, Code of Federal Regulations § 99.32 and under Education Code § 49064 as applicable.

d. **Acknowledgement of Receipt of Notice of FERPA Regulations.** By signature of its authorized representative or agent on this Agreement, COLLEGE and SCHOOL DISTRICT hereby acknowledges that it has been provided with the notice required under 34 C.F.R. § 99.33(d) that it is strictly prohibited from re-disclosing student education records to any other person or entity except as authorized by applicable law or regulation or by the parent or guardian's prior written consent.

## **SAN BERNARDINO COMMUNITY COLLEGE**

**DISTRICT TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Bruce Baron, Chancellor

**PREPARED BY:** Stacey K. Nikac, Administrative Officer

**DATE:** November 14, 2019

**SUBJECT:** Applause Cards

### **RECOMMENDATION**

This item is for information only. No action is required.

### **OVERVIEW**

The attached individuals have received special recognition for extending that extra effort in providing quality service and valued assistance.

### **ANALYSIS**

The *Caring Hands* Applause Card was developed so that employees, students, visitors, and vendors have an opportunity to recognize someone at SBCCD who provides outstanding quality and service.

At the Chancellor's Holiday Party and Service Awards in December, recipients with the most applause cards awarded at SBVC, CHC, and District are recognized and presented with an award.

### **INSTITUTIONAL VALUES**

I. Institutional Effectiveness

### **FINANCIAL IMPLICATIONS**

None



## Applause Cards

Submitted for Information November 14, 2019

### DISTRICT

Last Name	First Name	Div/Dept/Office	Details of the Service	Recognized By
Aguirre	Margarita	Account Payable	I am so thankful for, Margarita! I work with her on my cash advances for conferences and she is always so friendly and willing to help. She also responds quickly to questions and goes out of her way. She is fast and efficient!	CHC
Aguirre	Margarita	Accounting	Thank you for your patience and understanding that I have no idea how to use Oracle. It's very much appreciated that you help me. Thank you!	Deborah Castro
Alexander	Tenille	Accounts Payable	Thank you for providing assistance at the one-on-one training sessions for questions regarding tasks in Oracle held at SBVC during this month. Much Appreciated!	Debby Gallagher
Davis	Angela	Purchasing	Thank you for the purchasing training session presentation at the SBVC All Secretaries meeting on 10-25-19. We appreciated all you do!	Debby Gallagher
Davis	Angela	Purchasing	Angela, you are so appreciated! Your assistance exceeds the expectations and your customer service is incomparable! Thank you!	Mary Bender
Diggle	Virginia	Business Services	Thank you for the purchasing training session presentation at the SBVC All Secretaries meeting on 10-25-19. We appreciated all you do!	Debby Gallagher
Kelly	Martha	Purchasing	Thank you for the purchasing training session presentation at the SBVC All Secretaries meeting on 10-25-19. We appreciated all you do!	Debby Gallagher
Loera	Ernie	Facilities	Thank you, Ernie for providing dependable and excellent customer service	Ashley Gaines
Loera	Ernie	Facilities	Thank you for all the hard work you have done in organizing the move to the new District Offices. Awesome work.	Colleen Gamboa
Loera	Ernie	Facilities	Thank you for all your hard work and patience with the move. You are awesome	Arliss Malone
Loera	Ernie	Facilities	Thank you for all your hard work.	Nancy Green

Loera	Ernie	Facilities	Ernie was super helpful and listened to all our thoughts and helped with any questions we had regarding the move.	Kristin Raisch
Loera	Ernie	Facilities	Always very helpful. Above and beyond. Great attitude.	Margarita Aguirre
McCord	Rose	Accounts Payable	Thank you for assisting and answering questions during the One-on-One Oracle Appointments for faculty and staff at SBVC in September. You are appreciated!	Debby Gallagher
Moncada	Rosita	TESS	For being professional and providing service with a smile. We appreciate you!	Shari Blackwell
Osman	Parada	TESS	Thank you for help in getting the new district set-up and organized. You are an invaluable part of our team.	Shari Blackwell
Sims	Jeremy	TESS	For your hard work and dedication during the move to the new district office. We appreciate you!	Shari Blackwell
Smith	Wyvon	Accounts Payable	Thank you for assisting and answering questions during the One-on-One Oracle Appointments for faculty and staff at SBVC on 10-25-19. You are appreciated!	Debby Gallagher
Sutorus	Steve	Business Services	Thank you for the purchasing training session presentation at the SBVC All Secretaries meeting on 10-25-19. We appreciated all you and your team do!	Debby Gallagher

## CRAFTON HILLS COLLEGE

Last Name	First Name	Div/Dept/Office	Details of the Service	Recognized By
Lehman	Veronica	Financial Aid	Thank you, Veronica for being the hostess with the mostest for our VPSS finalists. You were so kind and put the finalists at ease while you accompanied them to their open forum in LRC 231.	Cyndie St. Jean
Henderson	Kristine	Custodial	Thank you, Kristine for all your hard work in the Crafton Center building. Everything is spotless and looks amazing. We notice and appreciate everything you do!	Cyndie St. Jean
McConnell	Mark	Music	Thank you Mark for being the moderator and time keeper for the VPSS open forums. You did an excellent job and your help is greatly appreciated!	Cyndie St. Jean
Paddock	Ericka	Student Life	Thank you, Ericka for all your help with the VPSS open forums. Having students participate in the tours was greatly appreciated!	Cyndie St. Jean



Riggs	Michelle	Institutional Advancement	Thank you for conducting the tours for the VPSS finalists after the open forums.	Cyndie St. Jean
Simonson	Kristi	Institutional Advancement	Thank you so much for all your help and expertise in posting the VPSS bios, pictures, open forum recordings and comment cards. You are very much appreciated!	Cyndie St. Jean
Taylor	Alyssa	Office of Instruction	Thank you, Alyssa for helping prepare, print and cut the comment cards for the VPSS open forums. You were a huge help and it is greatly appreciated!	Cyndie St. Jean
Veloni	Shane	Technology Services	Thank you so much for all your help with setting up LRC 231 to record the VPSS open forums. Your knowledge and expertise is greatly appreciated!	Cyndie St. Jean

## SAN BERNARDINO VALLEY COLLEGE

Last Name	First Name	Div/Dept/Office	Details of the Service	Recognized By
Aguilar	Lupita	Office of Instruction	Thank you for helping me rejoin the full-time faculty email list serve!	Jeff Demsky
Babino	Eric	Maintenance	Eric Babino placed a large, outside bulletin board in the Business building breezeway. The board looks beautiful and we are appreciative of his fine work and care in mounting the board. Thank you!	Vivian Marquez
Brown	Dave	Custodial	Dave Brown is highly responsible, accountable and takes great pride in his work as a custodian. Often, we take for granted the work custodians complete in the buildings they are assigned to. Thank you, Dave.	Vivian Marquez
Gowen	Laura	Office of Instruction	Thank you for helping me rejoin the full-time faculty email list serve!	Jeff Demsky
Grishow	Kevin	Maintenance and Operations	Kevin has been so helpful in assisting the campus these last few months. Thank you so much for your willingness to help out and for answering your phone!	Kay Dee Yarbrough
Grotke	Angela	Social Sciences	Thank you for being a part of Senate and all of your help with the Concession Stand. Thank you for volunteering your time on 10/5/19 to raise funds for student scholarships. You are awesome!	Judy Rodriguez

Guillen	Ernest	Library	I appreciate all of your help with Senate and the Concession Stand. Thank you for volunteering your time on 10/5/19 to raise funds for student scholarships. You are awesome!	Judy Rodriguez
Hamdy	Rania	Professional Development	Thank you for setting up the one-on-one trainings sessions in your PD computer lab during this month for all staff to come and obtain assistance with tasks in the Oracle system from staff on hand from district. Much Appreciated!	Debby Gallagher
Luke	Dr. Craig	Student Development 102	Keep being a great teacher, Dr. Luke. You are awesome!	Steven, Student
Luke	Dr. Craig	Counselor/SDEV	Dr. Luke has done such a great job at teaching me how to develop into a college student and has a very kind and genuine attitude towards everyone.	Joshua Olvera, Student
Luke	Dr. Craig	Liberal Arts	One of the most impacting professors on campus.	Leah Ariana Garcia, Student
Rodriguez	Judy	Social Science	Thank you for helping me rejoin the full-time faculty email list serve!	Jeff Demsky
Rodriguez	Justin	Maintenance	Justin Rodriguez placed a large, outside bulletin board in the Business building breezeway. The board looks beautiful and we are appreciative of his fine work and care in mounting the board. Thank you!	Vivian Marquez
Sanchez	Phylcia	Development and Community Relations	Thank you for all your help with Senate and the Concession Stand. You are much appreciated for volunteering your time on 10/5/19 to raise funds for student scholarships. You are awesome!	Judy Rodriguez
Thomas	Cassandra	Science Division	I appreciate all of your help with Concession Stand. Thank you for volunteering your time and donations on 10/5/19 to raise funds for student scholarships. You are awesome!	Judy Rodriguez
Transporte	Catalina Valdez	Arts and Humanities Division	Gives exceptional effort to ensure faculty needs are met; serves as an exemplar to colleagues; holds a positive and professional demeanor; and an integral part of the Arts and Humanities Division at SBVC. Thank You!	Ariana A. Cano

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Lawrence P. Strong, Director of Fiscal Services  
**DATE:** November 14, 2019  
**SUBJECT:** Budget Report

### **RECOMMENDATION**

This item is for information only and no action is required.

### **OVERVIEW**

The attached Revenue and Expenditure Summary reflects activity for the 2019-20 fiscal year through October 22, 2019. As of that date, SBCCD was 30.9% through the fiscal year and had spent and/or encumbered approximately 26.2% of its budgeted general fund.

### **ANALYSIS**

While year to date revenue and/or expenditure percentages often vary from the percentage of fiscal year elapsed, all funds are expected to remain within the 2019-20 budget unless noted here. For explanations of any significant variances in year to date revenues/expenditures from fiscal year elapsed, please see the attached summary.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness, and Excellence

### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this board item



## Budget Revenue & Expenditure Summary

Year to Date 10/22/2019

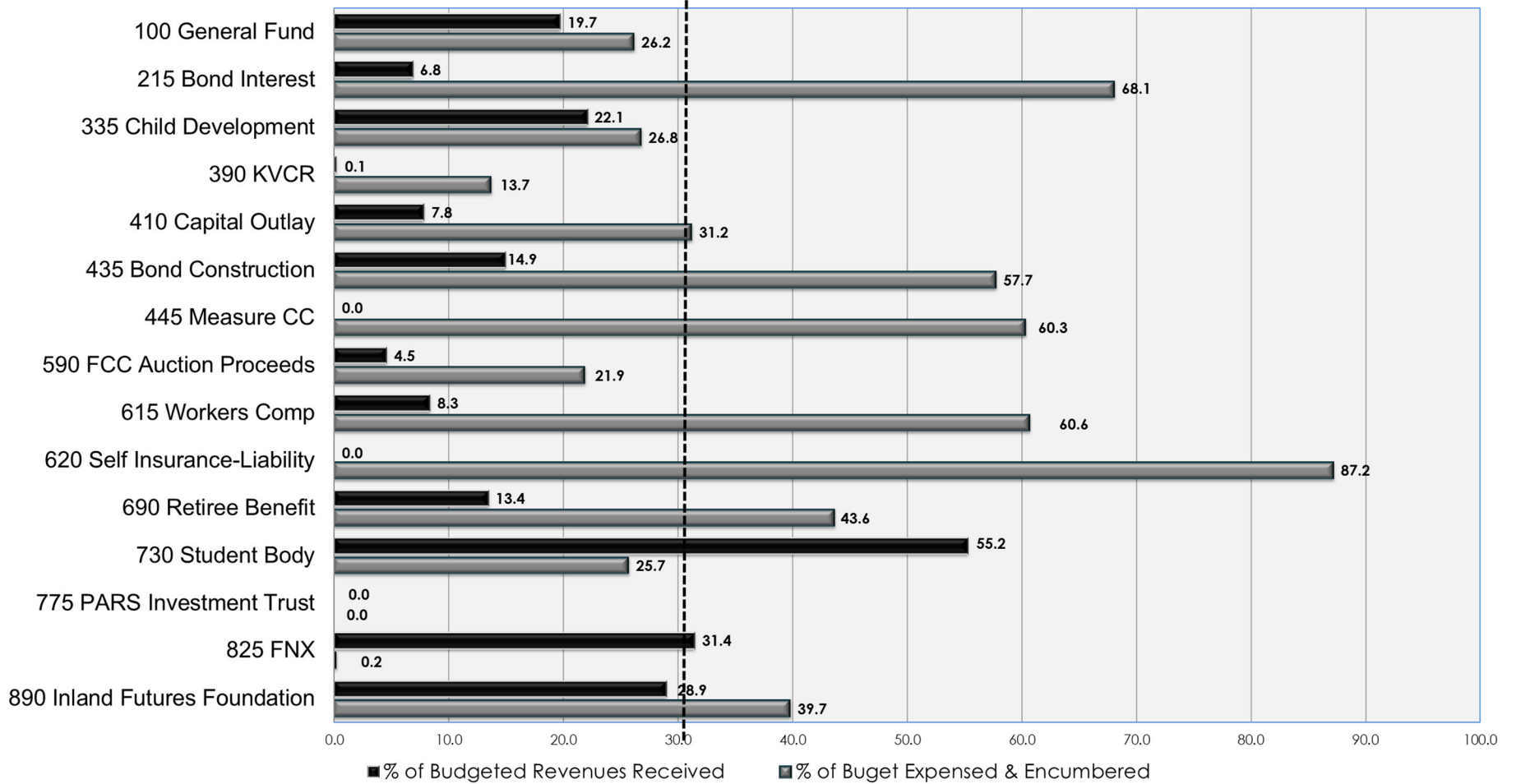
	30.9% of Fiscal Year Elapsed						COMMENTS
	REVENUES			EXPENDITURES			
	Budget	Received YTD		Budget	Expensed/ Encumbered YTD		
100 General Fund	\$175,154,297	\$ 34,476,000	19.7%	\$180,618,979	\$ 47,240,933	26.2%	Receipt of Federal grant revenue pending processing of year-end reports.
215 Bond Interest & Redemption	\$ 30,750,000	\$ 2,100,194	6.8%	\$ 30,750,000	\$ 20,928,613	68.1%	Taxes are determined and collected by the County for bond measures; SBCCD does not control this fund.
335 Child Development	\$ 3,570,141	\$ 787,892	22.1%	\$ 3,570,141	\$ 955,911	26.8%	
390 KVCR	\$ 3,730,000	\$ 5,352	0.1%	\$ 6,006,878	\$ 821,870	13.7%	Annual revenue is projected to be significantly lower than expenditures.
410 Capital Outlay Projects	\$ 1,475,000	\$ 114,995	7.8%	\$ 2,061,226	\$ 642,355	31.2%	Interest income posted quarterly.
435 Bond Construction	\$ 39,900	\$ 5,957	14.9%	\$ 5,771,123	\$ 3,330,985	57.7%	\$2.9 million for Highland property purchase.
445 Measure CC	\$100,000,000	\$ -	0.0%	\$ 5,296,136	\$ 3,193,135	60.3%	\$2 million encumbered for bond program management fees.
590 FCC Auction Proceeds	\$ 4,772,966	\$ 217,033	4.5%	\$ 26,804,046	\$ 5,858,305	21.9%	Interest income posted quarterly.
615 Workers Compensation	\$ 1,480,000	\$ 123,309	8.3%	\$ 1,070,000	\$ 648,887	60.6%	Interfund transfer-in (revenue) posted in arrears. \$439,786 compromise & release claim paid.
620 Self Insurance-Liability	\$ 565,000	\$ 5,357	0.9%	\$ 905,000	\$ 788,926	87.2%	\$668,935 SWACC Annual Insurance payment. \$550,000 interfund transfer-in is in process.
690 Retiree Benefit	\$ 250,200	\$ 33,579	13.4%	\$ 250,200	\$ 109,177	43.6%	OPEB contribution revenue posted in arrears.
730 Student Body Center Fee	\$ 303,567	\$ 167,659	55.2%	\$ 303,567	\$ 77,930	25.7%	Revenue collected at the beginning of the term.
775 PARS Investment Trust	\$ 12,750,000	\$ -	0.0%	\$ 3,100,000	\$ -	0.0%	\$9 million interfund transfer-in (Media Academy Endowment) in process.
825 FNX	\$ 3,200,000	\$ 1,005,659	31.4%	\$ 3,200,000	\$ 486,398	15.2%	Expenditures consistent with terms of agreement.
890 Inland Futures Foundation	\$ 1,104,393	\$ 319,701	28.9%	\$ 1,104,393	\$ 438,989	39.7%	



# Budget Revenue & Expenditure Summary

Year to Date 10/22/2019

Fiscal Year Elapsed - 30.9%





## Budget Revenue & Expenditure Summary

Year to Date 10/22/2019

### Encumbrances (Oracle)

Fund	Title	Type	Total
100	General Fund	Expense	18,152,221
335	Child Development	Expense	204,840
390	KVCR	Expense	327,854
410	Capital Outlay	Expense	507,681
435	Bond Construction	Expense	300,565
445	Measure CC	Expense	3,118,497
590	FCC Auction Proceeds	Expense	5,531,011
615	Worker's Comp.	Expense	113,000
620	Self-Insurance - Liability	Expense	76,675
730	Student Body Center Fee	Expense	43,825
825	FNX	Expense	210,518
890	Inland Futures Foundation	Expense	250,324

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 01 GENERAL FUND</b>							
<b>Revenue</b>							
Federal Revenue (810000 to 819999)	3,128,750.72	261,979.00	261,979.00	8.37%	-	2,866,771.72	91.63%
Other State Revenue (860000 to 869999)	106,740,304.33	25,339,592.47	25,339,592.47	23.74%	-	81,400,711.86	76.26%
Other Local Revenue (880000 to 889999)	48,990,059.88	1,890,617.57	1,890,617.57	3.86%	4,296,776.50	42,802,665.81	87.37%
All Other Financing Sources (890000 to 897999)	9,884,561.00	2,686,929.24	2,686,929.24	27.18%	-	7,197,631.76	72.82%
Interfund Transfers In (898000 to 898999)	6,410,621.47	104.59	104.59	0.00%	-	6,410,516.88	100.00%
<b>Total Revenue</b>	<b>175,154,297.40</b>	<b>30,179,222.87</b>	<b>30,179,222.87</b>		<b>4,296,776.50</b>	<b>140,678,298.03</b>	
<b>Expenditure</b>							
Certificated Salary (100000 to 199999)	53,231,185.56	11,672,547.75	11,672,547.75	21.93%	-	41,558,637.81	78.07%
Classified Salary (200000 to 299999)	37,075,609.58	8,397,577.82	8,397,577.82	22.65%	-	28,678,031.76	77.35%
Employee Benefit (300000 to 399999)	30,122,038.28	6,836,209.90	6,836,209.90	22.70%	-	23,285,828.38	77.30%
Books and Supplies (400000 to 499999)	4,302,585.90	124,293.41	124,293.41	2.89%	(238.41)	4,178,530.90	97.12%
Services and Operating Expenditures (500000 to 599999)	38,467,934.25	493,627.66	493,627.66	1.28%	-	37,974,306.59	98.72%
Capital Outlay (600000 to 699999)	4,357,374.57	938,592.43	938,592.43	21.54%	-	3,418,782.14	78.46%
Interfund Transfers Out (730000 to 739999)	800,000.00	250,000.00	250,000.00	31.25%	-	550,000.00	68.75%
Other Transfers Out (740000 to 769999)	12,262,250.50	375,862.80	375,862.80	3.07%	-	11,886,387.70	96.93%
<b>Total Expenditure</b>	<b>180,618,978.64</b>	<b>29,088,711.77</b>	<b>29,088,711.77</b>		<b>(238.41)</b>	<b>151,530,505.28</b>	
<b>Total Fund 01 GENERAL FUND</b>	<b>(5,464,681.24)</b>	<b>1,090,511.10</b>	<b>1,090,511.10</b>		<b>4,297,014.91</b>	<b>(10,852,207.25)</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 21 BOND INTEREST AND REDEMPTIONF</b>							
<b>Revenue</b>							
Other State Revenue (860000 to 869999)	250,000.00	0.00	0.00	0.00%	-	250,000.00	100.00%
Other Local Revenue (880000 to 889999)	30,000,000.00	1,356,331.56	1,356,331.56	4.52%	-	28,643,668.44	95.48%
All Other Financing Sources (890000 to 897999)	500,000.00	743,862.63	743,862.63	148.77%	-	(243,862.63)	(48.77%)
<b>Total Revenue</b>	<b>30,750,000.00</b>	<b>2,100,194.19</b>	<b>2,100,194.19</b>		<b>-</b>	<b>28,649,805.81</b>	
<b>Expenditure</b>							
Other Financing Uses (700000 to 729999)	30,750,000.00	20,928,612.75	20,928,612.75	68.06%	-	9,821,387.25	31.94%
<b>Total Expenditure</b>	<b>30,750,000.00</b>	<b>20,928,612.75</b>	<b>20,928,612.75</b>		<b>-</b>	<b>9,821,387.25</b>	
<b>Total Fund 21 BOND INTEREST AND REDEMP</b>	<b>0.00</b>	<b>(18,828,418.56)</b>	<b>(18,828,418.56)</b>		<b>-</b>	<b>18,828,418.56</b>	

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**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 41 CAPITAL OUTLAY PROJECTS FUND</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	1,475,000.00	114,995.20	114,995.20	7.80%	-	1,360,004.80	92.20%
<b>Total Revenue</b>	<b>1,475,000.00</b>	<b>114,995.20</b>	<b>114,995.20</b>		<b>-</b>	<b>1,360,004.80</b>	
<b>Expenditure</b>							
Classified Salary (200000 to 299999)	174,487.24	28,751.11	28,751.11	16.48%	-	145,736.13	83.52%
Employee Benefit (300000 to 399999)	72,897.19	12,029.76	12,029.76	16.50%	-	60,867.43	83.50%
Services and Operating Expenditures (500000 to 599999)	453,842.00	81,191.77	81,191.77	17.89%	-	372,650.23	82.11%
Capital Outlay (600000 to 699999)	1,360,000.00	12,701.72	12,701.72	0.93%	-	1,347,298.28	99.07%
<b>Total Expenditure</b>	<b>2,061,226.43</b>	<b>134,674.36</b>	<b>134,674.36</b>		<b>-</b>	<b>1,926,552.07</b>	
<b>Total Fund 41 CAPITAL OUTLAY PROJECTS</b>	<b>(586,226.43)</b>	<b>(19,679.16)</b>	<b>(19,679.16)</b>		<b>-</b>	<b>(566,547.27)</b>	

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**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 42 REVENUE BOND CONSTRUCTION FUN</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	39,900.00	5,956.58	5,956.58	14.93%	-	33,943.42	85.07%
<b>Total Revenue</b>	<b>39,900.00</b>	<b>5,956.58</b>	<b>5,956.58</b>		<b>-</b>	<b>33,943.42</b>	
<b>Expenditure</b>							
Services and Operating Expenditures (500000 to 599999)	58,000.00	750.00	750.00	1.29%	-	57,250.00	98.71%
Capital Outlay (600000 to 699999)	5,713,123.00	32,376.50	32,376.50	0.57%	-	5,680,746.50	99.43%
<b>Total Expenditure</b>	<b>5,771,123.00</b>	<b>33,126.50</b>	<b>33,126.50</b>		<b>-</b>	<b>5,737,996.50</b>	
<b>Total Fund 42 REVENUE BOND CONSTRUCTIO</b>	<b>(5,731,223.00)</b>	<b>(27,169.92)</b>	<b>(27,169.92)</b>		<b>-</b>	<b>(5,704,053.08)</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 44 MEASURE CC BOND PROCEEDS FUND</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	100,000,000.00	0.00	0.00	0.00%	-	100,000,000.00	100.00%
<b>Total Revenue</b>	<b>100,000,000.00</b>	<b>0.00</b>	<b>0.00</b>		<b>-</b>	<b>100,000,000.00</b>	
<b>Expenditure</b>							
Classified Salary (200000 to 299999)	309,894.07	52,161.67	52,161.67	16.83%	-	257,732.40	83.17%
Employee Benefit (300000 to 399999)	130,641.71	22,276.28	22,276.28	17.05%	-	108,365.43	82.95%
Services and Operating Expenditures (500000 to 599999)	3,855,600.00	200.00	200.00	0.01%	-	3,855,400.00	99.99%
Capital Outlay (600000 to 699999)	1,000,000.00	0.00	0.00	0.00%	-	1,000,000.00	100.00%
<b>Total Expenditure</b>	<b>5,296,135.78</b>	<b>74,637.95</b>	<b>74,637.95</b>		<b>-</b>	<b>5,221,497.83</b>	
<b>Total Fund 44 MEASURE CC BOND PROCEEDS</b>	<b>94,703,864.22</b>	<b>(74,637.95)</b>	<b>(74,637.95)</b>		<b>-</b>	<b>94,778,502.17</b>	

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**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 59 ENTERPRISE FUND-FCC AUCTION</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	4,772,966.00	217,032.86	217,032.86	4.55%	-	4,555,933.14	95.45%
<b>Total Revenue</b>	4,772,966.00	217,032.86	217,032.86		-	4,555,933.14	
<b>Expenditure</b>							
Services and Operating Expenditures (500000 to 599999)	2,289,513.00	0.00	0.00	0.00%	-	2,289,513.00	100.00%
Capital Outlay (600000 to 699999)	11,383,912.48	327,293.71	327,293.71	2.88%	-	11,056,618.77	97.12%
Interfund Transfers Out (730000 to 739999)	13,130,621.00	0.00	0.00	0.00%	-	13,130,621.00	100.00%
<b>Total Expenditure</b>	26,804,046.48	327,293.71	327,293.71		-	26,476,752.77	
<b>Total Fund 59 ENTERPRISE FUND-FCC AUCT</b>	<b>(22,031,080.48)</b>	<b>(110,260.85)</b>	<b>(110,260.85)</b>		-	<b>(21,920,819.63)</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 68 RETIREE BENEFIT FUND</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	250,200.00	21,564.94	21,564.94	8.62%	12,014.00	216,621.06	86.58%
<b>Total Revenue</b>	250,200.00	21,564.94	21,564.94		12,014.00	216,621.06	
<b>Expenditure</b>							
Employee Benefit (300000 to 399999)	250,200.00	109,177.42	109,177.42	43.64%	-	141,022.58	56.36%
<b>Total Expenditure</b>	250,200.00	109,177.42	109,177.42		-	141,022.58	
<b>Total Fund 68 RETIREE BENEFIT FUND</b>	<u>0.00</u>	<u>(87,612.48)</u>	<u>(87,612.48)</u>		<u>12,014.00</u>	<u>75,598.48</u>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 72 CHILD DEVELOPMENT FUND</b>							
<b>Revenue</b>							
Federal Revenue (810000 to 819999)	545,440.00	33,366.21	33,366.21	6.12%	-	512,073.79	93.88%
Other State Revenue (860000 to 869999)	2,810,409.00	733,722.95	733,722.95	26.11%	-	2,076,686.05	73.89%
Other Local Revenue (880000 to 889999)	214,291.70	20,803.03	20,803.03	9.71%	-	193,488.67	90.29%
<b>Total Revenue</b>	<b>3,570,140.70</b>	<b>787,892.19</b>	<b>787,892.19</b>		<b>-</b>	<b>2,782,248.51</b>	
<b>Expenditure</b>							
Classified Salary (200000 to 299999)	2,053,353.80	507,231.34	507,231.34	24.70%	-	1,546,122.46	75.30%
Employee Benefit (300000 to 399999)	851,959.74	216,335.56	216,335.56	25.39%	-	635,624.18	74.61%
Books and Supplies (400000 to 499999)	438,481.85	27,204.25	27,204.25	6.20%	238.41	411,039.19	93.74%
Services and Operating Expenditures (500000 to 599999)	171,545.31	300.00	300.00	0.17%	-	171,245.31	99.83%
Capital Outlay (600000 to 699999)	54,800.00	0.00	0.00	0.00%	-	54,800.00	100.00%
<b>Total Expenditure</b>	<b>3,570,140.70</b>	<b>751,071.15</b>	<b>751,071.15</b>		<b>238.41</b>	<b>2,818,831.14</b>	
<b>Total Fund 72 CHILD DEVELOPMENT FUND</b>	<b>0.00</b>	<b>36,821.04</b>	<b>36,821.04</b>		<b>(238.41)</b>	<b>(36,582.63)</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 73 STUDENT BODY CENTER FEE FUND</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	303,567.00	167,659.14	167,659.14	55.23%	-	135,907.86	44.77%
<b>Total Revenue</b>	<b>303,567.00</b>	<b>167,659.14</b>	<b>167,659.14</b>		<b>-</b>	<b>135,907.86</b>	
<b>Expenditure</b>							
Classified Salary (200000 to 299999)	187,109.31	25,254.60	25,254.60	13.50%	-	161,854.71	86.50%
Employee Benefit (300000 to 399999)	69,039.17	8,639.94	8,639.94	12.51%	-	60,399.23	87.49%
Books and Supplies (400000 to 499999)	4,465.06	210.52	210.52	4.71%	-	4,254.54	95.29%
Services and Operating Expenditures (500000 to 599999)	499.99	0.00	0.00	0.00%	-	499.99	100.00%
Capital Outlay (600000 to 699999)	42,453.47	0.00	0.00	0.00%	-	42,453.47	100.00%
<b>Total Expenditure</b>	<b>303,567.00</b>	<b>34,105.06</b>	<b>34,105.06</b>		<b>-</b>	<b>269,461.94</b>	
<b>Total Fund 73 STUDENT BODY CENTER FEE</b>	<b>0.00</b>	<b>133,554.08</b>	<b>133,554.08</b>		<b>-</b>	<b>(133,554.08)</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumbered; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 74 KVCR FUND</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	2,770,000.35	5,351.71	5,351.71	0.19%	-	2,764,648.64	99.81%
Interfund Transfers In (898000 to 898999)	960,000.00	0.00	0.00	0.00%	-	960,000.00	100.00%
<b>Total Revenue</b>	<b>3,730,000.35</b>	<b>5,351.71</b>	<b>5,351.71</b>		<b>-</b>	<b>3,724,648.64</b>	
<b>Expenditure</b>							
Classified Salary (200000 to 299999)	1,844,011.65	355,208.10	355,208.10	19.26%	-	1,488,803.55	80.74%
Employee Benefit (300000 to 399999)	1,509,302.95	133,817.96	133,817.96	8.87%	-	1,375,484.99	91.13%
Books and Supplies (400000 to 499999)	82,400.00	(0.68)	(0.68)	0.00%	-	82,400.68	100.00%
Services and Operating Expenditures (500000 to 599999)	2,561,163.35	4,990.87	4,990.87	0.19%	-	2,556,172.48	99.81%
Capital Outlay (600000 to 699999)	10,000.00	0.00	0.00	0.00%	-	10,000.00	100.00%
<b>Total Expenditure</b>	<b>6,006,877.95</b>	<b>494,016.25</b>	<b>494,016.25</b>		<b>-</b>	<b>5,512,861.70</b>	
<b>Total Fund 74 KVCR FUND</b>	<b>(2,276,877.60)</b>	<b>(488,664.54)</b>	<b>(488,664.54)</b>		<b>-</b>	<b>(1,788,213.06)</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status



**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 76 KVCR EDUCATIONAL FOUNDATION</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	0.00	8,363.10	8,363.10	100.00%	-	(8,363.10)	0.00%
<b>Total Revenue</b>	0.00	8,363.10	8,363.10		-	(8,363.10)	
<b>Expenditure</b>							
Classified Salary (200000 to 299999)	0.00	79,100.25	79,100.25	100.00%	-	(79,100.25)	0.00%
Employee Benefit (300000 to 399999)	0.00	34,807.92	34,807.92	100.00%	-	(34,807.92)	0.00%
Books and Supplies (400000 to 499999)	0.00	(2.19)	(2.19)	100.00%	-	2.19	0.00%
Services and Operating Expenditures (500000 to 599999)	0.00	12,792.94	12,792.94	100.00%	-	(12,792.94)	0.00%
<b>Total Expenditure</b>	0.00	126,698.92	126,698.92		-	(126,698.92)	
<b>Total Fund 76 KVCR EDUCATIONAL FOUNDAT</b>	0.00	(118,335.82)	(118,335.82)		-	118,335.82	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 77 PARS INVESTMENT TRUST FUND</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	3,750,000.00	0.00	0.00	0.00%	-	3,750,000.00	100.00%
Interfund Transfers In (898000 to 898999)	9,000,000.00	0.00	0.00	0.00%	-	9,000,000.00	100.00%
<b>Total Revenue</b>	<b>12,750,000.00</b>	<b>0.00</b>	<b>0.00</b>		<b>-</b>	<b>12,750,000.00</b>	
<b>Expenditure</b>							
Interfund Transfers Out (730000 to 739999)	3,100,000.00	0.00	0.00	0.00%	-	3,100,000.00	100.00%
<b>Total Expenditure</b>	<b>3,100,000.00</b>	<b>0.00</b>	<b>0.00</b>		<b>-</b>	<b>3,100,000.00</b>	
<b>Total Fund 77 PARS INVESTMENT TRUST FU</b>	<b>9,650,000.00</b>	<b>0.00</b>	<b>0.00</b>		<b>-</b>	<b>9,650,000.00</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 78 SELF INSURANCE-LIABILITY&amp;PROP</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	15,000.00	5,356.56	5,356.56	35.71%	-	9,643.44	64.29%
Interfund Transfers In (898000 to 898999)	550,000.00	0.00	0.00	0.00%	-	550,000.00	100.00%
<b>Total Revenue</b>	<b>565,000.00</b>	<b>5,356.56</b>	<b>5,356.56</b>		<b>-</b>	<b>559,643.44</b>	
<b>Expenditure</b>							
Services and Operating Expenditures (500000 to 599999)	905,000.00	43,316.20	43,316.20	4.79%	-	861,683.80	95.21%
<b>Total Expenditure</b>	<b>905,000.00</b>	<b>43,316.20</b>	<b>43,316.20</b>		<b>-</b>	<b>861,683.80</b>	
<b>Total Fund 78 SELF INSURANCE-LIABILITY</b>	<b>(340,000.00)</b>	<b>(37,959.64)</b>	<b>(37,959.64)</b>		<b>-</b>	<b>(302,040.36)</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 79 EDCT FOUNDATION</b>							
<b>Revenue</b>							
Other State Revenue (860000 to 869999)	250,000.00	0.00	0.00	0.00%	-	250,000.00	100.00%
Other Local Revenue (880000 to 889999)	604,393.32	61,338.41	61,338.41	10.15%	-	543,054.91	89.85%
Interfund Transfers In (898000 to 898999)	250,000.00	250,000.00	250,000.00	100.00%	-	0.00	0.00%
<b>Total Revenue</b>	<b>1,104,393.32</b>	<b>311,338.41</b>	<b>311,338.41</b>		<b>-</b>	<b>793,054.91</b>	
<b>Expenditure</b>							
Certificated Salary (100000 to 199999)	25,000.00	0.00	0.00	0.00%	-	25,000.00	100.00%
Classified Salary (200000 to 299999)	178,819.22	45,209.75	45,209.75	25.28%	-	133,609.47	74.72%
Employee Benefit (300000 to 399999)	57,815.07	15,159.35	15,159.35	26.22%	-	42,655.72	73.78%
Books and Supplies (400000 to 499999)	45,965.74	1,209.25	1,209.25	2.63%	-	44,756.49	97.37%
Services and Operating Expenditures (500000 to 599999)	632,793.29	388.80	388.80	0.06%	-	632,404.49	99.94%
Capital Outlay (600000 to 699999)	164,000.00	0.00	0.00	0.00%	-	164,000.00	100.00%
<b>Total Expenditure</b>	<b>1,104,393.32</b>	<b>61,967.15</b>	<b>61,967.15</b>		<b>-</b>	<b>1,042,426.17</b>	
<b>Total Fund 79 EDCT FOUNDATION</b>	<b>0.00</b>	<b>249,371.26</b>	<b>249,371.26</b>		<b>-</b>	<b>(249,371.26)</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 82 SCHLRSH&amp;LOAN AGENCY KVCR-FNX</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	2,750,000.00	1,005,658.72	1,005,658.72	36.57%	-	1,744,341.28	63.43%
Interfund Transfers In (898000 to 898999)	450,000.00	0.00	0.00	0.00%	-	450,000.00	100.00%
<b>Total Revenue</b>	<b>3,200,000.00</b>	<b>1,005,658.72</b>	<b>1,005,658.72</b>		<b>-</b>	<b>2,194,341.28</b>	
<b>Expenditure</b>							
Classified Salary (200000 to 299999)	1,907,008.36	203,616.78	203,616.78	10.68%	-	1,703,391.58	89.32%
Employee Benefit (300000 to 399999)	918,836.31	71,234.04	71,234.04	7.75%	-	847,602.27	92.25%
Books and Supplies (400000 to 499999)	0.37	376.03	376.03	101,629.73%	-	(375.66)	(101,529.73)
Services and Operating Expenditures (500000 to 599999)	364,154.96	653.18	653.18	0.18%	-	363,501.78	99.82%
Capital Outlay (600000 to 699999)	10,000.00	0.00	0.00	0.00%	-	10,000.00	100.00%
<b>Total Expenditure</b>	<b>3,200,000.00</b>	<b>275,880.03</b>	<b>275,880.03</b>		<b>-</b>	<b>2,924,119.97</b>	
<b>Total Fund 82 SCHLRSH&amp;LOAN AGENCY KVC</b>	<b>0.00</b>	<b>729,778.69</b>	<b>729,778.69</b>		<b>-</b>	<b>(729,778.69)</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

**BEST NET CONSORTIUM**  
**72 - San Bernardino Community College**  
**Budget Summary Report - Summary (From: 7/1/2019 To: 6/30/2020)**  
**Budget Summary for Board Meetings**

Major Range Description	Revised Budget	Current Activity	Activity Year To Date	% Activity	Pre/Encumbered Pended Activity	UnEncumbered Balance	% Remaining
<b>Fund 84 WORKERS COMPENSATION FUND</b>							
<b>Revenue</b>							
Other Local Revenue (880000 to 889999)	1,480,000.00	63,309.35	63,309.35	4.28%	60,000.00	1,356,690.65	91.67%
<b>Total Revenue</b>	1,480,000.00	63,309.35	63,309.35		60,000.00	1,356,690.65	
<b>Expenditure</b>							
Services and Operating Expenditures (500000 to 599999)	1,070,000.00	96,100.52	96,100.52	8.98%	-	973,899.48	91.02%
<b>Total Expenditure</b>	1,070,000.00	96,100.52	96,100.52		-	973,899.48	
<b>Total Fund 84 WORKERS COMPENSATION FUN</b>	<b>410,000.00</b>	<b>(32,791.17)</b>	<b>(32,791.17)</b>		<b>60,000.00</b>	<b>382,791.17</b>	

Criteria: Type = Summary; Budget Status = Revised; Include Accruals = Yes; Negative Balance = No; Include Budget Account Details = No; Include GL Status = Pended,Encumbered,PreEncumberd; Sort/Group = Fund,Major Range; Page Break by = Fund; Account Masking = No Masking; Fund = !51,!69; Suppress Net Zero Accounts = Yes; Default Column Order = No; Display Columns FTR = GL Status

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Bruce Baron, Chancellor  
**PREPARED BY:** Al Jackson, Chief of Police  
**DATE:** November 14, 2019  
**SUBJECT:** District Clery Act Compliance Report

### **RECOMMENDATION**

This item is for information only. No action is required.

### **OVERVIEW**

Postsecondary educational institutions (institutions) that participate in student aid programs under Title IV of the Federal Higher Education Act of 1965, as amended, are required by the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) to create an annual security report by October 1 of each year. This security report must contain required crime statistics of the institution as well as certain security policy disclosures. When institutions do not comply with the Clery Act, they inhibit the ability of students and others to make informed decisions about campus security. Further, the U.S. Department of Education can impose financial penalties of up to \$55,907 per violation against noncompliant institutions.

### **ANALYSIS**

Monthly Report of Clery Crimes for September 2019 (See attached).

### **INSTITUTIONAL VALUES**

I. Institutional Effectiveness

### **FINANCIAL IMPLICATIONS**

None

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT  
CLERY ACT CRIMES  
September 2019**

**ON CAMPUS:**

**CRAFTON**

NO INCIDENTS TO REPORT

**DISTRICT**

NO INCIDENTS TO REPORT

**VALLEY**

<b>Case #</b>	<b>Reported</b>	<b>Offense</b>	<b>Reportable Clery Crime</b>	<b>Location</b>	<b>Disposition</b>
19-0724	09/03/2019	PC 647F	Disorderly Conduct	Library	Subject Arrested
19-0783	9/15/2019	PC 11364(A)	Possession of Drug Paraphernalia	Greek Theatre	Subject Arrested

**PUBLIC PROPERTY:**

**CRAFTON**

NO INCIDENTS TO REPORT

**DISTRICT**

NO INCIDENTS TO REPORT

**VALLEY**

<b>Case #</b>	<b>Reported</b>	<b>Offense</b>	<b>Reportable Clery Crime</b>	<b>Location</b>	<b>Disposition</b>
19-0787	09/16/2019	VC 664/10851	Attempt Vehicle Theft	Swap Lot	Report Taken



## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Steven J. Sutorus, Business Manager  
**DATE:** November 14, 2019  
**SUBJECT:** Contracts Below \$92,600

### **RECOMMENDATION**

This item is being presented for information only. No further action is necessary.

### **OVERVIEW**

In accordance with SBCCD Board Policy 6100, Delegation of Authority, The Board of Trustees delegates authority to the Chancellor to supervise the general business procedures of the District to assure the proper administration of property and contracts.

In line with Public Contract Code Section 17605 and Section 22034(c), the Board of Trustees delegates purchasing and contracting authority to the named agents on the authorized signature list. These designated District Officers have authority to approve purchase requests; award, sign, and execute contracts; and authorize payment under the formal bid limits set by Public Contract Code. Such purchase and/or contract requests shall not require Board approval, but shall be sent to the Board as an information item every 60 days.

### **ANALYSIS**

The California Board of Governors sets the formal bid limit for procurement of goods and or services on an annual basis. The formal bid limit for the current calendar year has been set at \$92,600. Construction services are not included in this board item.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness, and Excellence

### **FINANCIAL IMPLICATIONS**

The attached purchase and or contract requests have been budgeted for via purchase requisition.

## Contracts Agreements

ControlNo	VendorName	ContractType	Dept/Location	Expense	Income	Revised
18833	4 Imprint	Novelty Item with Logo	Art/SBVC	\$926.26		
18877	4 Imprint	Production of Logo Items	EDCT/SBCCD	\$394.88		
18865	Advanced Imaging Strategies	Services	Facilities/SBCCD	\$575.00		
18815	Agile Sports Technologies	Software/Online Services	Athletics/SBVC	\$450.00		
18816	Agile Sports Technologies	Software/Online Services	Counseling/SBVC	\$900.00		
18794	American Medical Response of Southern California	Clinicals	EMS/CHC	No Cost		
18860	Amerigas	General	Technical Training/SBVC	\$50,000.00		
18448	Anady's Trophies & Engraving	Name Badges	TESS/SBCCD	\$3,400.00		\$2,500.00
18822	Analytik Jenna US LLC	Income - Training Agreement	EDCT/SBCCD		\$25,000.00	
18208	Animiki See Distribution, Inc.	Program Acquisition	FNX/KVCR	\$26,250.00		
18847	Ares Sportswear LTD	Production of Logo Items	Athletics/SBVC	\$1,148.95		
18804	Badge Express	Production of Logo Items	Marketing/SBVC	\$70.68		
18848	Blue Ribbon Ink & Thread, Inc.	Production of Logo Items	Athletics/SBVC	\$756.00		
18814	Burgess Moving & Storage	Moving Services	Facilities/SBCCD	\$19,785.00		

# Contracts Agreements

ControlNo	VendorName	ContractType	Dept/Location	Expense	Income	Revised
18831	California Bus Service	Bus Rental	Academic Success/SBVC	\$803.96		
18862	Calimesa Chamber of Commerce	Sponsorship	President/CHC	\$500.00		
18868	Cal-Lift Inc.	On Demand Repairs Agreement	Facilities/CHC	\$1,200.00		
18825	CDW Government Inc.	Installation Services	TESS/SBCCD	\$875.00		
18789	CDW Government Inc.	Software/Online Services	Campus Tech/SBVC	\$19,580.00		
18866	Cerritos College Foundation	Subgrantee	EDCT/SBCCD	\$25,000.00		
18807	Chaney, Paul dba First Certified Arbor Care	Services	M&O/SBVC	\$10,000.00		
18791	Computerized Embroidery Company, The	Production of Logo Items	Athletics/SBVC	\$803.52		
18792	Computerized Embroidery Company, The	Production of Logo Items	Athletics/SBVC	\$417.96		
18793	Computerized Embroidery Company, The	Production of Logo Items	Athletics/SBVC	\$773.28		
18845	Computerized Embroidery Company, The	Production of Logo Items	Athletics/SBVC	\$453.60		
18846	Computerized Embroidery Company, The	Production of Logo Items	Athletics/SBVC	\$604.80		
18841	Computerized Embroidery Company, The	Production of Logo Items	Athletics/SBVC	\$2,080.08		
18842	Computerized Embroidery Company, The	Production of Logo Items	Athletics/SBVC	\$1,142.64		

# Contracts Agreements

ControlNo	VendorName	ContractType	Dept/Location	Expense	Income	Revised
18850	Computerized Embroidery Company, The	Production of Logo Items	Marketing/SBVC	\$198.72		
18874	ComputerLand of Silicon Valley	Software/Online Services	TESS/SBVC	\$1,000.00		
18858	Constant Contact, Inc.	Software/Online Services	Counseling/SBVC	\$2,670.05		
18849	Continental Air Transport	Bus Rental	First Year/SBVC	\$1,011.34		
18826	CREATOMBuilder, Inc.	Independent Contractor	Art/SBVC	\$3,500.00		
18881	Crown Lift Trucks	PO as Contract	EDCT/SBCCD	\$1,063.00		
18870	CurriQunet	Software/Online Services	TESS/SBCCD	\$29,400.00		
18806	Docu-Trust	Rental	TESS/SBCCD	\$2,360.59		
18843	Eastbay Team Sales	Production of Logo Items	Athletics/SBVC	\$783.02		
18844	Eastbay Team Sales	Production of Logo Items	Athletics/SBVC	\$1,763.93		
18799	Economic Modeling , LLC DBA EMSI	Software/Online Services	TESS/SBCCD	\$27,000.00		
18788	Ferrellgas	General	Fire Technology/CHC	\$7,500.00		
18852	Foundation for California Community Colleges	Income - Grant	First Year/SBVC		\$22,500.00	
18812	FranklinCovey Client Sales	Training Services	Human Resources/SBCCD	\$8,000.00		

# Contracts Agreements

ControlNo	VendorName	ContractType	Dept/Location	Expense	Income	Revised
18876	Gonzalez, Elizabeth	Speaker	Student Life/SBVC	\$500.00		
18837	Google, LLC	Broadcasting Rights	KVCR/KVCR	No Cost		
18809	H & L Charter Co, Inc.	Bus Rental	Athletics/SBVC	\$2,152.44		
18810	H & L Charter Co, Inc.	Bus Rental	Athletics/SBVC	\$1,051.75		
18882	H & L Charter Co, Inc.	Bus Rental	Athletics/SBVC	\$2,058.83		
18883	H & L Charter Co, Inc.	Bus Rental	Athletics/SBVC	\$1,366.75		
18886	H & L Charter Co, Inc.	Bus Rental	Athletics/SBVC	\$1,944.63		
18887	H & L Charter Co, Inc.	Bus Rental	Athletics/SBVC	\$1,618.75		
18839	Healthy Roster, Inc.	Software/Online Services	Athletics/SBVC	\$745.00		
18840	Horan, Madalynn	Services	Athletics/SBVC	\$1,500.00		
18872	Huang, Robert	Independent Contractor	TESS/SBCCD	\$6,900.00		
18828	Interior Office Solutions	Installation Services	M&O/SBVC	\$2,190.00		
18829	Johnson Controls Fire Protection	Maintenance Agreement	Facilities/SBCCD	\$30,000.00		
18830	Johnson Controls Fire Protection	Maintenance Agreement	Facilities/SBCCD	\$10,000.00		

# Contracts Agreements

ControlNo	VendorName	ContractType	Dept/Location	Expense	Income	Revised
18855	Jones Enterprises	PO as Contract	Restaurant Management/SBVC	\$1,500.00		
18861	Jon's Flags and Poles Inc.	Production of Logo Items	Administrative Services/SBVC	\$3,116.00		
18864	Kaeser & Blair Dealer	Production of Logo Items	Marketing/SBCCD	\$3,440.04		
18801	Kekoa, Vance dba Sentinel EHS	Speaker	Facilities/SBCCD	\$375.00		
18869	Laboratory Microscope Specialist - LMS	Repairs	Biology/SBVC	\$1,000.00		
18795	Laboratory Microscope Specialist - LMS	Repairs	Biology/SBVC	\$881.00		
18851	Labster, Inc.	Software/Online Services	Technical Training/SBVC	\$2,250.00		
18871	Lefta Systems	Software/Online Services	District Police/SBCCD	\$2,400.00		
18867	Letterhead Factory Inc.	Production of Logo Items	Student Life/SBVC	\$3,400.00		
18802	MacIntosh, Cindy Lee	Rental	Marketing/SBVC	\$350.19		
18853	Mellin, Linda Marie dba American Printing & Promotions	Novelty Item with Logo	Student Services/SBVC	\$20,317.07		
18808	Mike's Custom Flooring	Repairs	M&O/SBVC	\$4,515.16		
18859	Mind and Mill	Services	FNX/KVCR	\$7,000.00		
18824	Mowbray's Tree Service	Services	M&O/SBVC	\$35,000.00		

# Contracts Agreements

ControlNo	VendorName	ContractType	Dept/Location	Expense	Income	Revised
18790	Myers-Briggs Company, The dba CPP, Inc.	Software/Online Services	Student Services/CHC	\$195.00		
18857	OMNI Entertainment Inc.	Program Acquisition	FNX/KVCR	No Cost		
18800	Presencia LLC	Speaker	Chancellor/SBCCD	\$3,500.00		
18749	Reach Out	Services	Program Development/CHC	\$80,000.00		
18878	Regents of University of CA, San Diego	Income - Training Agreement	Math/SBVC		\$7,500.00	
18827	Regents University of California Los Angeles	Rental	Inland Futures/SBCCD	\$15,050.00		
18856	Riverside, City Of	Rental	FNX/KVCR	\$20.00		
18838	San Bernardino City USD	Income - Facilities Use	Administrative Services/SBVC		\$935.19	
18875	San Bernardino County Superintendent of Schools	Income - Grant	Child Development/ CHC		\$219,629.00	
18884	San Gorgonio Ballet Company	Income - Facilities Use	Administrative Services/CHC		\$1,940.32	
18805	Singlewire Software, LLC	Software/Online Services	TESS/SBCCD	\$8,816.00		
18796	Staples Contract & Commercial, Inc.	General	Administrative Services/CHC	\$204.10		
18813	Start the Adventure Travel dba STA Travel	Travel Services	Student Live/SBVC	\$19,500.00		
18873	Sun Ridge Systems Inc.	Software/Online Services	District Police/SBCCD	\$12,905.00		

# Contracts Agreements

ControlNo	VendorName	ContractType	Dept/Location	Expense	Income	Revised
18823	Sunbelt Controls, Inc.	Maintenance Agreement	Facilities/SBCCD	\$60,000.00		
18854	Superior Service Corp	PO as Contract	Restaurant Management/SBVC	\$2,500.00		
18836	Teava, Mitikiro Matapo	Performer	Marketing/SBVC	\$600.00		
18863	Temecula Valley USD	Independent Contractor	EDCT/SBCCD	\$5,000.00		
18803	Trophy House	Production of Logo Items	Marketing/SBVC	\$1,216.80		
18798	University of California - Riverside	Income - Underwriter	KVCR/KVCR		\$1,300.00	
18879	Watermark Insights LLC	Software/Online Services	Admissions & Records/CHC	\$6,500.00		
18832	Wilbur's Power Equipment	On Demand Repairs Agreement	Fire Technology/CHC	\$3,000.00		
18817	Xerox Corp DBA Xerox - The Document Company	Copier Relocation	Facilities/SBCCD	\$367.00		
18880	Yale/Chase Material Handling	Software/Online Services	TESS/SBCCD	\$1,077.50		
18688	Yucaipa-Calimesa Joint USD	Pathways Dual Enrollment	Instruction/CHC	No Cost		Additional Courses

Total Number of Contracts 95

\$623,166.27    \$278,804.51



## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Lawrence P. Strong, Director of Fiscal Services  
**DATE:** November 14, 2019  
**SUBJECT:** General Fund Cash Flow Analysis

### **RECOMMENDATION**

This item is for information only and no action is required.

### **OVERVIEW**

The District's budget is a financial plan based on estimated revenues and expenditures for the fiscal year, which runs from July 1 through June 30. Cash refers to what is actually in the District's treasury on a day-to-day and month-to-month basis. Monitoring the amount of cash available to meet the District's financial obligations is the core responsibility of the Fiscal Services Department. Attached is the restricted and unrestricted General Fund monthly cash flow analysis for the District.

### **ANALYSIS**

The General Fund cash balance as of June 30, 2020, is estimated to be \$40,484,232.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness, and Excellence

### **FINANCIAL IMPLICATIONS**

This is an information item only. There are no financial implications.



# General Fund Cash Flow Analysis – Restricted & Unrestricted Fiscal Year 2019-20

(as of October 22, 2019, rounded to the nearest \$1,000)

	PROJECTED												ACCRUALS	TOTAL
	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		
Estimated Beginning Cash Balance	42,362	42,276	43,881	46,379	42,060	38,280	48,803	42,196	49,445	50,997	47,542	45,429		
Receipts														
Federal	35	227		479	-82	706	4	1,080	377	224	523	-176		3,396
State	6,276	5,137	13,881	7,191	7,996	10,477	7,919	16,862	11,093	4,959	6,299	8,649		106,740
State Deferrals														
Local	814	972	85	2,413	3,582	15,892	1,741	5,661	574	5,894	4,087	7,275		48,990
Temporary Borrowings														
Interfund Transfer & Sale of Assets	894	894	899	2				5,151	7,481	1,892	1,677	92		18,982
Accounts Receivable/Accruals	231	1,670	1,942	2,419	169	-439	4	787	403	230	379	1,575		9,371
Total Receipts	8,250	8,900	16,806	12,504	11,665	26,635	9,667	29,542	19,929	13,200	12,965	17,415		187,479
Disbursements														
Academic Salaries	6	2,530	4,297	4,810	4,758	4,899	4,797	4,505	4,837	4,963	4,942	8,088		53,429
Classified Salaries	2,370	2,713	2,806	2,975	2,971	3,164	2,915	2,669	2,835	2,900	3,147	4,510		35,976
Benefits	1,170	2,024	2,357	2,501	2,511	2,531	2,504	2,632	2,522	2,548	2,579	3,871		29,752
Supplies & Materials	98	-1	-7	240	175	236	170	248	268	269	336	2,221		4,252
Other Operating Exp	399	10	-47	2,014	2,002	2,942	3,800	1,899	1,874	4,793	2,937	12,873		35,496
Capital Outlay	819	-52		153	274	150	272	23	258	753	584	1,796		5,031
Other Outgo	195	174	250		2,594	2,123	1,887	-209	903	429	1,733	3,299		13,377
Longterm Post-Employment Benefits	-7	-10	-10	-17	-9	21	-2	-9	5	-9	23	-3		-25
Accounts Payable/Accruals	3,284	-92	4,662	4,146	168	48	-69	10,534	4,874	8	-1,202	-14,294		12,068
Total Disbursements	8,335	7,296	14,308	16,823	15,445	16,112	16,275	22,293	18,376	16,655	15,078	22,360		189,357
Increase / (Decrease) in Cash Balance	-86	1,604	2,498	-4,319	-3,780	10,523	-6,607	7,249	1,553	-3,455	-2,113	-4,945		
Estimated Ending Cash Balance	42,276	43,881	46,379	42,060	38,280	48,803	42,196	49,445	50,997	47,542	45,429	40,484		

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor

**PREPARED BY:** Kristina Hannon, Executive Director, Human Resources

**DATE:** November 14, 2019

**SUBJECT:** MOUs between SBCCD and the San Bernardino Community College District Teachers Association (SBCCDTA)

**RECOMMENDATION**

This item is for information only and no action is required.

**OVERVIEW**

SBCCD staff and the SBCCDTA met and entered into the attached Memorandums of Understanding, also known as MOUs.

**ANALYSIS**

The attached MOUs constitute the full and complete Agreement between the District and the SBCCDTA.

**INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

**FINANCIAL IMPLICATIONS**

There are no financial implications associated with this information item.

**MEMORANDUM OF UNDERSTANDING**

*By and Between*

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT TEACHERS ASSOCIATION  
AND  
SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**Seniority**

This Memorandum of Understanding (“MOU”) is entered by and between the San Bernardino Community College District Teachers Association CTA/NEA (“Association”) and San Bernardino Community College District (“District”) collectively, “the parties.”

**WHEREAS**, District practice is that full-time contract and regular faculty are placed on a seniority list based on hire date (if multiple faculty have the same hire date, a lottery is done to place those faculty in order); and

**WHEREAS**, Article 13, Workload (section A,6,a) describes how the seniority list for part-time faculty shall be administered; and

**WHEREAS**, Full-time temporary faculty (e.g., those on temporary contract and/or hired through categorical funding) do not currently have contract language establishing their seniority;

**THEREFORE**, It is agreed that the following language shall be modified in Article 13 Workload:

Section A,6,a.

Current contract and regular full-time faculty shall not be included on the part-time (adjunct), temporary faculty seniority list, irrespective of whether the full-time faculty teaches overload or summer courses.

Retired full-time faculty shall start at the bottom of the seniority list in the event of rehire.

Full-time temporary faculty who transition to part-time (adjunct) employment shall be placed on the part-time seniority list according to most recent District hire date. For instructional faculty, hire date is defined as the first day of the term in which the assignment begins. For non-instructional faculty, hire date is defined as the first day of work. If multiple faculty in the same discipline and at the same college have the same hire date, a lottery will be conducted to determine the placement of these faculty on the seniority list. These faculty shall be notified as to the date of the lottery and given the option of participating in the lottery or designating the CTA President or designee to draw on their behalf. In the event that a faculty member does not attend the lottery, the CTA President or designee shall draw on their behalf.

A, 7. Full-Time Faculty.

- a. Full-time contract and regular faculty are placed on a seniority list based on hire date. If multiple faculty have the same hire date, a lottery will be conducted to determine the placement of these faculty on the seniority list. These faculty shall be notified as to the date of the lottery, and given the option of participating in the lottery or designating the CTA President or designee to draw on their behalf. In the event that a faculty member does not attend the lottery, the CTA President or designee shall draw on their behalf.
- b. Full-time temporary faculty who transition to a tenure-track position (i.e., become contract faculty) shall be placed on this full-time seniority list based on their District hire date that corresponds to their first tenure-track year.

Section D. Overload Assignments

In assigning overload, the district shall offer overload to full-time unit members according to full-time seniority placement and prior to part-time faculty members. If full-time faculty decline overload assignments, then hours/classes shall be offered to part-time (adjunct) faculty according to the part-time seniority process described in Article 13, section A,6,b,iii,a.

This MOU shall be effective as of October 11, 2019. Following ratification by the membership, the changes and additions to Article 13 outlined above shall be added to the contract July 1, 2020.

Date: 10/11/2019

SBCCDTA

Sheri Lillard

Sheri Lillard,  
SBCCDTA Chief Negotiator

Date: 10-11-19

SBCCD

Kristina Hannon

Kristina Hannon, Executive Director, Human Resources,  
SBCCD Chief Negotiator

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Kristina Hannon, Executive Director, Human Resources  
**DATE:** November 14, 2019  
**SUBJECT:** Professional Expert, Short-Term, and Substitute Employees

### **RECOMMENDATION**

This item is for information only.

### **OVERVIEW**

Per SBCCD Administrative Procedure 7110, in the case of short-term hourly/substitute and student employees, the Board has delegated the Chancellor or his/her designee as the authorizing agent for hire.

California Education Code section 88003 outlines the criterion for hiring an employee on a temporary basis. The length of temporary employment is less than 75% of the college year, which amounts to 195 working days. Types of temporary employment include:

- › Professional Expert: Districts can go outside the classified service when the scope of work is discrete, temporary, and requires expertise not available within the classified service. Requesting departments certify these by defining the project and identifying an end date for the project. Continued employment is contingent on continued demand and/or funding.
- › Short-Term: Districts can use short-term employees on a temporary basis to perform a service upon completion of which, the service, or similar services, will not be extended or needed on a continuous basis.
- › Substitute: Districts can employ substitute employees to fill in for a classified employee that is temporarily absent from duty, or if the district is recruiting to hire a vacant position.

### **ANALYSIS**

The attached list of Professional Expert, Short-Term, and Substitute Employees is certified to be in accordance with California Education Code section 88003.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

### **FINANCIAL IMPLICATIONS**

The cost of employment for these employees is included in the appropriate budgets.



# Professional Expert, Short-Term & Substitute Employees

Presented for Information on November 14, 2019

[v.10.29.2019.p.2|6]

## Professional Expert

	Duties	From	To	Hourly Rate
<b>Sanchez, Andrew</b> CHC Athletics	Program Assistant	10/16/19	12/30/19	\$30.00
<b>Millere, Matthew J.</b> CHC Public Safety & Emergency Services	Lab Instructor/ Primary Instructor/ EMS Specialist	10/3/19	12/31/19	\$20.00/ \$25.00/ \$30.00
<b>Trovato, Jonathan</b> CHC Public Safety & Emergency Services	Lab Instructor/ Primary Instructor/ EMS Specialist	10/11/19	12/31/19	\$20.00/ \$25.00/ \$30.00
<b>Tucker, Dustin</b> CHC Public Safety & Emergency Services	Lab Instructor/ Primary Instructor/ EMS Specialist	11/15/19	12/31/19	\$20.00/ \$25.00/ \$30.00
<b>Crosby, Charles</b> CHC Respiratory Care	Respiratory Care Clinical	8/19/19	12/31/19	\$40.00
<b>Bhatt, Binod</b> CHC Tutoring Center	Tutor I	10/16/19	12/30/19	\$12.00
<b>Buffington, Christopher B.</b> CHC Tutoring Center	Tutor I	8/5/19	12/31/19	\$12.00
<b>Zambrano, Erick</b> DIST Marketing, Public Affairs & Government Relations	Content Specialist	10/1/19	12/31/19	\$25.00
<b>Maginness, Kellee</b> DIST Workforce Development, Advancement & Media Systems	Workforce Development Trainer	10/1/19	12/31/19	\$55.00
<b>Diaz, Alex</b> SBVC Applied Technology, Transportation & Culinary Arts Division	Program Assistant	10/11/19	12/20/19	\$20.00
<b>Teague Jr., Samuel D</b> SBVC Arts & Humanities	RTVF Intern I	9/13/19	12/31/19	\$12.00
<b>Cobb, Karissa</b> SBVC Early College/Generation Go!	Program Assistant	11/15/19	12/31/19	\$17.00
<b>Jones, Frederick</b> SBVC FYE/Outreach & Recruitment	Program Assistant	10/21/19	12/31/19	\$20.00
<b>Pshichenko, Pavel</b> SBVC Marketing & Public Relations	Content Specialist	10/1/19	12/31/19	\$40.00
<b>Gallegos, Edgar</b> SBVC Math & Science Success Center	Tutor I	10/11/19	12/20/19	\$12.00
<b>Sheehan, Barry R</b> SBVC Math & Science Success Center	Tutor III	10/28/19	12/20/19	\$15.50



# Professional Expert, Short-Term & Substitute Employees

Presented for Information on November 14, 2019

[v.10.29.2019.p.3|6]

## Professional Expert

	Duties	From	To	Hourly Rate
<b>Houser, Dennis</b> SBVC Police Academy/Criminal Justice	Police Tactical Officer- RTO/ Police Science Facilitator-Evaluator	11/15/19	12/31/19	\$35.00/ \$50.00
<b>Acosta, Gustavo</b> SBVC Student Success Center/ Academic Success & Learning Service	Tutor III	11/14/19	12/31/19	\$15.50
<b>Kasouha, Samar</b> SBVC Student Success Center/ Academic Success & Learning Service	Tutor III	11/14/19	12/31/19	\$15.50
<b>Garcia, Karina</b> SBVC Writing Center	Tutor III	10/1/19	12/31/19	\$15.50
<b>Shaar, Monica Anne</b> SBVC Writing Center	Tutor III	10/11/19	12/31/19	\$15.50

## Short-Term

	Duties	From	To	Hourly Rate
<b>Goldfarb-Sousa, Julia</b> CHC Art	Model (Undraped)	9/24/19	12/20/19	\$16.00
<b>Noble, David</b> CHC Kinesiology and Health	Project Assistant I	10/1/19	12/20/19	\$12.00
<b>Santana, Naisy C.</b> CHC Kinesiology and Health	Project Assistant I	10/1/19	12/20/19	\$12.00
<b>Fisher, Liam</b> CHC Kinesiology and Health	Project Assistant I	10/1/19	12/20/19	\$12.00
<b>Lara, Andre</b> SBVC First Year Experience	Project Assistant II	10/1/19	12/31/19	\$13.50
<b>McFrazier, Patrick</b> SBVC Research & Planning	Project Assistant III	8/21/19	12/31/19	\$15.50

## Substitute

	Duties	From	To	Hourly Rate
<b>Bender, ZsaQuita</b> CHC Career Education & Human Development <i>Extension: Leave Coverage</i>	Secretary II	9/3/19	10/31/19	\$22.58
<b>Bender, ZsaQuita</b> CHC Career Education & Human Development <i>Extension: Leave Coverage</i>	Secretary II	11/1/19	12/30/19	\$22.58





# Professional Expert, Short-Term & Substitute Employees

Presented for Information on November 14, 2019

[v.10.29.2019.p.4|6]

## Substitute

	Duties	From	To	Hourly Rate
<b>Henderson, Kristine</b> CHC Custodial <i>Extension: Vacancy in Recruitment</i>	Custodian	9/16/19	11/13/19	\$19.47
<b>Johnson, Darren</b> CHC Facilities Planning & Construction <i>New: Leave Coverage</i>	Custodian	10/7/19	12/1/19	\$19.47
<b>Marangakis, Michael</b> CHC Facilities Planning & Construction <i>New: Leave Coverage</i>	Custodian	9/30/19	10/11/19	\$19.47
<b>Marangakis, Michael</b> CHC Facilities Planning & Construction <i>Extension: Vacancy in Recruitment</i>	Custodian	10/9/19	12/3/19	\$19.47
<b>Rodriguez, Heather</b> CHC SINS <i>Extension: Backfill for Employee Working Out of Class</i>	Administrative Secretary	9/1/19	10/10/19	\$24.92
<b>Rodriguez, Heather</b> CHC SINS <i>New: Vacancy in Recruitment</i>	Administrative Secretary	10/11/19	11/1/19	\$24.92
<b>Cabrales, Cameron</b> CHC Student Services <i>New: Vacancy in Recruitment</i>	Student Services Technician II	9/16/19	11/16/19	\$23.13
<b>Torrence, Roshau</b> DIST Facilities Planning & Construction <i>New: On Call; Sick/Vacation Coverage</i>	Custodian	9/1/19	10/31/19	\$19.47
<b>Torrence, Roshau</b> DIST Facilities Planning & Construction <i>Extension: On Call; Sick/Vacation Coverage</i>	Custodian	11/1/19	12/31/19	\$19.47
<b>Hall, Suzan</b> SBVC Administrative Services <i>Extension: Training New Admin Secretary</i>	Administrative Secretary	10/11/19	11/1/19	\$24.92
<b>Fratti, Andrew</b> SBVC Admissions & Records <i>Extension: Leave Coverage</i>	Admissions & Records Technician	11/2/19	1/1/2020	\$22.03
<b>Higgins, Earnest</b> SBVC Applied Technology <i>Extension: Vacancy in Recruitment</i>	Tool Room Specialist	9/20/19	10/11/19	\$18.99
<b>Higgins, Earnest</b> SBVC Applied Technology <i>Extension: Vacancy in Recruitment</i>	Tool Room Specialist	10/21/19	12/21/19	\$18.99



# Professional Expert, Short-Term & Substitute Employees

Presented for Information on November 14, 2019

[v.10.29.2019.p.5|6]

## Substitute

	Duties	From	To	Hourly Rate
<b>Leyva, Elaina</b> SBVC Assessment Center <i>Extension: Leave Coverage</i>	Student Services Technician I	10/4/19	10/11/19	\$20.96
<b>Bustamante, Daniel</b> SBVC Biology <i>New: Vacancy in Recruitment</i>	Lab Tech, Biology	10/22/19	12/15/19	\$25.53
<b>Alami, Saida</b> SBVC CDC <i>Extension: On Call; Sick/Vacation Coverage</i>	Child Development Assistant	9/30/19	11/29/19	\$16.37
<b>Esparza, Monique</b> SBVC CDC <i>Extension: On Call; Sick/Vacation Coverage</i>	Child Development Assistant	10/23/19	12/19/19	\$16.37
<b>Bernasconi, Anna</b> SBVC Custodial <i>Extension: On Call; Sick/Vacation Coverage</i>	Custodian	10/28/19	12/23/19	\$19.47
<b>Bravo, Donna</b> SBVC Custodial <i>Extension: On Call; Sick/Vacation Coverage</i>	Custodian	10/28/19	12/23/19	\$19.47
<b>Hasson, Eugene</b> SBVC Custodial <i>Extension: On Call; Sick/Vacation Coverage</i>	Custodian	8/29/19	10/27/19	\$19.47
<b>Hasson, Eugene</b> SBVC Custodial <i>Extension: On Call; Sick/Vacation Coverage</i>	Custodian	10/28/19	12/23/19	\$19.47
<b>Hernandez, Gloria</b> SBVC Custodial <i>Extension: On Call; Sick/Vacation Coverage</i>	Custodian	11/29/19	12/23/19	\$19.47
<b>Torrence, Roshaun</b> SBVC Custodial <i>Extension: On Call; Sick/Vacation Coverage</i>	Custodian	11/29/19	12/23/19	\$19.47
<b>Vargas, Brandon</b> SBVC Custodial <i>Extension: On Call; Sick/Vacation Coverage</i>	Custodian	11/26/19	12/23/19	\$19.47
<b>Hautreux, Luis</b> SBVC Grounds <i>Extension: On Call; Sick/Vacation Coverage</i>	Grounds Caretaker	10/29/19	12/23/19	\$20.96
<b>Chitica Cardenas</b> SBVC Natalie <i>Extension: Vacancy in Recruitment</i>	Lab Tech, Biology	10/18/19	12/15/19	\$25.53



# Professional Expert, Short-Term & Substitute Employees

Presented for Information on November 14, 2019

[v.10.29.2019.p.6]6]

## Substitute

	Duties	From	To	Hourly Rate
<b>Bonilla, Jose</b> SBVC Science <i>Extension: Leave Coverage</i>	Lab Tech, Biology	10/9/19	10/9/19	\$25.53

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Steven J. Sutorus, Business Manager  
**DATE:** November 14, 2019  
**SUBJECT:** Purchase Orders

### **RECOMMENDATION**

This item is being presented for information only. No further action is necessary.

### **OVERVIEW**

In accordance with SBCCD Board Policy 6100, Delegation of Authority, The Board of Trustees delegates authority to the Chancellor to supervise the general business procedures of the District to assure the proper administration of property and contracts.

Education Code 81656 provides that all transactions entered into by an authorized officer shall be reviewed by the Board every 60 days.

### **ANALYSIS**

Purchase orders issued between the dates of 9/17/19 – 10/15/19 are attached, except those approved through other agenda items. All purchase orders have been issued in accordance with the District's policies and procedures by an authorized officer of the District.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness, and Excellence

### **FINANCIAL IMPLICATIONS**

The attached purchase orders are included in the appropriate budgets.

Purchase Order Report  
November 14, 2019

PO#	Supplier Name	Amount
2001944	SCOTT CARLSON	\$ 600.00
2001945	GRAINGER INC	\$ 151.63
2001946	EXPENSES SUPPLIER	\$ 255.00
2001947	US BANK CORPORATE PMT SYSTEMS	\$ 1,300.00
2001950	QUEEN BEAN CAFFE	\$ 332.50
2001951	EXPENSES SUPPLIER	\$ 821.06
2001954	CA ORGANIZATION OF ASSOCIATE DEGREE NURSING-SOUTH	\$ 100.00
2001955	ULINE	\$ 60.94
2001956	EXPENSES SUPPLIER	\$ 85.11
2001958	SAN BERNARDINO CCD	\$ 2,370.50
2001960	GENUINE AUTO PARTS	\$ 485.27
2001961	APPLE AUTO DISMANTLING INC	\$ 2,801.50
2001964	SOUTHERN CAL INTERSEGMENTAL ARTICULATION COUNCIL	\$ 100.00
2001968	SAN BERNARDINO, COUNTY OF	\$ 1,609.54
2001969	STAPLES BUSINESS ADVANTAGE	\$ 306.51
2001970	US BANK CORPORATE PMT SYSTEMS	\$ 106.67
2001971	US BANK CORPORATE PMT SYSTEMS	\$ 9.21
2001973	MICROSOFT CORPORATION	\$ 162.03
2001974	SWEETWATER SOUND INC	\$ 618.49
2001977	SAN BERNARDINO CCD	\$ 51.84
2001978	ULINE	\$ 284.13
2001979	EXPENSES SUPPLIER	\$ 1,622.50
2001980	EXPENSES SUPPLIER	\$ 430.38
2001983	CDW LLC	\$ 80.35
2001985	STAPLES BUSINESS ADVANTAGE	\$ 73.10
2001986	STAPLES BUSINESS ADVANTAGE	\$ 377.72
2001987	STAPLES BUSINESS ADVANTAGE	\$ 294.58
2001988	CALIFORNIA FORWARD	\$ 500.00
2001989	BROADCAST ELECTRONICS	\$ 2,054.79
2001991	CA ASSOCIATION OF COMM COLLEGE REGISTRATERS & ADMISSIONS	\$ 300.00
2001992	COMMUSA A BEARCOM COMPANY	\$ 1,605.00
2001994	STAPLES BUSINESS ADVANTAGE	\$ 468.95
2001995	ULINE	\$ 575.53
2001996	HEARTLAND VIDEO SYSTEMS INC	\$ 25,088.81
2001997	CARPE DIEM ARCHITECTURAL	\$ 1,357.17
2001998	CSSO ASSOCIATION INC	\$ 300.00
2001999	US BANK CORPORATE PMT SYSTEMS	\$ 1,500.00
2002000	STAPLES BUSINESS ADVANTAGE	\$ 436.54
2002001	BMI SUPPLY	\$ 107.55
2002003	STAPLES BUSINESS ADVANTAGE	\$ 405.64
2002006	EXPENSES SUPPLIER	\$ 304.21
2002007	SOCCER MASTER	\$ 546.00
2002008	WILLIAMS, SHARAF	\$ 213.43
2002009	ALLSTAR FIRE EQUIPMENT	\$ 2,036.04
2002010	QUADMED INC	\$ 3,202.89

Purchase Order Report  
November 14, 2019

PO#	Supplier Name	Amount
2002011	HERRERA, SOFIYA	\$ 304.00
2002012	RAMIREZ LARA, GABRIELA	\$ 304.00
2002013	CA COMM COLLEGE ASSOCIATION FOR OCCUPATIONAL ED	\$ 250.00
2002014	EXPENSES SUPPLIER	\$ 165.00
2002016	SAN BERNARDINO CCD	\$ 675.00
2002017	M-F ATHLETIC CO INC	\$ 194.97
2002018	SAN BERNARDINO CCD	\$ 197,700.00
2002019	SAN BERNARDINO CCD	\$ 309.70
2002021	CDW LLC	\$ 1,728.49
2002022	STAPLES BUSINESS ADVANTAGE	\$ 347.70
2002023	US BANK CORPORATE PMT SYSTEMS	\$ 300.83
2002024	US BANK CORPORATE PMT SYSTEMS	\$ 900.00
2002026	EXPENSES SUPPLIER	\$ 1,195.00
2002027	ONLINE LEARNING CONSORTIUM	\$ 695.00
2002029	US BANK CORPORATE PMT SYSTEMS	\$ 70.00
2002031	SCHOOL OUTFITTERS	\$ 1,851.08
2002032	VERIZON WIRELESS	\$ 579.99
2002033	EXPENSES SUPPLIER	\$ 1,187.64
2002034	EXPENSES SUPPLIER	\$ 1,012.36
2002035	ROSE BRAND WIPERS INC	\$ 232.79
2002037	STAPLES BUSINESS ADVANTAGE	\$ 261.91
2002038	OLYMPIC COLOR RODS	\$ 953.59
2002039	US BANK CORPORATE PMT SYSTEMS	\$ 80.12
2002040	TORRES, MARIA	\$ 350.00
2002042	NUCKOLLS, DAVID	\$ 304.00
2002043	CARPE DIEM ARCHITECTURAL	\$ 150.80
2002044	EXPENSES SUPPLIER	\$ 76.44
2002045	FOLLETT HIGHER EDUCATION GROUP INC	\$ 500.00
2002046	EXPENSES SUPPLIER	\$ 76.44
2002048	US BANK CORPORATE PMT SYSTEMS	\$ 625.00
2002049	US BANK CORPORATE PMT SYSTEMS	\$ 3,405.00
2002050	STAPLES BUSINESS ADVANTAGE	\$ 139.50
2002051	US BANK CORPORATE PMT SYSTEMS	\$ 2,370.00
2002052	EXPENSES SUPPLIER	\$ 390.00
2002053	EXPENSES SUPPLIER	\$ 46.04
2002054	EXPENSES SUPPLIER	\$ 50.00
2002055	US BANK CORPORATE PMT SYSTEMS	\$ 740.00
2002056	US BANK CORPORATE PMT SYSTEMS	\$ 76.00
2002059	US BANK CORPORATE PMT SYSTEMS	\$ 0.08
2002060	US BANK CORPORATE PMT SYSTEMS	\$ 100.00
2002061	VERIZON WIRELESS	\$ 500.00
2002062	EXPENSES SUPPLIER	\$ 1,381.50
2002063	EXPENSES SUPPLIER	\$ 647.45
2002067	EXPENSES SUPPLIER	\$ 440.00
2002069	US BANK CORPORATE PMT SYSTEMS	\$ 2,100.00

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PO#	Supplier Name	Amount
2002070	US BANK CORPORATE PMT SYSTEMS	\$ 200.00
2002071	ESCAMILLA, MICAH	\$ 235.00
2002072	US BANK CORPORATE PMT SYSTEMS	\$ 143.60
2002073	GLOBAL EQUIPMENT COMPANY INC	\$ 531.15
2002074	STATER BROS MARKETS	\$ 150.00
2002075	STAPLES BUSINESS ADVANTAGE	\$ 462.60
2002079	US BANK CORPORATE PMT SYSTEMS	\$ 200.00
2002080	US BANK CORPORATE PMT SYSTEMS	\$ 2,667.03
2002083	STAPLES BUSINESS ADVANTAGE	\$ 301.45
2002084	STAPLES BUSINESS ADVANTAGE	\$ 377.11
2002086	CDW LLC	\$ 655.03
2002087	US BANK CORPORATE PMT SYSTEMS	\$ 650.00
2002088	EXPENSES SUPPLIER	\$ 303.05
2002089	EXPENSES SUPPLIER	\$ 407.53
2002090	EXPENSES SUPPLIER	\$ 759.15
2002091	US BANK CORPORATE PMT SYSTEMS	\$ 759.15
2002094	STAPLES BUSINESS ADVANTAGE	\$ 212.88
2002095	VERIZON WIRELESS	\$ 1,011.99
2002096	EXPENSES SUPPLIER	\$ 475.00
2002097	DESIGN-BUILD INSTITUTE OF AMERICA	\$ 99.00
2002098	COSTCO	\$ 323.25
2002100	EXPENSES SUPPLIER	\$ 750.00
2002101	STRYKER	\$ 10,104.80
2002102	KELLY, DAN	\$ 10.00
2002104	LAERDAL MEDICAL CORPORATION	\$ 38,135.22
2002105	RUIZ, PETER	\$ 304.00
2002106	US BANK CORPORATE PMT SYSTEMS	\$ 25.00
2002107	US BANK CORPORATE PMT SYSTEMS	\$ 618.02
2002108	WARD, AMANDA	\$ 400.00
2002109	SAN BERNARDINO, COUNTY OF	\$ 129.00
2002112	SAN BERNARDINO CCD	\$ 55,050.00
2002114	ULINE	\$ 1,234.20
2002115	UNITED FABRICARE SUPPLY INC	\$ 375.78
2002117	LARA, NAOMI	\$ 100.00
2002119	PERFORMANCE HEALTH SUPPLY INC	\$ 1,544.99
2002120	SOUTH COAST AQMD	\$ 695.00
2002123	US BANK CORPORATE PMT SYSTEMS	\$ 25.00
2002124	EXPENSES SUPPLIER	\$ 270.19
2002125	TROXELL COMMUNICATIONS INC	\$ 3,136.60
2002127	OFFICE & ERGONOMICS SOLUTIONS INC	\$ 19,082.53
2002129	DIRECTBUY HOME IMPROVEMENT INC	\$ 12,766.05
2002130	EXPENSES SUPPLIER	\$ 211.28
2002131	US BANK CORPORATE PMT SYSTEMS	\$ 1,250.00
2002132	EXPENSES SUPPLIER	\$ 952.91
2002133	MASSAD, SANA	\$ 1,000.00

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PO#	Supplier Name	Amount
2002134	MIDWEST LIBRARY SERVICE	\$ 2,575.00
2002135	CAMPOS, ALEJANDRA	\$ 500.00
2002137	INTERIOR OFFICE SOLUTIONS	\$ 3,498.53
2002138	INTERIOR OFFICE SOLUTIONS	\$ 7,751.37
2002139	INTERIOR OFFICE SOLUTIONS	\$ 1,855.46
2002141	EXPENSES SUPPLIER	\$ 415.08
2002142	ADORAMA INC	\$ 15,128.69
2002144	PEPES TOWING SERVICE	\$ 300.00
2002145	SAN BERNARDINO CCD	\$ 683.44
2002146	EXPENSES SUPPLIER	\$ 981.00
2002147	KEENAN & ASSOCIATES	\$ 770.00
2002148	COMMUSA A BEARCOM COMPANY	\$ 114.36
2002150	VWR INTERNATIONAL LLC	\$ 644.67
2002152	MCKESSON MEDICAL-SURGICAL GOVERNMENT SOLUTIONS INC	\$ 3,663.50
2002153	EXPENSES SUPPLIER	\$ 500.00
2002155	INTERIOR OFFICE SOLUTIONS	\$ 138,623.30
2002156	CA COMM COLLEGE WOMEN'S BASKETBALL COACHES ASSOC	\$ 200.00
2002157	JACO, HERBERTH	\$ 600.00
2002158	STAPLES BUSINESS ADVANTAGE	\$ 67.76
2002159	ANATOMY NOW LLC	\$ 165.18
2002161	GENUINE AUTO PARTS	\$ 139.93
2002162	POCKET NURSE ENTERPRISES INC	\$ 1,193.84
2002165	SANCHEZ, CARMEN	\$ 200.00
2002166	CASTRO, DEBORAH	\$ 200.00
2002167	DELL COMPUTER COMPANY	\$ 3,178.72
2002168	STAPLES BUSINESS ADVANTAGE	\$ 424.94
2002169	EXPENSES SUPPLIER	\$ 406.48
2002170	EXPENSES SUPPLIER	\$ 360.00
2002171	EXPENSES SUPPLIER	\$ 150.24
2002172	PANERA BREAD LLC	\$ 161.63
2002173	THAI FOOD XPRESS	\$ 247.83
2002174	CDW LLC	\$ 121,587.98
2002175	THOMAS, SUMMER	\$ 304.00
2002176	FURGERSON, LETECIA	\$ 304.00
2002178	COMMUNITY PLAYTHINGS	\$ 2,844.60
2002179	COMMUNITY PLAYTHINGS	\$ 2,844.60
2002180	GREEN, LAURIE	\$ 172.95
2002181	US BANK CORPORATE PMT SYSTEMS	\$ 8.99
2002182	STAPLES BUSINESS ADVANTAGE	\$ 111.26
2002184	POCKET NURSE ENTERPRISES INC	\$ 1,504.39
2002185	MEDLINE INDUSTRIES INC	\$ 1,332.54
2002186	US BANK CORPORATE PMT SYSTEMS	\$ 300.00
2002188	EXPENSES SUPPLIER	\$ 182.64
2002189	EXPENSES SUPPLIER	\$ 222.64
2002190	EXPENSES SUPPLIER	\$ 222.64



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PO#	Supplier Name	Amount
2002191	EXPENSES SUPPLIER	\$ 182.64
2002192	EXPENSES SUPPLIER	\$ 222.64
2002193	EXPENSES SUPPLIER	\$ 1,454.00
2002194	EXPENSES SUPPLIER	\$ 182.64
2002195	EXPENSES SUPPLIER	\$ 123.64
2002196	EXPENSES SUPPLIER	\$ 222.64
2002197	EXPENSES SUPPLIER	\$ 182.64
2002198	SAN BERNARDINO CCD	\$ 48.74
2002200	CA ASSOCIATION OF COMM COLLEGE REGISTRATERS & ADMISSIONS	\$ 300.00
2002201	DELL COMPUTER COMPANY	\$ 42,429.19
2002202	DELL COMPUTER COMPANY	\$ 44,514.71
2002203	DELL COMPUTER COMPANY	\$ 14,481.36
2002205	FOLLETT HIGHER EDUCATION GROUP INC	\$ 619.95
2002206	DICK BLICK HOLDINGS INC	\$ 301.41
2002207	US BANK CORPORATE PMT SYSTEMS	\$ 301.84
2002208	STAPLES BUSINESS ADVANTAGE	\$ 64.29
2002209	STAPLES BUSINESS ADVANTAGE	\$ 66.65
2002210	STAPLES BUSINESS ADVANTAGE	\$ 266.00
2002211	PEREZ, ALAN	\$ 412.00
2002212	PALMA, ALAN	\$ 412.00
2002213	MCKINSTRY, JUSTIN	\$ 412.00
2002214	MACIAS, KIRSTEN LOUISE	\$ 412.00
2002215	MARISCAL MEDINA, MARITZA	\$ 412.00
2002216	LAYMAN, SPENCER	\$ 412.00
2002217	HERRERA, SOFIYA	\$ 412.00
2002218	ESPARZA SERRANO, STACYE	\$ 412.00
2002219	DEBENEDICTIS, TAYLOR	\$ 412.00
2002220	CHOISELAT, MATTHEW	\$ 412.00
2002221	BARRAGAN, CRISTIAN	\$ 412.00
2002224	US BANK CORPORATE PMT SYSTEMS	\$ 900.00
2002225	US BANK CORPORATE PMT SYSTEMS	\$ 900.00
2002226	AMERICAN STUDENT GOVERNMENT ASSOCIATION LLC	\$ 9,878.00
2002227	US BANK CORPORATE PMT SYSTEMS	\$ 53.88
2002228	KI INCORPORATED	\$ 570.15
2002232	AMERICAN ASSOCIATION OF COMMUNITY COLLEGES	\$ 16,597.00
2002233	BEHAVIORAL ANALYSTS TRAINING INC	\$ 481.00
2002234	SAN BERNARDINO CCD	\$ 5,273.10
2002235	SAN BERNARDINO CCD	\$ 409.60
2002240	EXPENSES SUPPLIER	\$ 150.00
2002241	EXPENSES SUPPLIER	\$ 200.00
2002242	JOHN BURTON ADVOCATES FOR YOUTH	\$ 250.00
2002243	EXPENSES SUPPLIER	\$ 228.00
2002244	SACRAMENTO STATE COLLEGE OF CONTINUING EDUCATION	\$ 150.00
2002247	MONOPRICE INC	\$ 304.31
2002248	EXPENSES SUPPLIER	\$ 285.00

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PO#	Supplier Name	Amount
2002249	EXPENSES SUPPLIER	\$ 981.00
2002250	CDW LLC	\$ 145.21
2002251	B&H PHOTO VIDEO	\$ 88.69
2002252	CDW LLC	\$ 1,525.56
2002254	US BANK CORPORATE PMT SYSTEMS	\$ 456.82
2002255	GRAINGER INC	\$ 262.47
2002256	US BANK CORPORATE PMT SYSTEMS	\$ 11,200.00
2002257	ZAMORANO, VICTORIA	\$ 412.00
2002258	SAGALA, ANDREW	\$ 412.00
2002259	RIOS, ADRIAN	\$ 412.00
2002260	REHMAN, ZOHAIB	\$ 412.00
2002261	RAMOS, DEENA	\$ 412.00
2002262	RAMIREZ-MERCADO, JOSUE	\$ 412.00
2002263	PONCE REYES, DANIEL	\$ 412.00
2002264	PINEDA LAPIZCO, MARIANA	\$ 412.00
2002265	PHILLIPS, CORDON	\$ 412.00
2002266	US BANK CORPORATE PMT SYSTEMS	\$ 981.00
2002267	EVERYTHING2GO.COM LLC	\$ 922.34
2002270	STAPLES BUSINESS ADVANTAGE	\$ 1,266.59
2002271	STAPLES BUSINESS ADVANTAGE	\$ 124.83
2002272	PADILLA, TANYA	\$ 304.00
2002273	EXPENSES SUPPLIER	\$ 456.82
2002274	EXPENSES SUPPLIER	\$ 37.58
2002275	EXPENSES SUPPLIER	\$ 40.25
2002277	DURAN, MARIA ELENA	\$ 200.00
2002279	STAPLES BUSINESS ADVANTAGE	\$ 101.58
2002280	EXPENSES SUPPLIER	\$ 1,222.06
2002281	FIRE ETC	\$ 5,219.41
2002282	CDW LLC	\$ 11,548.17
2002283	ULINE	\$ 1,433.08
2002285	STAPLES BUSINESS ADVANTAGE	\$ 392.90
2002291	STAPLES BUSINESS ADVANTAGE	\$ 983.06
2002292	STAPLES BUSINESS ADVANTAGE	\$ 89.95
2002293	JOHN F KENNEDY CENTER FOR THE PERFORMING ARTS	\$ 300.00
2002295	DAKTRONICS INC	\$ 655.34
2002296	US BANK CORPORATE PMT SYSTEMS	\$ 107.75
2002297	FOLLETT HIGHER EDUCATION GROUP INC	\$ 500.00
2002298	US BANK CORPORATE PMT SYSTEMS	\$ 271.15
2002299	FOLLETT HIGHER EDUCATION GROUP INC	\$ 8,857.06
2002304	SMITH, VERONICA	\$ 200.00
2002305	SMITH, VERONICA	\$ 23.84
2002307	KEVIN HORAN	\$ 97.67
2002308	GONZALEZ, PEDRO	\$ 600.00
2002310	US BANK CORPORATE PMT SYSTEMS	\$ 500.00
2002313	STAPLES BUSINESS ADVANTAGE	\$ 90.33

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PO#	Supplier Name	Amount
2002314	STAPLES BUSINESS ADVANTAGE	\$ 60.33
2002315	STAPLES BUSINESS ADVANTAGE	\$ 470.87
2002316	EXPENSES SUPPLIER	\$ 25.00
2002317	PINNACLE HEALTH	\$ 303.00
2002318	STAPLES BUSINESS ADVANTAGE	\$ 235.98
2002319	SAN BERNARDINO CCD	\$ 51.84
2002320	SAN BERNARDINO CCD	\$ 149.05
2002321	SAN BERNARDINO CCD	\$ 189.54
2002322	SAN BERNARDINO CCD	\$ 90.72
2002323	EXPENSES SUPPLIER	\$ 157.78
2002324	EXPENSES SUPPLIER	\$ 3,060.00
2002325	EXPENSES SUPPLIER	\$ 1,870.00
2002327	GENUINE AUTO PARTS	\$ 2,597.09
2002330	SADDLEBACK COLLEGE FOUNDATION	\$ 500.00
2002331	EKC ENTERPRISES INC.	\$ 87,607.88
2002336	ROSENDIN ELECTRIC INC	\$ 4,889.00
2002337	STAPLES BUSINESS ADVANTAGE	\$ 132.04
2002338	STAPLES BUSINESS ADVANTAGE	\$ 981.07
2002339	SAN BERNARDINO CCD	\$ 267.04
2002340	ABEL CINE TECH INC	\$ 89,287.26
2002341	CHAMPION ELECTRIC INC	\$ 3,462.19
2002342	STAGE DEPOT, THE	\$ 12,067.99
2002343	STAPLES BUSINESS ADVANTAGE	\$ 734.23
2002344	STAPLES BUSINESS ADVANTAGE	\$ 534.63
2002345	STAPLES BUSINESS ADVANTAGE	\$ 463.85
2002347	COSTCO	\$ 575.00
2002348	SAN BERNARDINO CCD	\$ 499.99
2002349	SAN BERNARDINO CCD	\$ 199.45
2002350	SAN BERNARDINO CCD	\$ 199.45
2002351	SAN BERNARDINO CCD	\$ 199.45
2002352	SAN BERNARDINO CCD	\$ 199.45
2002353	EXPENSES SUPPLIER	\$ 250.00
2002354	EXPENSES SUPPLIER	\$ 50.00
2002355	STOLPP, DIANNA	\$ 431.00
2002356	EXPENSES SUPPLIER	\$ 117.35
2002358	HUDSON, ADRIAN JUSTIN	\$ 1,984.76
2002359	EXPENSES SUPPLIER	\$ 628.00
2002360	INTERNET KEEP SAFE COALITION	\$ 150.00
2002361	STATER BROS MARKETS	\$ 128.31
2002362	VERIZON WIRELESS	\$ 190.00
2002364	GOLDEN STAR TECHNOLOGY INC	\$ 9,834.72
2002365	US BANK CORPORATE PMT SYSTEMS	\$ 150.00
2002366	EXPENSES SUPPLIER	\$ 305.00
2002367	US BANK CORPORATE PMT SYSTEMS	\$ 875.00
2002368	EXPENSES SUPPLIER	\$ 249.23

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PO#	Supplier Name	Amount
2002369	EXPENSES SUPPLIER	\$ 304.21
2002370	US BANK CORPORATE PMT SYSTEMS	\$ 3,125.00
2002371	TREW AUDIO INC	\$ 60,627.07
2002372	EXPENSES SUPPLIER	\$ 415.08
2002374	MARKERTEK VIDEO SUPPLY	\$ 75,203.58
2002375	STATER BROS MARKETS	\$ 100.00
2002379	ANGELO'S SOCCER CORNER	\$ 545.78
2002380	US BANK CORPORATE PMT SYSTEMS	\$ 1.05
2002381	FOLLETT HIGHER EDUCATION GROUP INC	\$ 13,500.00
2002382	FOLLETT HIGHER EDUCATION GROUP INC	\$ 212.81
2002383	EXPENSES SUPPLIER	\$ 300.00
2002384	SAN BERNARDINO CCD	\$ 734.00
2002385	FOLLETT HIGHER EDUCATION GROUP INC	\$ 11,290.05
2002386	FOLLETT HIGHER EDUCATION GROUP INC	\$ 12,918.36
2002387	FOLLETT HIGHER EDUCATION GROUP INC	\$ 20,789.64
2002388	FOLLETT HIGHER EDUCATION GROUP INC	\$ 4,169.93
2002389	EXPENSES SUPPLIER	\$ 1,170.00
2002390	STAPLES BUSINESS ADVANTAGE	\$ 489.94
2002391	STAPLES BUSINESS ADVANTAGE	\$ 143.09
2002392	US BANK CORPORATE PMT SYSTEMS	\$ 21.55
2002393	US BANK CORPORATE PMT SYSTEMS	\$ 100.00
2002396	DIAZ, EMMA	\$ 750.00
2002397	STAPLES BUSINESS ADVANTAGE	\$ 751.75
2002398	GROSSMONT CUYAMACA CCD	\$ 400.00
2002399	WARE, MONIQUE	\$ 125.48
2002400	STAPLES BUSINESS ADVANTAGE	\$ 58.67
2002401	STAPLES BUSINESS ADVANTAGE	\$ 58.98
2002402	WESTIN SAN DIEGO GASLAMP QUARTER	\$ 2,111.30
2002403	COMMUNITY COLLEGE LEAGUE OF CALIFORNIA	\$ 2,245.00
2002404	SAN BERNARDINO CCD	\$ 147.95
2002405	DAVALOZ, DALILAH	\$ 91.00
2002406	EXPENSES SUPPLIER	\$ 146.65
2002409	B&H PHOTO VIDEO	\$ 182.52
2002410	SAN BERNARDINO CCD	\$ 10,000.00
2002411	US BANK CORPORATE PMT SYSTEMS	\$ 233.00
2002415	US BANK CORPORATE PMT SYSTEMS	\$ 600.00
2002416	EXPENSES SUPPLIER	\$ 463.95
2002417	EXPENSES SUPPLIER	\$ 742.38
2002418	SAN BERNARDINO CCD	\$ 147.95
2002419	19SIX ARCHITECTS	\$ 21,625.40
2002420	US BANK CORPORATE PMT SYSTEMS	\$ 100.00
2002421	SUPERTECH INC	\$ 5,250.02
2002422	STAPLES BUSINESS ADVANTAGE	\$ 317.75
2002423	STAPLES BUSINESS ADVANTAGE	\$ 435.26
2002424	B&H PHOTO VIDEO	\$ 242.06

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<b>PO#</b>	<b>Supplier Name</b>	<b>Amount</b>
2002426	FISHER SCIENCE EDUCATION	\$ 390.67
2002427	EXPENSES SUPPLIER	\$ 608.00
2002429	STAPLES BUSINESS ADVANTAGE	\$ 471.92
2002430	STAPLES BUSINESS ADVANTAGE	\$ 123.16
2002431	US BANK CORPORATE PMT SYSTEMS	\$ 500.00
2002434	CA COMM COLLEGE MEN'S BASKETBALL COACHES ASSOC	\$ 300.00
2002436	US BANK CORPORATE PMT SYSTEMS	\$ 1,480.00
2002437	US BANK CORPORATE PMT SYSTEMS	\$ 1,480.00
2002438	EXPENSES SUPPLIER	\$ 150.00
2002439	EXPENSES SUPPLIER	\$ 150.00
2002440	US BANK CORPORATE PMT SYSTEMS	\$ 3,796.00
2002441	CDW LLC	\$ 8,682.62
2002442	JIM MOORE TOOLS FOR GLASS	\$ 1,442.68
2002443	SAN BERNARDINO CCD	\$ 27.28
2002444	RENAISSANCE LONG BEACH HOTEL	\$ 1,408.51
2002445	EXPENSES SUPPLIER	\$ 543.16
2002446	CA ASSOCIATION FOR POSTSECONDARY EDUCATION & DISABILITY	\$ 695.00
2002448	FOLLETT HIGHER EDUCATION GROUP INC	\$ 400.00
2002449	US BANK CORPORATE PMT SYSTEMS	\$ 67.38
2002450	STAPLES BUSINESS ADVANTAGE	\$ 254.43
2002451	STATER BROS MARKETS	\$ 754.25
2002452	US BANK CORPORATE PMT SYSTEMS	\$ 2,000.00
2002453	DEMCO SUPPLY INC	\$ 4,000.00
2002454	VERIZON WIRELESS	\$ 360.00
2002455	STAPLES BUSINESS ADVANTAGE	\$ 206.15
2002456	MCKESSON MEDICAL-SURGICAL GOVERNMENT SOLUTIONS INC	\$ 1,929.06
2002458	EAST VALLEY WATER DISTRICT	\$ 4,000.00
2002459	US BANK CORPORATE PMT SYSTEMS	\$ 200.00
2002460	RUGGED NOTEBOOKS	\$ 14,368.48
2002461	US BANK CORPORATE PMT SYSTEMS	\$ 469.80
2002463	MONTES, PRECIOUS	\$ 228.00
2002464	US BANK CORPORATE PMT SYSTEMS	\$ 683.58
2002467	US BANK CORPORATE PMT SYSTEMS	\$ 362.88
2002469	EXPENSES SUPPLIER	\$ 135.28
2002471	EXPENSES SUPPLIER	\$ 1,919.36
2002473	FAIRVIEW FORD	\$ 70,582.54
2002474	US BANK CORPORATE PMT SYSTEMS	\$ 74.23
2002475	CYNMAR CORPORATION	\$ 678.54
2002476	QUARK ENTERPRISES INC	\$ 2,610.84
2002477	SAN BERNARDINO CCD	\$ 990.03
2002478	SAN BERNARDINO CCD	\$ 647.90
2002479	SAN BERNARDINO CCD	\$ 131.19
2002480	SAN BERNARDINO CCD	\$ 432.62
2002481	FLINN SCIENTIFIC INC	\$ 1,737.60
2002482	FISHER SCIENCE EDUCATION	\$ 2,697.66

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PO#	Supplier Name	Amount
2002484	EXPENSES SUPPLIER	\$ 884.00
2002489	TEXON TOWEL AND SUPPLY COMPANY	\$ 95.88
2002490	US BANK CORPORATE PMT SYSTEMS	\$ 25.00
2002491	US BANK CORPORATE PMT SYSTEMS	\$ 1,480.00
2002492	CDW LLC	\$ 8,795.58
2002493	EXPENSES SUPPLIER	\$ 1,037.60
2002494	ACADEMIC SENATE FOR CALIFORNIA COMMUNITY COLLEGES	\$ 1,160.00
2002495	AMERICA'S XPRESS RENT A CAR	\$ 170.24
2002496	US BANK CORPORATE PMT SYSTEMS	\$ 18.32
2002497	EASTBAY INC	\$ 1,964.23
2002498	MOTOROLA SOLUTIONS INC	\$ 21,405.50
2002499	RIO HONDO CCD	\$ 250.00
2002500	FREY SCIENTIFIC	\$ 156.55
2002501	COSTCO	\$ 544.47
2002502	STAPLES BUSINESS ADVANTAGE	\$ 634.19
2002503	STAPLES BUSINESS ADVANTAGE	\$ 2,016.17
2002504	STAPLES BUSINESS ADVANTAGE	\$ 1,282.52
2002505	STAPLES BUSINESS ADVANTAGE	\$ 278.71
2002506	STAPLES BUSINESS ADVANTAGE	\$ 167.56
2002507	STAPLES BUSINESS ADVANTAGE	\$ 129.83
2002508	VERIZON WIRELESS	\$ 1,011.99
2002509	ULINE	\$ 412.61
2002510	SAN BERNARDINO CCD	\$ 1,031.68
2002511	EXPENSES SUPPLIER	\$ 151.40
2002512	CA COMM COLLEGE ASSOCIATION FOR OCCUPATIONAL ED	\$ 250.00
2002513	EXPENSES SUPPLIER	\$ 1,113.44
2002516	EXPENSES SUPPLIER	\$ 35.03
2002517	EXPENSES SUPPLIER	\$ 35.03
2002518	EXPENSES SUPPLIER	\$ 1,511.18
2002520	EXPENSES SUPPLIER	\$ 35.03
2002522	US BANK CORPORATE PMT SYSTEMS	\$ 400.00
2002523	EXPENSES SUPPLIER	\$ 1,040.00
2002524	EXPENSES SUPPLIER	\$ 3,640.00
2002525	SCULPTURE HOUSE	\$ 1,041.30
2002526	EXPENSES SUPPLIER	\$ 415.08
2002527	CALIFORNIA TOOL & WELDING SUPPLY LLC	\$ 10,000.00
2002528	CALIFORNIA TOOL & WELDING SUPPLY LLC	\$ 2,157.84
2002529	EXPENSES SUPPLIER	\$ 1,538.12
2002530	ADORAMA INC	\$ 39,423.62
2002531	SAN BERNARDINO CCD	\$ 48.74
2002533	EXPENSES SUPPLIER	\$ 222.76
2002534	STAPLES BUSINESS ADVANTAGE	\$ 235.90
2002535	LU, BRIAN	\$ 250.00
2002536	GUTIERREZ, NICOLE	\$ 250.00
2002537	SAUER, TRACY	\$ 150.00

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<b>PO#</b>	<b>Supplier Name</b>	<b>Amount</b>
2002538	MT. SAN ANTONIO COMMUNITY COLLEGE DISTRICT	\$ 475.00
2002539	CALIFORNIA PLACEMENT ASSOCIATION	\$ 63.69
2002540	EXPENSES SUPPLIER	\$ 269.70
2002541	EXPENSES SUPPLIER	\$ 269.70
2002542	WARD, AMANDA	\$ 182.87
2002546	SAN BERNARDINO CCD	\$ 500.00
2002547	GROSSMONT CUYAMACA CCD	\$ 325.00
2002548	EXPENSES SUPPLIER	\$ 1,010.00
2002549	ULINE	\$ 1,282.26
2002550	EXPENSES SUPPLIER	\$ 517.26
2002551	EXPENSES SUPPLIER	\$ 841.48
2002552	FIREFIGHTER'S BOOKSTORE	\$ 890.85
2002553	EXPENSES SUPPLIER	\$ 1,758.00
2002556	US BANK CORPORATE PMT SYSTEMS	\$ 63.51
2002557	B&H PHOTO VIDEO	\$ 12,688.69
2002558	REDLANDS PROFESSIONAL FIREFIGHTERS BENEVELENT FUND	\$ 100.00
2002559	SMITH, VERONICA	\$ 47.63
2002560	DELL COMPUTER COMPANY	\$ 6,292.36

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Kristina Hannon, Executive Director, Human Resources  
**DATE:** November 14, 2019  
**SUBJECT:** Resignations & Retirements

### **RECOMMENDATION**

This item is for information only.

### **OVERVIEW**

In accordance with Board Policies 2430 and 7350 the Chancellor or designee is authorized by the Board of Trustees to accept the retirement or resignation of any employee.

### **ANALYSIS**

The employees on the attached list have submitted in writing their intention to either retire or resign.

### **INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this board item.





## Resignations & Retirements

Presented for Information November 14, 2019

[v.10.25.2019.p.1|1]

Resignations	Years of Service	Last Date of Employment
<b>Davaloz, Dalilah</b> Career Education, Project Administrator SBVC Career Technical Education	1	10/03/19

Retirements	Years of Service	Last Date of Employment
<b>Kirkhart, Patrick</b> Grounds Caretaker CHC Grounds	30.5	11/15/19
<b>Bishop, Rosemary</b> Library Media Clerk SBVC Library	4	01/02/20

## **SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Bruce Baron, Chancellor

**PREPARED BY:** Stacey K. Nikac, Administrative Officer

**DATE:** November 14, 2019

**SUBJECT:** Sabbatical Report

### **RECOMMENDATION**

This item is for information only. No action is required.

### **OVERVIEW**

The process for awarding sabbatical leaves is based on the bargaining agreement, Article 18, Section H.1. (a) between SBCCD and the CTA. The Sabbatical Leave Committee at each college will evaluate each proposal and forward the applications and recommendations to the District Sabbatical Leave Committee. The District Sabbatical Leave Committee shall forward its recommendations to the Chancellor for review and any recommendation to the Board.

Per the bargaining agreement between the District and the CTA, the recipient of a sabbatical leave must complete a comprehensive written report with specific evaluation of the leave in terms of each of the purposes stated in the original application. The report must identify as clearly as possible the benefits to students of the district that have accrued from the sabbatical leave.

### **ANALYSIS**

On February 8, 2018, the Board of Trustees approved the sabbatical leave of Jeffrey Demsky for the 2018-2019 academic year.

The purpose of the report is to provide the SBCCD Board of Trustees an update on the professional activities conducted by Dr. Demsky during his spring 2019 sabbatical.

Synopsis of sabbatical leave: To finish my forthcoming book, Irreverent Remembrance: Nazi and Holocaust Memorialization in Anglo-American Popular Culture, 1945-2018. This manuscript is currently under contract with Academic Studies Press. My project provides clear value to the college, its students, as well as to me personally. In the summer of 2014, when the Rialto Unified School District became embroiled in a Holocaust denial scandal, I was the instructor invited to help their district's faculty rework their lessons. Such collaborations garnered positive mention for SBVC in the local media.

**INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness, and Excellence

**FINANCIAL IMPLICATIONS**

None.

## Cover Sheet

### **A. Executive Summary:**

I spent my sabbatical writing a history manuscript entitled, “Irreverent Remembrance: Nazi and Holocaust Memorialization in Anglo-American Popular Culture, 1945-2020.”

My thesis is that unorthodox (even farcical) Holocaust representations have the potential to stir beneficial remembrance among twenty-first century learners.

### **B. Purpose of this presentation/report:**

In keeping with stipulations outlined in my sabbatical contract, the purpose of this presentation/report is providing the SBCCD Board of Trustees an update on the professional activities that I conducted during my spring 2019 sabbatical.

### **C. What are the outcomes and next steps?**

My manuscript is nearly complete. It is already under contract. I anticipate submitting the full work to my publisher (Academic Studies Press) in early 2020.

### **D. What can the Board do to help?**

Since joining the SBVC full time faculty in January 2011, the SBCCD Board of Trustees has been conspicuously helpful in aiding my professional development. I am very grateful for this support. At this time, there is nothing more that the Board can do to help.

My spring 2019 sabbatical was a constructive period. I spent the semester writing an academic history manuscript entitled, “Irreverent Remembrance: Nazi and Holocaust Memorialization in Anglo-American Popular Culture, 1945-2020.” My thesis is that unorthodox (even farcical) Holocaust representations can stir beneficial remembrance among twenty-first century learners. The work is nearly complete and I anticipate submitting the full manuscript in early 2020.

This idea emerged from my work on the Rialto Holocaust denial scandal (2014). If that situation arose today, I would recommend teaching less historically faithful, but more relatable, Holocaust literature. For example, the novel/film *Anne B. Real* (2003) transposes Anne Frank’s words into an Afro-Latina protagonist named Cynthia Gimenez. Contemporary students, from similar ethno-racial heritages, would likely find this Holocaust fiction more relevant than the factual truth. Such transference does not erase Anne Frank’s memory; it brings her story into the twenty-first century.

My manuscript is under contract with Academic Studies Press. It will appear as part of a series edited by Michael Berenbaum, former project director of the United States Holocaust Memorial Museum (1988-93). This book has the potential to make a global scholarly impact. For example, in summer 2020, I will present my findings at a War/Memory conference at France’s University of Le Mans. Locally, I will introduce my “irreverent instruction” technique if/when I am permitted to instruct HIST 176 (Comparative History of Genocide and War Crimes), a course that I contributed to our curriculum in 2015, intended to help our diverse community of learners confront this unfortunately recurring part of human history.

## SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

**TO:** Board of Trustees

**FROM:** Bruce Baron, Chancellor

**REVIEWED BY:** Bruce Baron, Chancellor

**PREPARED BY:** Angel Rodriguez, Senior District Director of Marketing, Public Affairs and Government Relations

**DATE:** November 14, 2019

**SUBJECT:** Update on SBCCD's 2019-20 regional, state and federal advocacy priorities

### **RECOMMENDATION**

This item is presented for information and discussion.

### **OVERVIEW**

In October 2018, the Board of Trustees approved SBCCD's 2019-20 advocacy priorities that would guide the Board Legislative Committee and Chancellor's Office engagement with policymakers at the regional, state and federal levels. This biannual update is an overview of public policy changes that occurred after May 2019.

### **ANALYSIS**

The 2019-20 advocacy priorities seek to advance SBCCD's educational and workforce development mission at the regional, state and federal levels. Essentially, SBCCD leadership supports the following public policies:

- Promote a college-going culture with K-12 and work-based learning partnerships
- Approve state matching funds to repair and update community college facilities as approved by California voters under Proposition 51 (2016)
- Increase the state funding rates specified for the Student Centered Funding Formula.
- Maximize the benefits of dual enrollment and remove the sunset on the College and Career Access Pathways Act (AB 288)
- Expand financial aid opportunities for community college students
- Protect California Dreamers
- Invest in workforce development programs

### **BOARD IMPERATIVE**

- I. Institutional Effectiveness
- II. Learning-Centered Institution for Student Access, Retention and Success

### **FINANCIAL IMPLICATIONS**

None.

**San Bernardino Community College District  
Legislative Advocacy Update | November 14, 2019**

<b>Regional Advocacy Priority</b>	<b>Update</b>
<b>Promote a college-going culture with K-12 and work-based learning partnerships</b>	<ul style="list-style-type: none"> <li>• SBCCD hosted a roundtable on August 7 with the Governor's Office of Business and Economic Development (GO-BIZ) and regional business and education leaders. The purpose of the convening was to strengthen state support for SBCCD's workforce development partnerships with K-12 schools, the Building Industry Association Baldy View Chapter, County of San Bernardino, and the California Department of Corrections and Rehabilitation. SBCCD's best practices will contribute to GO-BIZ's "Regions Rise Together" initiative.</li> </ul>
<b>State Advocacy Priority</b>	<b>Update</b>
<b>Honor the will of the voters who approved Prop. 51 (2016) and fund the backlog of capital outlay projects</b>	<ul style="list-style-type: none"> <li>• SBCCD applauds Governor Newsom for approving the 2019-2020 state budget, which funds the backlog of capital outlay projects under Prop. 51, including the SBVC Applied Technology Building.</li> <li>• The \$2.5 million in the 2019-20 state budget is the first of a multi-year allocation that will total \$35 million in state matching funds for SBVC to build a new career training facility.</li> <li>• SBCCD is grateful for the leadership of Senator Connie M. Leyva and Assemblymember Eloise Gomez Reyes, an SBVC alumna, for elevating SBVC's project as a state budget priority.</li> </ul>
<b>Increase funding rates specified for the Student Centered Funding Formula</b>	<ul style="list-style-type: none"> <li>• SBCCD, in collaboration with Mt. San Jacinto College, Riverside Community College District, Victor Valley College, and West Hills Community College District, sent a letter to Governor Newsom and Chancellor Oakley in September requesting their support to address funding inequities between colleges in inland California and coastal California.</li> <li>• Attached is a copy of the coalition letter and fiscal analysis.</li> <li>• SBCCD will continue conversations with policymakers, including the Inland Empire Legislative Caucus and the Community College League of California to fund and fix the Student Centered Funding Formula in the upcoming legislative session.</li> </ul>
<b>Remove the sunset on College and Career Access Pathways (AB 288)</b>	<ul style="list-style-type: none"> <li>• Governor Newsom signed into law SBCCD-supported AB30 (Holden). Essentially, this bill prevents the College and Career Access Pathways (CCAP) partnerships across California from expiring at the end of 2021 and streamlines the current process to enter into CCAP dual enrollment partnerships with K-12 districts. Additionally, AB30 enables the participation of students at adult continuation schools in the program.</li> </ul>







September 27, 2019

Governor Gavin Newsom  
State of California  
State Capitol  
Sacramento, CA 95814

Chancellor Eloy Ortiz Oakley  
California Community Colleges  
1105 Q Street, 6<sup>th</sup> Floor  
Sacramento, CA 95811

**RE: Two solutions to fix Student Centered Funding Formula and address the \$57.5 million shortfall in state funding for community colleges in Inland California**

Dear Governor Newsom and Chancellor Oakley:

As leaders of community colleges across the Inland Empire and San Joaquin Valley, we are committed to doing our part to grow California's prosperity by educating our more than 400,000 students.

In recent years, we have accelerated student success outcomes. More Inland students are transferring to four-year universities, more students are earning diplomas, and more students are gaining skills for good-paying jobs.

And yet, the momentum we are building to support the Regions Rise Together initiative and the CCC Vision for Success is in danger of coming to a halt because of the inequitable implementation of the new Student-Centered Funding Formula (SCFF).

The current strategy:

- does not encourage access for underrepresented students,
- does not support low-income students,
- does not reward student success,
- is weakening fiscal stability, and
- is deepening inequality between coastal and Inland California

(Next page, please)

Consider this:

- Bay Area (Region 3) and Northern California (Region 4) community colleges are receiving \$75.2 million in state apportionment under the new formula.
- **In contrast, Inland Empire (Region 9) and San Joaquin Valley (Region 5) colleges are receiving \$57.5 million less under the new formula.**

According to the CCC Chancellor's Office, the current Total Computational Revenue (TCR) is \$7.2 billion, with only \$7.1 billion available to fund all 73 college districts. Based on this, all districts should experience a revenue shortfall of 1.44%. However, the new formula penalizes 46 districts with positive student outcomes. The penalty comes in the form of a constrained revenue, which amounts to \$103.6 million. Meanwhile, the new formula rewards hold-harmless districts, like Regions 3 and 4, with \$122.6 million on top of their SCFF-calculated revenue.

The funding for hold-harmless districts is taken from the top and the remaining available balance is then used to fund successful districts like Regions 5 and 9. Because of this, we are not afforded the same predictability as hold-harmless districts. We are unable to determine funding levels.

The Legislative Analyst's Office in an April 2019 report said that, "A cap on student success allocation is a crude approach to containing formula costs. The cap could reduce incentives for districts that are making genuine improvements in student outcomes."

**If left unaddressed, the \$57.5 million budget shortfall would force us to:**

- **cut access to roughly 15,293 full-time equivalent students;**
- **halt our progress assisting struggling students who need food, housing, and mental health services;**
- **reduce courses that our students need to graduate or transfer to CSU and UC;**
- **decrease workforce training programs that jobless and underemployed adults need to compete for good-paying jobs; and**
- **mandate furloughs and salary freezes for thousands of educators and professional staff members.**

Simply put, the status quo hurts our students and our communities.

As you know, Inland communities are places of great opportunity and innovation. However, if the new formula uplifts students in one region, and puts down others, our CCC Vision for Success and Regions Rise Together efforts will not materialize.

(Next page, please)

**We have an opportunity to work together to improve the SCFF so that it meets the intent of the legislation established in Education Section 84750.4. We propose using either of the following solutions:**

1) Fully fund the implementation of the SCFF, which is short by \$103.6 million as of the 2018-2019 second apportionment

or

2) Employ the following measures to change the implementation strategy, which is harming districts that are successfully meeting the intent of the SCFF, like Regions 9 and 5:

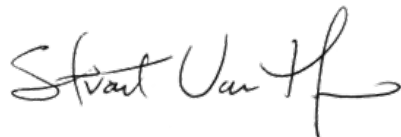
- Remove the 8.13% constraint applied only to successful districts
- Apply shortfall equally to all districts
- Provide predictability to all districts, not just those that are under the hold-harmless clause, like Regions 3 and 4

As you prepare for critical events in California's public sphere, including planning for the 2020-21 state budget, and the Regions Rise Together-themed California Economic Summit, please consider us your partners in creating a funding solution that uplifts all of our students in all of California. We look forward to our future conversations with you and your staffs.

Sincerely,



Chancellor Bruce R. Baron  
San Bernardino Community College District



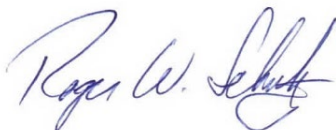
Chancellor Stuart Van Horn  
West Hills Community College District



Chancellor Wolde-Ab Isaac  
Riverside Community College District



President Daniel Walden  
Victor Valley College



Superintendent/President Roger W. Schultz  
Mt. San Jacinto Community College District

Enclosure: White paper and call to action

Governor Gavin Newsom  
Chancellor Eloy Ortiz Oakley  
September 27, 2019  
Page 4

CC: Keely Martin Bosler, Director of the California Department of Finance  
Lande AJose, Governor's Senior Policy Advisor on Higher Education  
Lenny Mendonca, Governor's Chief Economic and Business Advisor  
Inland Empire Legislative Caucus  
San Joaquin Valley Legislative Caucus  
CCC Board of Governors  
Community College League of California  
The Campaign for College Opportunity



## California Education Code Section 84750.4

"It is the intent of the Legislature in enacting this section to adopt a formula for general purpose apportionments that encourages access for underrepresented students, provides additional funding in recognition of the need to provide additional support for low-income students, rewards colleges' progress on improving student success metrics, and improves overall equity and predictability so that community college districts may more readily plan and implement instruction and programs."

# A Call to Action: Why California must fully fund the Student Centered Funding Formula and fix it to protect community college access and student success

---

Current implementation of California's new Student Centered Funding Formula (SCFF) for community colleges fails to meet the intent of legislation established in Education Code Section 84750.4. The existing strategy:

- Does not encourage access for underrepresented students,
- Does not support low-income students,
- Does not reward student success, and
- Is not improving equity and predictability.

### **We have an opportunity to work together to improve the SCFF. We propose two solutions:**

1. Fully fund implementation of the SCFF, which is short by \$103.6 million as of the 2018-2019 Second Apportionment,  
  
OR
2. Employ the following measures to change the implementation strategy which is harming districts that are successfully meeting the intent of the Legislature (Successful Districts).
  - a. Remove the 8.13% constraint applied only to Successful Districts.
  - b. Apply shortfall equally to all districts.
  - c. Provide predictability to all districts, not just those that are under the hold harmless clause (Hold Harmless Districts).

**A Call to Action:** Why California must fully fund the Student Centered Funding Formula (SCFF) or fix it to protect community college access and success

**Option 1: Fully fund the new SCFF, which is short by \$103.6 million as of the 2018-2019 Second Apportionment**

According to the California Community Colleges Chancellor’s Office, the current Total Computational Revenue (TCR) is \$7.2 billion, with only \$7.1 billion available to fund all districts. Based on this, all districts should experience a revenue shortfall of 1.44%. However, only Successful Districts are being penalized. This comes in the form of a “Constrained Revenue” which amounts to \$103.6 million. Meanwhile, Hold Harmless Districts are being provided \$122.6 million on top of their SCFF calculated revenue.

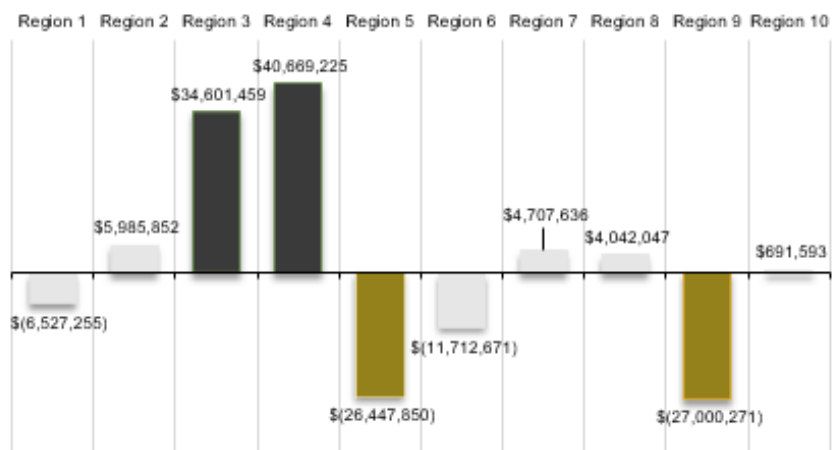
<b>2018-2019 TCR</b>	\$7,208,182,162
<b>Available Revenues</b>	\$7,104,624,036
<b>Shortfall Amount</b>	\$103,558,126
<b>Shortfall Percent</b>	1.44%

**Option 2: Fix the implementation which harms 46 Successful Districts in the form of constrained revenues and unpredictability**

***Remove the existing 8.13% constraint applied only to Successful Districts and apply shortfall equally to all districts.***

On April 26, 2019, the California Community Colleges Chancellor’s Office issued a memorandum which constrained 46 Successful Districts to 8.13% from their 2017-18 TCR. Successful Districts are being penalized by \$103.6 million, including those in low-income regions of the state like:

- Antelope Valley
- Barstow
- Chaffey
- Copper Mountain
- College of the Desert
- Kern
- Mt. San Jacinto
- Palo Verde
- Riverside
- San Bernardino
- Victor Valley
- West Hills



## Students in the Inland Empire and San Joaquin Valley are the most affected

Colleges in the Bay Area (Region 3) and Northern California (Region 4) colleges have gained the most, \$75 million in combined total gain.

Region 9 (Inland Southern Calif.) is the most affected, being constrained by \$27 million	
(Shortfall) from SCFF by College District	
Barstow	\$(1,101,916)
Chaffey	\$(7,107,511)
Copper Mountain	\$ (547,683)
College of the Desert	\$(6,289,563)
Mt. San Jacinto	\$(2,010,040)
Palo Verde	\$(899,001)
Riverside	\$(3,699,279)
San Bernardino	\$(2,075,938)
Victor Valley	\$(3,269,340)
<b>Grand Total</b>	<b>\$(27,000,271)</b>

Region 4 (Coastal and Northern Calif.) has gained the most from the SCFF	
Gain from SCFF by Hold-Harmless College District	
Cabrillo	\$ 3,515,676
Chabot-Las Positas	\$ 14,672,821
Foothill-De Anza	\$ 10,133,542
Gavilan Joint	\$ 197,048
Hartnell	\$ (3,083,823)
Monterey Peninsula	\$ 1,404,816
Ohlone	\$ 7,675,128
San Jose-Evergreen	\$ (357,668)
West Valley-Mission	\$ 6,511,685
<b>Grand Total</b>	<b>\$ 40,669,225</b>

### Provide predictability to all districts, not just hold-harmless districts

- Currently, the SCFF implementation prioritizes funding for Hold-Harmless Districts, provides them COLA, and allocates the remaining funding, in a constrained form, to the Successful Districts that are meeting the intent of the legislature under Education Code Section 84750.4.
- Successful Districts are not afforded the same predictability as Hold-Harmless Districts. By prioritizing funding for Hold-Harmless Districts at their 2017-18 TCR, plus COLA, Successful Districts are unable to determine their funding levels.
- Funding for Hold-Harmless Districts is taken from the top and the remaining available balance is then used to fund Successful Districts.

### The status quo hurts our students

If left unaddressed, the \$57.5 million budget shortfall would force our colleges to:

- **Cut access to roughly 15,293 students** (Full-time equivalent; Regions 9 and 5)
- **Limit services for struggling students** who need food, housing, and mental health services
- **Reduce courses** that our students need to graduate or transfer to CSU and UC
- **Decrease workforce training programs** that jobless and underemployed adults need to compete for good-paying jobs
- **Mandate furloughs and salary freezes** for thousands of educators and professional staff members

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT**

**TO:** Board of Trustees  
**FROM:** Bruce Baron, Chancellor  
**REVIEWED BY:** Jose F. Torres, Executive Vice Chancellor  
**PREPARED BY:** Dr. Kevin Horan, President, CHC  
Diana Rodriguez, President, SBVC  
Kristina Hannon, Executive Director, Human Resources  
**DATE:** November 14, 2019  
**SUBJECT:** Volunteers

**RECOMMENDATION**

This item is for information only.

**OVERVIEW**

Assignments performed by volunteers will not take away responsibilities or duties of regular academic or classified employees.

**ANALYSIS**

The individuals on the attached list have volunteered their services and acknowledge that they will not receive payment of any kind for services performed.

**INSTITUTIONAL VALUES**

III. Resource Management for Efficiency, Effectiveness and Excellence

**FINANCIAL IMPLICATIONS**

There are no financial implications associated with this board item.





## Volunteers

Presented for Information on November 14, 2019

[v.10.24.2019.p.1|1]

	Site	Assignment	From	To
<b>Avila, Jessica</b>	SBVC	Athletics	11/15/19	12/31/19
<b>Bridges, Oscar</b>	SBVC	Athletics	11/15/19	12/31/19
<b>Curnal, Louis</b>	SBVC	Campus Technology Services	11/15/19	06/30/20
<b>Lopez, Brenda</b>	SBVC	Student Equity	11/15/19	12/31/19
<b>O'Neil, Moira</b>	SBVC	Athletics	11/15/19	12/31/19
<b>Armstrong, Carl</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Burns, Maddie</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Cagle, Chantel</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Convis, Marinela</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Eddy, Ashley</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Garcia, Elizabeth</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Hamilton, Shani</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Henley, Raymond</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Higa, Tina</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Peacock, Winston</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Proffit, Coco</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Tinsley, Lexi</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Weber, Breyanne</b>	CHC	Fine Arts	11/15/19	12/31/19
<b>Wolf, Carina</b>	CHC	Fine Arts	11/15/19	12/31/19