

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

TO: Board of Trustees

FROM: Dr. Diana Z. Rodriguez, Chancellor

REVIEWED BY: Jose Torres, Executive Vice Chancellor
Dr. Nohemy Ornelas, Vice Chancellor Educational and Student Support Services

PREPARED BY: Steve Sutorus, Executive Director, Business and Fiscal Services
Luke Bixler, Chief Technology Officer

DATE: August 13, 2026

SUBJECT: Consideration of Approval to Adopt a Resolution to Apply for Fiscal Independence and a Resolution to Designate a District Disbursing Officer

RECOMMENDATION

It is recommended that the Board of Trustees adopt a resolution to apply for fiscal independence and a resolution to designate a District Disbursing Officer.

OVERVIEW

Education Code §85266.5 authorizes the governing board of a community college district to apply for fiscal independence, which would allow a District Disbursing Officer designated by the governing board to issue warrants without review or approval of the County Superintendent of Schools or the County Auditor. Fiscal independence is granted by the Board of Governors, based largely on recommendation from the community college district's applicable county office and results of an independent certified public accountant survey of the district's accounting controls.

On February 12, 2026, the Board of Trustees approved contracts for a new enterprise resource planning solution in order to significantly improve the administrative and operational efficiency and effectiveness of the District's human resources, finance, operations, and business functions. As we move forward with this process, it is recommended that the Board of Trustees apply for fiscal independence from the County.

ANALYSIS

Achieving fiscal independence would allow SBCCD to implement its new integrated management information system without the need for extensive and cumbersome interface with County finance and payroll systems. It would also maximize the colleges' ability to obtain accurate and timely information, monitor their budgets, analyze current financial data, and ensure sound financial decision making.

If granted by the Board of Governors, fiscal independence would require the District to assume the majority of responsibilities previously performed by the County for fiscal, budget, human

resources/payroll, and financial management systems processing. In addition, the District would take on oversight of the internal audit function for the issuance of payroll and commercial warrants. The County would retain only high-level oversight of the District.

The anticipated timeline to achieve fiscal independence is as follows.

August 2026	▪ Present resolution and application for fiscal independence. ▪ Present resolution to appoint a District Disbursing Officer. ▪ File resolution and application for fiscal independence with the County.
January 2028	▪ Present a resolution to bond the designated District Disbursing Officer. ▪ Audit services contract for the performance of the required audit survey.
April/May 2028	▪ Undergo audit survey.
June 2028	▪ The County to approve the application for fiscal independence. ▪ The Board of Governors to decide whether to grant fiscal independence.
July 1, 2028	▪ Effective date on which the District may issue warrants if fiscal independence is granted.

BOARD IMPERATIVE

III. Resource Management for Efficiency, Effectiveness, and Excellence

FINANCIAL IMPLICATIONS

Fiscal independence will be included in the fiscal year 2027-2028 budget.

San Bernardino Community College District
Resolution to Apply for Fiscal Independence Pursuant To Education Code Section 85266.5

ON MOTION of Member Longville, seconded by Member Aguilera, the following resolution is hereby adopted:

WHEREAS Education Code section 85266.5 authorizes the Board of Trustees of a community college district to apply for fiscal independence and;

WHEREAS the Board of Trustees of San Bernardino Community College District has reviewed the California Community College Accounting Advisory for Fiscal Independence, and is satisfied that the District can meet the provisions of section 85266.5 and desires to become fiscally independent and;

WHEREAS the California Community Colleges' Board of Governors grants fiscal independence and its decision is based largely on the recommendation from the applicable county officers and the results of an independent certified public accountant survey of the district's accounting controls.

THEREFORE, BE IT RESOLVED that the Board of Trustees hereby adopts this resolution and the application for fiscal independence in Appendix A, pursuant to Education Code Section 85266.5, and requests accountability to issue all warrants (both salary and commercial), except debt service, of the District by a person designated as the District Disbursing Officer, to those entitled thereto, which payments have been examined, allowed, and ordered paid by the Board of Trustees.

BE IT FURTHER RESOLVED that the Board of Trustees directs that this resolution and application be submitted to the office of the County Superintendent of Schools and the California Community Colleges' Chancellor's Office to request fiscal independence status.

BE IT FURTHER RESOLVED that the Board of Trustees understands the District is to pay all costs pertaining to the audit of accounting controls arranged by the office of the County Superintendent of Schools and that the Board of Trustees agrees to provide all data and assistance as required by the County Superintendent of Schools during the course of the audit.

BE IT FURTHER RESOLVED, that if fiscal independence is approved, the Board of Trustees assumes complete responsibility for the legality of, proper accounting of, and compliance with budgetary restrictions of warrants issued by the District; and that the Board of Trustees is to provide for the independence of the Disbursing Officer, to include access to legal counsel; and that the Board is still required to file timely and accurate reports with County officers; and that charges may be required for services provided to the District by County officers; and that the Board is required to pay all penalties and/or assessments resulting from late or inaccurate retirement reporting.

PASSED and ADOPTED this 13th day of August, 2026 by the following vote:

AYES: Aguilera, Bettaes, Gonzales, Houston, Longville

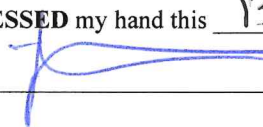
NOES: _____

ABSTENTIONS: _____

ABSENT: Reyes, Williams

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)

I, Dr. Diana Z. Rodriguez, Secretary of the governing board, do hereby certify that the foregoing is a full, true, and correct copy of a resolution passed and adopted by the Board at a regularly called and conducted meeting held on said date.

WITNESSED my hand this 13 day of August, 2024.
 Secretary of the Governing Board

San Bernardino Community College District
Resolution to Apply for Fiscal Independence Pursuant To Education Code Section 85266.5
August 13, 2026

Appendix A: California Community Colleges District
Application for Fiscal Independence

To: Mr. Ted Alejandre, County Superintendent
San Bernardino County Superintendent of Schools

Dr. Sonya Christian, Chancellor
California Community Colleges Chancellor's Office

The San Bernardino Community College School District (the District) hereby applies for fiscal independence in issuing its own warrants under the provision of Education Code Section 85266.5. The District Chancellor and Vice Chancellor of Business & Fiscal Services acknowledge that fiscal independence for the District is predicated on the continuing adherence to the following Board of Governors standards:

Standard 1: Adequate Fund Balances: The District has avoided deficit balances in its governmental funds and has maintained a prudent reserve in its unrestricted general fund over the preceding five fiscal years.

Standard 2: Statute and Governing Board: The District makes only lawful and appropriate expenditures in carrying out the programs authorized by statute and by the governing board.

Standard 3: Adequate Internal Controls: The staff of the accounting, budgeting, contracts, management information systems, internal audits, human resources, and procurement departments are adequate in numbers and skill level to conduct administrative programs independent of detailed review by the county office of education and to provide an internal audit function that assures adequate internal controls.

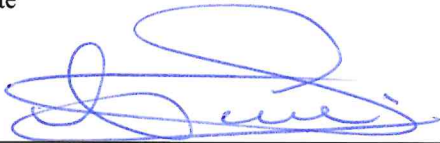
Standard 4: Legality and Propriety of Transactions: The staff of the accounting, budgeting, contracts, management information systems, internal audits, human resources, and procurement departments exercise independent judgement to assure the legality and propriety of transactions.



Dr. Nathan D. Gonzales
President, Board of Trustees
San Bernardino Community College District

8/13/2026

Date



Jose Torres
Executive Vice Chancellor
San Bernardino Community College District

8/13/26

Date



Dr. Diana Z. Rodriguez
Chancellor
San Bernardino Community College District

8/13/24

Date

Steve Sutorus
Executive Director, Business & Fiscal Services
San Bernardino Community College District

Date

San Bernardino Community College District
Resolution to Apply for Fiscal Independence Pursuant To Education Code Section 85266.5
August 13, 2026

ON MOTION of Member Longville, seconded by Member Aguilera, the following resolution is hereby adopted:

WHEREAS the governing board of San Bernardino Community College District is applying for fiscal independence as permitted by Education Code section 85266.5, and is requesting accountability to issue all warrants, except debt service, of the District and;

WHEREAS Education Code section 85266.5 requires that the governing board designate a District Disbursing Officer who shall have the authority to issue warrants of the District.

THEREFORE BE IT RESOLVED that the Board of Trustees hereby adopts this resolution, and designates the Executive Director, Business & Fiscal Services as the District Disbursing Officer.

BE IT FURTHER RESOLVED that the District Disbursing Officer shall maintain a significant degree of independence in the process of approving or disapproving warrants.

BE IT FURTHER RESOLVED that the District Disbursing Officer shall be authorized to independently seek legal counsel when questions arise regarding the propriety of District expenditures within his/her disbursing authority, and shall be authorized to follow the advice of legal counsel.

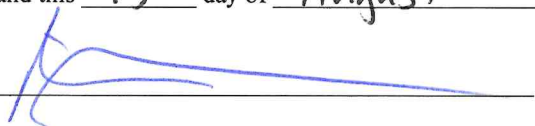
PASSED and ADOPTED this 13th day of August, 2026 by the following vote:

AYES: Aguilera, Bettors, Gonzales, Houston, Longville
NOES: _____
ABSTENTIONS: _____
ABSENT: Reyes, Williams

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)

I, Dr. Diana Z. Rodriguez, Secretary of the governing board, do hereby certify that the foregoing is a full, true, and correct copy of a resolution passed and adopted by the Board at a regularly called and conducted meeting held on said date.

WITNESSED my hand this 13 day of August, 2024.

 Secretary of the Governing Board