



The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS

DATE: May 19-20, 2014

SUBJECT: Community College Real Estate Education Advancement Fund		Item Number: 1.3	
		Attachment: No	
CATEGORY:	Workforce and Economic Development	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Van Ton-Quinlivan, Vice Chancellor	Consent/Routine	X
		First Reading	
Approved for Consideration:	 Brice W. Harris, Chancellor	Action	
		Information	

ISSUE: This item proposes to clarify authorization to transfer all principal and interest, valued at the date of transfer, held within Part A and Part B of the Real Estate Education Endowment, to the Board of Governor’s appointed designee, the Foundation for California Community Colleges.

BACKGROUND: In 1975, the Department of Real Estate created the Real Estate Education Endowment to provide perpetual financial support for the enhancement of education in the field of real estate through the California Community Colleges. The California Community Colleges Chancellor’s Office currently serves to deposit, administer and invest the endowment, which is held in two parts, totaling approximately \$3.7 million (principal and interest). Historically, these endowment funds have been deposited into conservative treasury accounts. Given the success and experience of the Foundation in administering and investing endowment and investment funds, currently totaling over \$80 million, in September 2013, the Board of Governors named the Foundation as its designee to deposit, administer and invest the Community College Real Estate Education Advancement Fund.

Furthermore, in September 2013, the Board of Governors approved Addendum #4 to the Real Estate Education Endowment Agreement between the Bureau of Real Estate and the Board of Governors of the California Community Colleges that re-defined the principal balances of the fund as \$2,950,000 to Part A and \$600,000 to Part B, for a total of \$3,550,000. The difference between the aggregate principal balance of the fund (i.e. \$3,550,000) and the total balance of the fund at the date of transfer (i.e. currently ~\$3.7 million) is considered interest and will be allocated and deposited proportionately between Part A and Part B, when transferred, consistent with Addendum #4.

RECOMMENDED ACTION: It is recommended that the Board of Governors authorize the transfer of all principal and interest, valued at the date of transfer, held within the Real Estate Education Endowment, to the board’s appointed designee, the Foundation for California Community Colleges.