

**Valencia Foundation**  
**Report to the Board of Trustees**  
**May 2020**

**Foundation board provides \$2 million in funding to support students**

As announced, Valencia received about \$27 million federal CARES Act funding, half of which will be directly granted to students through the financial aid office and a process that includes certification of need. The individual awards are up to \$600.

After the act was passed, the Department of Education offered guidance that excluded a significant portion of students from receiving this aid.

Consequently, the college gathered local discretionary funds and sought an additional \$2 million from the foundation to provide modest grants to students whose education was seriously disrupted by the pandemic, but who have been deemed ineligible for federal funds.

The foundation identified a little more than \$1 million from unrestricted funds, while still protecting \$300,000 for first-generation matching this fall.

Additionally, the foundation board took action in May to repurpose \$932,979 in academic enhancement funds for one year to support the students who have been excluded.

The academic enhancement funds are unnamed endowments made up of many small gifts, plus significant state and federal match. State match was restricted to “any educational purpose” and federal match restrictions were lifted by DOE several years ago, allowing the foundation latitude to redirect to serve critical college needs.

**Finance committee maintains vigilant stewardship of investment portfolio**

Since March, the finance committee has met every two weeks to review investments, and also met in its regular quarterly meeting this month. The committee took action to reduce the international asset allocation to 15 percent and redeploy to S&P 500 growth. There are other possible recommendations to come related to alternative assets and potentially identifying funds to assist in expanding the downtown Center for Accelerated Training.

The auditing firm BDO will begin its engagement shortly and are on target for a remote process that will be completed by the August deadline. The foundation is engaging an outsourced financial consultant over the summer for four to 15 hours a week to assist with year-end close review, the audit and 990 preparation.

The investment committee will continue its biweekly Friday calls. The endowment is down significantly from Dec. 31's \$83 million value and varies daily with the market. However, the seven-year rolling average for disbursements softens the edges for students. It will prove challenging for newly endowed gifts.