



Board of Trustees Budget Committee (BBC)

SBCCD Board Room, 114 S. Del Rosa Drive, San Bernardino CA 92408

Meeting Minutes

January 5, 2017

Members Present – **Donna Ferracone, Gloria Macías Harrison, Mike Strong** (arrived 12:32 p.m.),
Larry Strong, Jose Torres

Members Absent – **Joseph Williams, Scott Stark**

Guests Present – **Richard Galope**, Interim Associate Vice Chancellor, EDCT (arrived 12:43 pm);
Robert Levesque, Director, Workforce Development, EDCT

I. Welcome & Introductions

Gloria called the meeting to order at 12:30 p.m.

III. Approval of Prior Meeting Minutes

Donna made a motion to approve the minutes of December 1, 2016. Gloria seconded and the minutes were approved by the following vote:

Ayes: Gloria, Donna, Jose, Larry
Noes: None
Absent: Mike, Joseph, Scott
Abstentions: None

IV. New Topics

B. Early Retirement Incentive Update

Gloria asked that this topic be discussed first. Jose reviewed with committee members the January 17 board item requesting approval of the 2017 Early Retirement Incentive Plan. A January approval is necessary for the required timeline of the plan, which will commence if/when it receives BOT approval. Donna asked Jose to be prepared to state the effect of the \$650,000 one-time payout on the District reserve fund balance. Gloria asked that this item be added to the January 19, 2017 closed session agenda.

A. Bookstore

Attention was called to the Bookstore handout. Jose made a statement correcting information brought forth in public comment at the December 8, 2017 BOT meeting that the outsourcing of the bookstore was announced just prior to the holiday break. As indicated in the October 4, 2016 CSEA Demand to Negotiate, conversation began mid-September. Jose went on to say that employee welfare was of paramount concern and a major focus in this process.

Larry proceeded to give a presentation which depicted the severe losses suffered by the bookstore and the effects of outsourcing on students, faculty and staff. There are currently

Kelly Goodrich, Recorder

2 management and 10 CSEA employees which would be affected by the outsourcing of the bookstore. Jose distributed a proposed timeline; the target date for a new vendor is Fall 2017. Negotiations are scheduled to take place with CSEA on the afternoon of January 5.

Jose restated the District's desire to take care of the bookstore employees as much as possible. A retirement option exists for 6 CSEA and 2 management employees that is similar to a full supplemental early retirement plan. In addition, there is a five-year a transition plan for employees that want to stay on either in another SBCCD position or with the new vendor. Some employees could conceivably take early retirement and then work for the new vendor. Negotiations with a new vendor will include payment of these retirement costs, as well as purchase of existing inventory.

Mike commented on the process that has led to this decision. He cited the many steps taken over the past year and a half by both campuses to try and mitigate bookstore losses. They reduced discounts. They tried to reduce the cost of goods sold by reducing freight expense. They tried to hone inventory and maintain the ratio of cost of goods sold. They targeted attrition as a possible savings and reorganized personnel. Another measure taken was an upgrade on a point of sale system which increased the number of titles which could be rented. Mike summarized by saying that while some of these measures were successful and some were not, the outsourcing of the bookstore is a measure that has not been taken lightly.

Gloria and Donna stated they felt comfortable recommending that the Business Services staff go forward with an RFP. Gloria requested that Jose provide an estimate of costs to SBCCD resulting from the different potential retirement scenarios. It was agreed that this topic would appear on the February BBC meeting agenda.

II. Public Comment

There were no public comments.

IV. New Topics (continued)

C. Strong Workforce Metrics

Jose introduced Robert and Richard from EDCT to speak about the Strong Workforce Metrics and funding. Gloria commented that the BOT concern is that SBCCD does not have a plan for additional CTE funds. Robert asked members of the committee to refer to the handout he provided. Everything to do with the Strong Workforce Program is to increase the quantity and quality of CTE programs substantiated by the labor market. EDCT has been working extensively in assisting the campuses to ensure that SBCCD be a part of this opportunity.

These funds are to supplement (not supplant) current CTE programs. The state has designated 60% of the funds as local shares and 40% as regional shares. Robert has been intimately involved with the process of applying on behalf of SBCCD for the 40% regional shares. A regional project must involve at least three colleges represented by two districts.

Robert estimated that SBCCD will be receiving approximately \$1,000,000 as part of this year's regional share for a series of proposals that include developing a for-credit CTE curriculum, automotive equipment for SBVC, and training for instructional personnel. He commented that this is a great opportunity for the district and discussed details of a proposal for a Makerspace

and a Business Incubator. Richard mentioned that the District is hoping to receive additional funding from the State to augment this center.

Committee members discussed the 60% local share funding which has already been distributed to the campuses as recommended by the District Budget Committee. Richard advised that Crafton is using their program review process to decide which programs will benefit from the funding while SBVC has instituted a new review process to prioritize each program. The programs have to be substantiated and the colleges need to submit their plan to the state by January 31.

It is critical that SBCCD be able to track the outcomes of these programs. The bottom line is that the funding must increase enrollment in CTE. The benchmark is going to be based on SBCCD's MIS report to the state later this month. Robert advised that once this project begins rolling out the MIS data will have to be submitted to chancellor office twice per year.

D. Prioritized Board Directives for the 2017-18 Budget

Jose advised that the BOT directives for the 2017-18 budget need to go to the February 9 meeting. Committee members reviewed each directive in the handout provided, resulting in the attached draft directives.

In regard to the directive 7) Donna advised that she has been unable to gain access to the District Office program review online. Jose promised to forward her a spreadsheet showing the prioritized results and add this topic to the February BBC agenda.

E. 2017-18 BOT Budget Development

In the interest of time, it was decided that this topic would not be discussed at this meeting but would appear first on the February agenda.

Due to time constraints, no discussion took place on agenda items **V. Updates** or **VI. Future Topics**.

VII. Adjournment

The meeting adjourned at 1:57 p.m. The next BBC meeting is scheduled for February 2, 2017.

Attachment – Draft 2017-18 BOT Budget Directives

Prioritized Board Directives for the ~~2016-17~~2017-18 Budget

(Submitted for approval ~~May 26, 2016~~February 9, 2017)

- 1) Balance the ~~2016-17~~2017-18 budget without the use of Fund Balance with the exception of expenses related to the ~~2016-17~~2017 Early Retirement Incentive Plan and bargaining agreements.
- 2) As adopted in the District Strategic Plan, allocate funding through the resource allocation model to pursue improvement in a) student success, by continuing funding for student success programs at both colleges; and b) -
- ~~3) As adopted in the District Strategic Plan, allocate funding through the resource allocation model to pursue improvement in student access, including. This includes growth at SBVC to maintain at least 10,500 FTES and continuing growth at CHC to reach 5,000 FTES.~~
- ~~4)3) Maintain a minimum Fund Balance level of 12% (state minimum is 5%), unless Fund Balance is utilized for specially identified "one-time" needs as authorized by the Board of Trustees. ("One-time" is defined as an expenditure that has no ongoing commitment. While "one-time" needs may be repeated in future years, the nature of the expenditure must conform to the definition.)~~
- ~~4) Develop strategy to increase availability of funds to support the new facilities and student support services at both colleges.~~
- ~~4)5) Allocate funding through the resource allocation model to provide for safe, energy efficient, clean, and well-maintained facilities that contribute to student success.~~
- ~~5)6) As funding becomes available, replenish the Fund Balance level to 15% within the next ~~three~~two years from one-time state funding.~~
- 7) Funding for aAny new positions must be approved through the process of program review or any other prioritization process as established at the colleges and district offices.
- 8) Replace all faculty retirements to meet Fifty Percent Law requirement.
- 9) Honor collective bargaining agreements.
- ~~6)10) Continue toward the sustainability of KVCR.~~