



Board of Trustees Finance Committee (BFC)

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

Meeting Minutes – October 10, 2019, 2:00 p.m.

Members Present – Gloria Macías Harrison, Chair; Anne Viricel; Don Singer

Members Absent – Elijah Gerard

Other Board Members Present – Frank Reyes, Joseph Williams

Staff Present – Bruce Baron, Jose Torres, Diana Rodriguez, Kevin Horan, Scott Stark

I. WELCOME & INTRODUCTIONS

Trustee Harrison called meeting to order at 2:02 p.m.

II. PUBLIC COMMENT

There were no comments from the public.

III. APPROVAL OF MINUTES FROM AUGUST 8, 2019

Trustee Viricel made a motion to approve the minutes from September 4, which Trustee Singer seconded. There was no discussion and the minutes were approved by the following vote:

Ayes: Trustees Harrison, Singer and Viricel
Nos: None
Abstentions: None
Absent: None

IV. CURRENT TOPICS

Inland Futures Foundation Report

This report was postponed to a future meeting.

V. UPDATES *(as necessary)*

A. Enrollment

SBVC Vice President of Administrative Services Stark referred to 23|54 in the handout. SBCV Credit FTES is still high at 4,984, which is significantly over budget, and looks like it will remain at that pace. Enhanced non-credit FTES are on track as well.

Trustee Harrison asked if SBCCD would be paid by the state for FTES over budget. Chancellor Baron advised that the District is using summer adjustments to ensure it is only slightly over. This is the appropriate place to be because if there are other districts that don't meet their cap, SBCCD may get extra FTES. SBVC President Rodriguez advised that her campus is re-shuffling how classes are offered so they FTES can be pushed to 2019-20 if needed.

Vice President Stark mentioned that the current reporting document is no longer that useful due to the new SCFF and the cap on FTES. SBCCD's budget of 10,660 FTES is made up of a very particular configuration between all the new categories on the SCFF. The District may not hit a number but still hit the dollar amount. Executive Vice Chancellor Torres advised that a reporting new format is under development and will be brought back to the BFC for review.

President Horan advised that CHC, too, is above its targets and believe this will hold steady. They are increasing efficiencies and are not planning on increasing part time faculty. Trustee Singer thanked President Horan for commenting on efficiencies. Chancellor Baron reiterated that SBCCD is exactly where it needs to be.

Trustee Harrison welcomed Trustee Reyes to the meeting at 2:12 pm.

President Horan pointed out the productivity numbers still include noninstructional reassign time. SBCCD has increased noninstructional tasks for different initiatives, which does not result in an apples-to-apples comparison. President Rodriguez mentioned that SBVC is working with TESS on developing a better system for tracking.

B. Use of FCC Auction Proceeds

Based on a question she had been asked, Trustee Harrison asked staff if the Mandated Transition and Modernization project expenditure was \$28 million. Executive Vice Chancellor Torres assured her that the budget was \$16 million and it was anticipated that the total expenditure would equal that amount.

It was mentioned that the commercial building purchase process was complete and that District Support Services would be relocated at Hospitality Lane before the next BFC meeting.

Trustee Harrison asked if the \$4 million SBCCD Promise allocation would be sufficient in light of the District's decision not to cap the number of participants at 1,000. Chancellor Baron advised that the staff is still working on a five-year projection. Currently, nearly 1,800 students are enrolled. The plan will recommend some reorganization of dollars as well as fundraising. He is hoping to make a presentation at the November meeting and confirmed that the anticipated \$2.3 in earnings from the Commercial Buildings will not be enough to fund the program.

Chancellor Baron also advised that there is great momentum with many high school students wanting to come to SBCCD campuses. It is his hope that the

District will increase the areas college going and success rates. Trustee Reyes also voiced his desire to increase the success of students. He would like to bring our program to the State legislature to find out if they are willing to help. Trustee Harrison mentioned that, the FCC Auction Proceeds allocations have been established so SBCCD's unique promise program is dependent on other resources. She asked what percentage of our students is represented by the Promise student cohort. Chancellor Baron advised that it is approximately 10%. Trustee Viricel stated she would like to get more data on the origin of the students.

C. PARS Trust

Executive Vice Chancellor distributed a graphic representation of the August 2019 PARS report and reviewed each investment. He referred to the recent transfer of \$9 million to FNX, pointing out that the previous earnings have remained in the KVCR fund.

Trustee Reyes asked about KVCR and Chancellor Baron mentioned the upcoming November 7 study session on KVCR. He advised that not enough funds have been budgeted for KVCR and that staff are working on a funding reorganization to increase their budget over the next 4-5 years. Trustee Harrison spoke about the operating committee for FNX that meets monthly and the station's concerns. She advised they will be very involved in bringing in other tribes. She specified that FNX is a channel of KVCR and would not exist if KVCR did not exist; it is not a separate entity.

D. Monthly Budget Expenditure

The monthly budget expenditure summary was reviewed. Trustee Harrison asked whether the General Fund is being assessed for the Inland Future Foundation's \$1.1 million budget. Executive Vice Chancellor Torres advised that \$250,000 comes from the General Fund. He promised to look into what grants are included in the IFF budget. Revenue for KVCR is going into the KVCR Fund with IFF billing the cost of fundraising, i.e. a certain percentage will be billed to the sponsorships, the FNX Grant, etc. BFC members were advised that every grant is accounted for with a grant subprogram number.

Trustee Viricel expressed a desire to better understand what the IFF does to obtain grants. Ashley Gaines will be scheduled to present on the IFF at the next BFC meeting.

E. 2019-20 BOT Budget

Committee members reviewed this report.

F. Measure CC Timeline

Committee members reviewed the update. Executive Vice Chancellor Torres and Director of Fiscal Services Strong will be meeting with the bond rating agencies on

November 4. Ratings will be determined within a few weeks, with the sale of bonds anticipated in December.

Trustee Williams joined the meeting at 3:04 pm.

The plan is to sell \$350 million in bonds. Interest rates are currently so low that the difference between taxable and non-taxable is minimal. District staff is hoping to refinance at the same time.

Trustee Williams asked about programming for the SBVC Tech Building. Vice President Stark advised that configuration and spatial relationship is occurring right now. Committee members discussed the vocational technology program standards and their impact on building design. It was commented that the SBVC faculty are designing to meet tomorrow's needs.

VII. ADJOURNMENT

In the interest of time, no further Updates or Future Topics were discussed. The meeting adjourned at 3:25 p.m. The next meeting, which is scheduled for November 14 at 2 p.m., will have on its agenda the IFF Report, the Promise Report, and an annual update from PARS.