



## Board of Trustees Finance Committee (BFC)

SBCCD Boardroom Extension, 550 E. Hospitality Lane, Suite 200, San Bernardino CA

### Meeting Minutes – February 13, 2020, 2:00 pm

**Members Present** – Gloria Macías Harrison, Chair; Stephanie Houston

**Members Absent** – Elijah Gerard, Don Singer

**Additional Trustees Present** – Frank Reyes

**Staff Present** – Jose Torres, Scott Stark, Mike Strong, Larry Strong, Steve Sutorus, Diana Rodriguez, Kevin Horan

#### I. WELCOME & INTRODUCTIONS

Trustee Harrison called the meeting to order at 2:20 pm.

#### II. PUBLIC COMMENT

There were no public comments.

#### III. APPROVAL OF MINUTES FROM January 9, 2020

Trustee Houston made a motion to approve the minutes of January 9, 2020, which Trustee Harrison seconded. The minutes were approved by the following vote.

Ayes:	Harrison, Houston
Noes:	None
Abstentions:	None
Absent:	Singer, Gerard

#### IV. CURRENT TOPICS

##### A. Calculation of FTES

Business Manager Steve Sutorus addressed the committee regarding the calculation of FTES. Full-Time Equivalent Students, or FTES, is a district's main source of funding; even with the new Student Centered Funding Formula (SCFF), this component counts for 70%. The premise of student attendance accounting is a measurable way of accounting for student contact. The legislative norm is that a full-time student will complete 525 hours per year, therefore 525 hours equals one FTES.

Some varying factors include classes that are more or less than three units, courses that are less than full term, accounting for holidays, etc. Trustee Harrison asked who at SBCCD looks at all of the class calculations. President Rodriguez advised that an enrollment calculator has been developed and is available online for faculty. Trustee Houston asked how efficiency is defined, i.e. what is the breakeven point. Presidents Horan and Rodriguez articulated some of the challenges to determining a specific number, including classes that have a 6-1 ratio and will never break even, legislation limiting the number of times a student can take a certain class, and even classroom space. Trustee Houston asked if, on average, we have at least 3.5 (FTES per class

*Kelly Goodrich, Recorder*

section) could we pay the bills? Vice President Strong commented that although 3.5 puts a district at 100% efficiency, it doesn't necessarily equate to breaking even. Other factors to consider include the cost of instruction (full-time vs. part-time), support services, etc. Efficiency does necessarily mean the ability to keep the lights on. Vice President Stark added that budgets are adjusted every year in order to pay expenses; it is a moving target.

Committee members agreed the 525-hour formula is archaic. Trustee Reyes commented that the elected officials in Sacramento need to be made aware of the situation.

Interim Chancellor Torres said that 1 student taking 15 units is more efficient than 5 students taking 3 units. Vice President Strong mentioned lobbying for a higher per FTES rate for community colleges. President Rodriguez commented that on average, community colleges get \$8,300 per student, UCs \$33,500, CSUs \$18,500, and K-12 \$12,000. Trustee Reyes made a recommendation that there be a discussion with Senator Connie Leyva and Assemblymember Jose Medina to let them know about this complicated situation and added he would be happy to take part in such a discussion. Trustee Harrison agreed felt that public hearings about the funding of community colleges would be beneficial because we do the majority of educating in the state.

Trustee Reyes will talk to Jose Medina's staff. President Rodriguez mentioned that such a conversation could be tied into Guided Pathways and AB 705. Trustee Houston suggested linking it to technical cleanup of old Ed Code language.

## **B. FCC Auction Proceeds PARS Report**

Committee members reviewed the new report format. Trustee Harrison mentioned her desire to discuss setting a percentage for conversion of unrealized gains to the principle investment amounts. Interim Chancellor Torres advised that staff will present to the Board the amount it would like to identify for distribution. This will be approved via collegial process. Neither the principal nor the unrealized gains will be distributed unless the Board approves.

Trustee Reyes asked about the impact of the loss of the FNX grant and Interim Chancellor Torres advised that the \$343,700 in unrealized gains will be used to supplement the budget. BFC members liked the report; it will be presented monthly.

## **V. UPDATES (as necessary)**

### **A. FCC Transition of Empire Network**

This topic was not discussed.

### **B. Enrollment**

Vice President Strong advised that CHC is exceeding its budget this year and had to reduce Spring in order not to exceed the goal. Efficiency has improved a bit. Vice President Stark advised that SBVC is over target and is also pursuing enrollment management in order to avoid unfunded FTES.

Trustee Harrison asked how the SBCCD Promise has affected the persistence rate. Interim Chancellor Torres advised that development of research data for the Promise is underway; a dashboard should be available next week. President Rodriguez mentioned that the initial data is incredibly encouraging.

Trustee Houston commented that the data could be used to leverage additional stakeholders. There is an upcoming BOT study session [April 23] on the SBCCD Promise Program. Trustee Houston also mentioned a meeting taking place June 19 in Arrowhead that would be a collaboration between San Bernardino City and County. She felt the attendees may be interested in hearing about the Promise and Mr. Torres was enthusiastic about making that happen.

## **VII. ADJOURNMENT**

The meeting adjourned at 3:31 pm with no further discussion of agenda topics. The next meeting is scheduled for March 12, 2020, at 2:00 pm at the SBVC Business Building, Room B100.