



## Board of Trustees Finance Committee (BFC)

Meeting Minutes – June 9, 2022, 2:00 p.m.

**Members Present:** Trustee Williams, Chair, Trustee Houston

**Members Absent:** Trustee Harrison

**Other Board Members Present:** Trustee Viricel

**Staff Present:**

- Chancellor Diana Rodriguez
- President Kevin Horan and Interim President Scott Thayer
- Vice President of Admin Services Mike Strong
- Vice Chancellor of Educational & Student Support Services Nohemy Ornelas
- Executive Vice Chancellor Jose Torres
- Director of Fiscal Services Larry Strong

### I. WELCOME & INTRODUCTIONS

*Trustee Williams called the meeting to order at 2:05 p.m. Self-introductions were made.*

### II. PUBLIC COMMENT

*There were no public comments.*

### III. APPROVAL OF MINUTES OF May 12, 2022

*Trustee Houston moved to approve the minutes from May 12. Trustee Williams seconded the motion, which was approved by the following vote.*

*Ayes: Trustees Williams, Houston*

*Noes: None*

*Abstentions: None*

*Absent: Harrison*

### IV. FOLLOW UP MAY 26 STRATEGY SESSION DISCUSSION

*Trustee Williams advised that today's meeting is an opportunity to continue the conversational momentum begun at the BOT's tentative budget strategy session. President Rodriguez would like to uncover ways in which staff can better present information for Board members. Although trustees receive a great deal of information, many times there is insufficient context.*

- Simple Measurement Metrics for Enrollment
- Ways to Contextualize Multi-Year Forecast

*Committee members and staff brainstormed at length on the topics of simple measurement metrics for enrollment and improved reporting. Conversation included the following.*

- *What are the leading indicators of whether or not SBCCD is trending toward established goals?*
- *Knowing year over year fixed costs – regardless of enrollment – could help determine which, of those actions furthest away from students, should be taken to improve SBCCD’s economy of scale.*
- *What is the tipping point for such cost reduction actions, i.e. at 24% declining enrollment, or 5% declining enrollment? Is there a cost per credit hour or per student metric that illustrates such a tipping point? Various classes would have different points.*
- *How are we measuring if we are engaged in the right activities to achieve SBCCD goals?*
- *Enhancements to the budget reporting were suggested:*
  - *A dashboard to track the big, high-level variables that are considered by staff when developing the budget.*
  - *Information on how the budget rolls over from year to year to illustrate contributions or deficits in the upcoming years.*
  - *Trends over time, which would be especially helpful when new trustees are elected.*
- *All SBCCD sites have a budget. If a site is short on funds, the DSO will try to assist in identifying funding, but it is the sites that determine what their programs will be and how much they will cost.*
- *The Board should have 4-5 important tools that help trustees monitor SBCCD and be better prepared to answer questions from constituents.*
- *The current Budget Revenue & Expenditure Summary is a good source of information. Trustee Houston asked that the current Revenue and Expenditure Summary have totals which could advise trends and allow for tracking.*
- *What are the factors impacting SBCCD in terms of the student success funding formula and SSSP, our outcomes, and how we measure up in relation to the region and the state?*
- *How do our KPIs relate to our budget summary? For example, if we invested x amount of dollars in something, what is the effect of that investment on the success of various other outcomes?*
- *What are the leading and lagging indicators to see whether or not we will hit a goal?*
- *Information needs to better tie student success and access to the expenditure of the dollars.*

- *What is the feasibility of monitoring static costs such as “administrative cost per student” vs. the ebb and flow of enrollment?*

- **Development of Local Revenue Streams**

*Regarding development of local revenue streams, Trustee Williams commented that the state should increase ongoing income for the community colleges. SBCCD should continue to advocate for this.*

*The District should also continue seeking ways to generate local, unrestricted revenue streams. Staff discussed the success of Measure CC, the return on PARS investments, commercial property rental income, maximizing indirect grant fees, and the fact that the District’s OPEB is fully funded.*

*Trustee Williams brought up an organization that focuses on fundraising for municipalities called Funding the Next Generation.*

*Vice Chancellor Ornelas commented that we need to look at aligning our processes, procedures, and resources.*

*Committee members discussed the restrictive nature of the state’s funding and the opportunities presented by Trustee Williams’ position on the Board of Governors. The Educational Quality through Innovative Partnerships (EQUIP) program was mentioned. Trustee Williams commented that the State can support SBCCD with technical assistance and requests for federal funds.*

*Exploration of these topics will continue, however, increasing enrollment should remain the top priority. There are no specific actions from today’s discussion.*

- **BFC Strategy Plan for the Coming Years**

*Staff will work to develop the different tools discussed today and bring them to the BFC for review.*

**V. UPDATES**

*No updates were discussed.*

**VI. FUTURE TOPICS**

*There was no discussion of future topics.*

**VII. NEXT MEETING DATE & ADJOURNMENT**

*The meeting adjourned at 3:11 p.m. The next meeting of the Board Finance Committee is scheduled for Thursday, July 14, 2022, at 2 p.m. in the Boardroom Extension.*