



San Bernardino Community College District
Board Finance Committee
July 14, 2022
2:00 pm-3:30 pm Pacific Time

MEETING AGENDA

*Board Finance Committee
Thursday, July 14, 2022, 2:00 p.m.
550 E. Hospitality Lane, Suite 200, San Bernardino
Boardroom Extension*

I. Welcome & Introductions - Trustee Joseph Williams, Chair

II. Public Comment

Any member of the public who wishes to address the Committee on any matter is limited to five minutes. The total time for members of the public to speak on the same or a similar issue shall be limited to 20 minutes.

III. Approval of Minutes

June 9, 2022

IV. Current Topics

Local Outreach Effort

V. Updates (as necessary)

- A. State Budget Update
- B. PARS Snapshot
- C. Measure CC Timeline & Org Chart
- D. Budget Revenue & Expenditure Report
- E. 2021-22 Board of Trustees Budget

VI. Future Topics

- A. Trustee Suggestions
- B. Revenue & Enrollment
- C. Professional Development on Investing
- D. New Reporting Formats

VII. Next Meeting Date & Adjournment

The next meeting of the Board Finance Committee is scheduled for August 11, 2022, at 2 p.m. in the Boardroom Extension.

SBCCD | Mission:

SBCCD positively impacts the lives and careers of our students, the well-being of their families, and the prosperity of our community through excellence in educational and training opportunities.

BFC Charge: The SBCCD BFC exists as a standing, advisory committee comprised of less than a quorum of Board members and is subject to the California Public Meetings Brown Act. The committee is charged with:

- Increasing the efficiency of the Board of Trustees by performing time-consuming research on its behalf.*
- Improving clarity by providing a platform for detailed questions not conducive to the flow of monthly business meetings.*
- Promoting transparency of the SBCCD budgeting process and fiscal matters through detailed discussion of these topics in an open forum.*
- Fostering an environment of understanding by communicating findings and formulating final recommendations to the Board of Trustees.*
- Increasing the efficiency of the Board of Trustees by performing time-consuming research on its behalf regarding the implementation and operation of bond measures.*



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.

SBCCCD Bond Program Outreach to Date

Overview

1 Data Spotlight
Highlights Local Business Outreach activities to date.

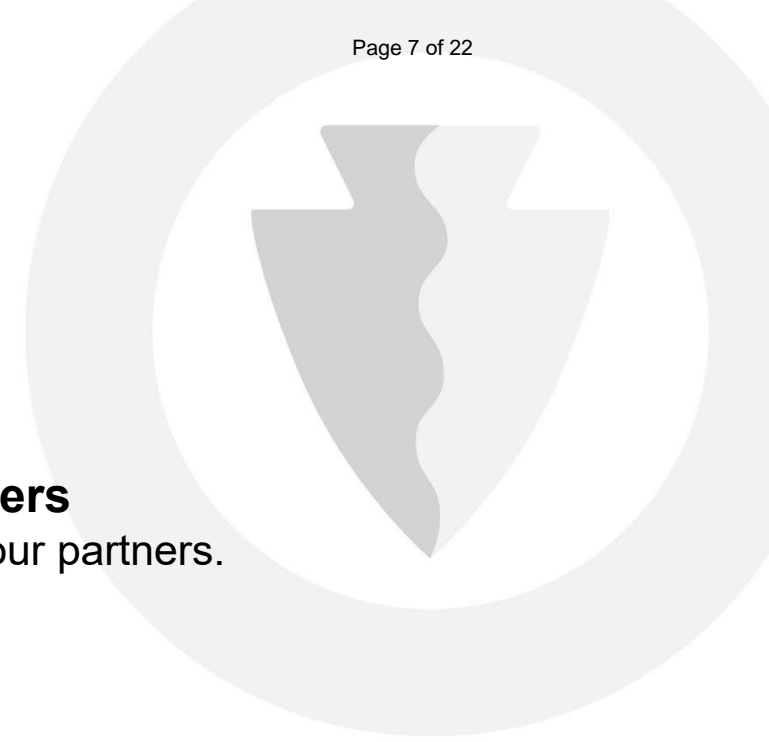
2 Overview of Events
Understanding the various types of events.

3 Events Bar Graph
See the breakdown of events.

4 Partners
Meet our partners.

5 Questions?

6 Thank you!



Data Spotlight

95

Events to Date

In last three years, the Local Business Outreach Department has hosted or participated in 95 SBCCD Bond Program events.

70%

Professional Services Pools

Nearly 70% of the professional services pools include local vendors.

58%

Local Workers

To date, 58% of construction workers reside locally.

\$38M

Economic Impact

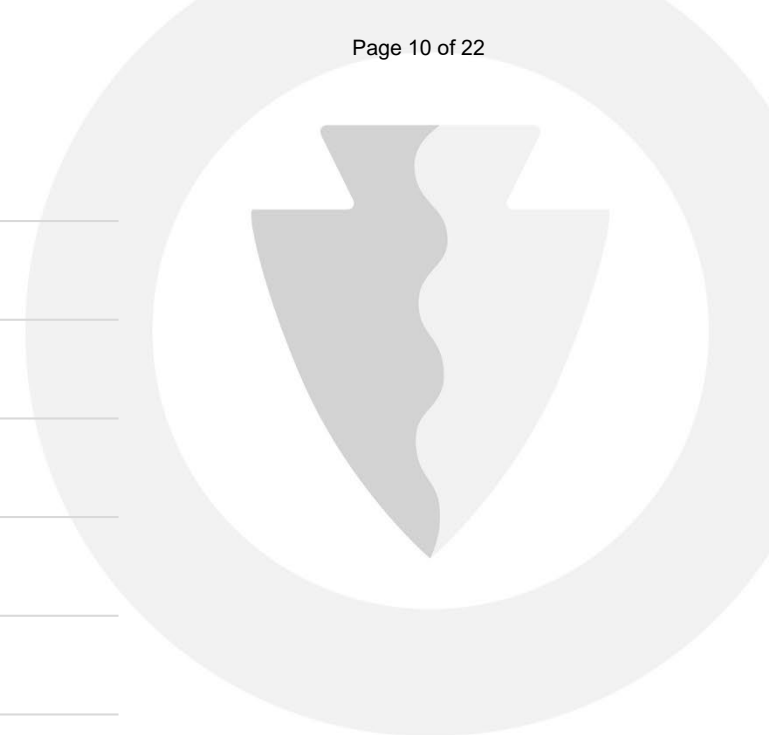
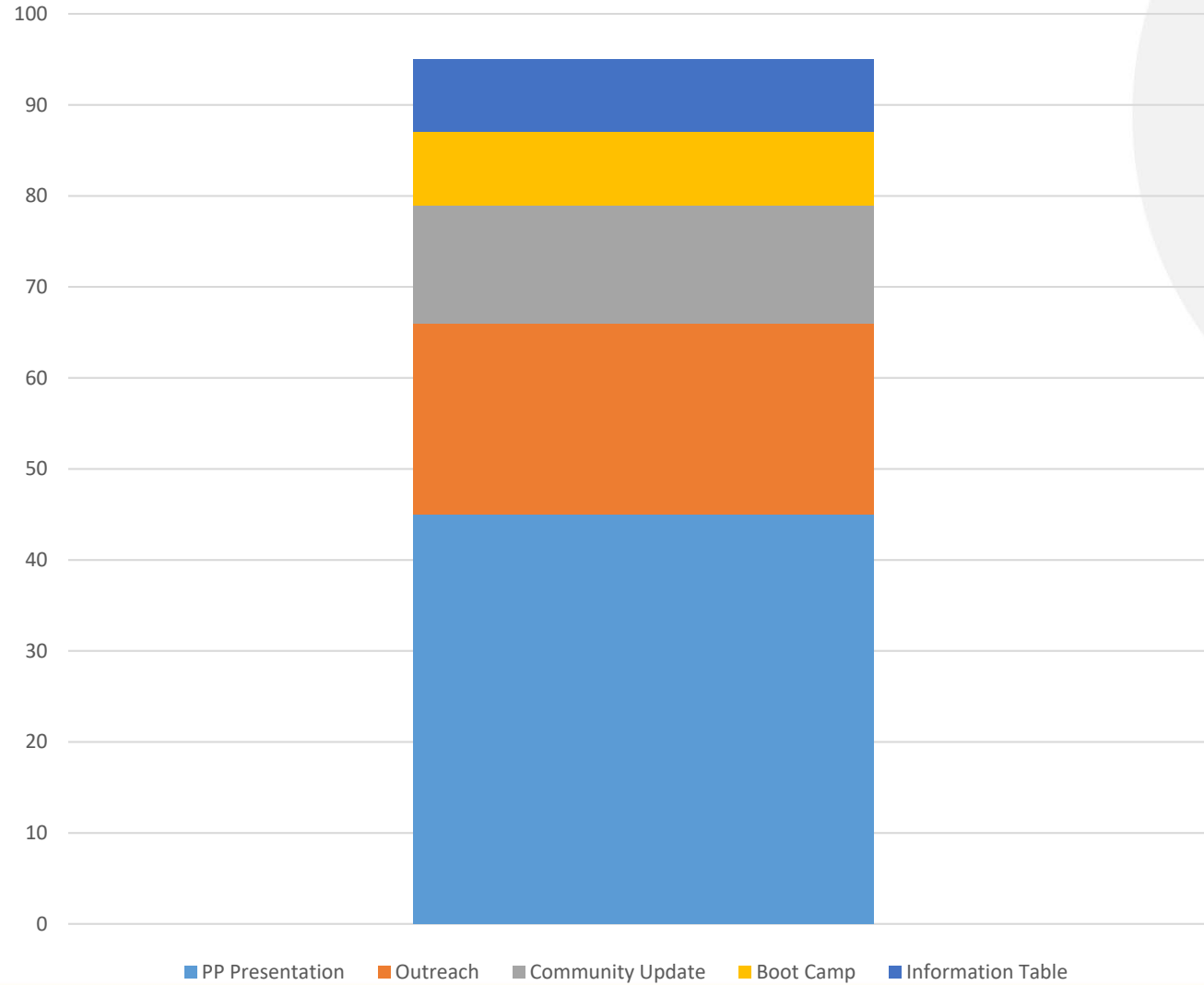
As a result of SBCCD Bond Program outreach, \$38M has been contracted to local vendors.

Overview of Events

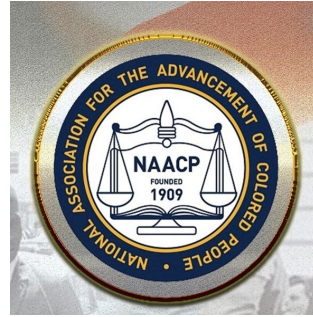
Type	Definition
PowerPoint (PP) Presentation	An event or meeting in which a visual presentation of the SBCCD Bond Program was presented in the form of a PowerPoint.
Outreach	An event or meeting in which the Local Business Outreach Department provided a brief narrative of the SBCCD Bond Program activities.
Community Update	An event or meeting in which the Local Business Outreach Department provided a visual presentation of the SBCCD Bond Program activities.
Boot Camp	An annual four-week workshop that prepares contractors to bid on SBCCD projects.
Information Table	An information table which included SBCCD Bond Program resources staffed by the Local Business Outreach Department.

Bar Chart

Outreach to Date



Partners



SAN BERNARDINO/LOMA LINDA CROSSROADS ROTARY



Riverside-San Bernardino Chapter



Partners



SKANSKA



SWINERTON



C.W. Driver COMPANIES



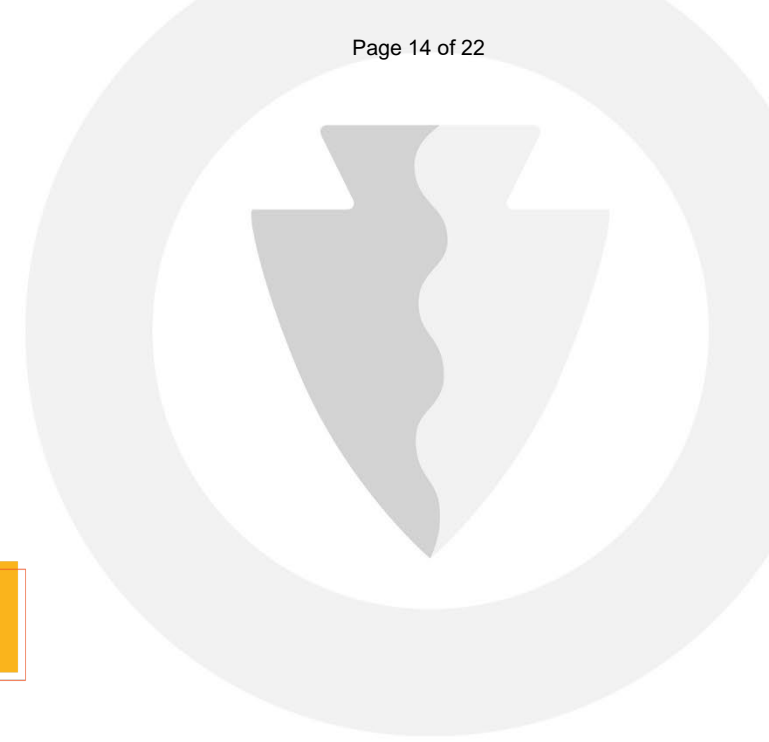
Workforce Development Board



Questions?



Thank you!



**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
PARS Post-Employment Benefits Trust**
**Account Report for the Period
5/1/2022 to 5/31/2022**

Jose Torres
Executive Vice Chancellor
San Bernardino Community College District
550 E. Hospitality Lane
San Bernardino, CA 92408

Account Summary

Source	Balance as of 5/1/2022	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 5/31/2022
PENSION - GF	\$49,893,285.88	\$0.00	\$83,260.84	\$10,141.53	\$0.00	\$0.00	\$49,966,405.19
PENSION - SBVC	\$4,583,765.10	\$0.00	\$7,649.29	\$931.72	\$0.00	\$0.00	\$4,590,482.67
PENSION - KVCR	\$13,535,219.09	\$0.00	\$22,587.29	\$2,751.23	\$0.00	\$0.00	\$13,555,055.15
PENSION - MAE	\$7,326,256.77	\$0.00	\$12,225.90	\$1,489.17	\$0.00	\$0.00	\$7,336,993.50
PENSION - FNX	\$8,677,568.49	\$0.00	\$14,480.94	\$1,763.84	\$0.00	\$0.00	\$8,690,285.59
PENSION - CHC	\$2,818,093.80	\$0.00	\$4,702.78	\$572.82	\$0.00	\$0.00	\$2,822,223.76
PENSION-DSO	\$2,838,045.96	\$0.00	\$4,736.07	\$576.88	\$0.00	\$0.00	\$2,842,205.15
Totals	\$89,672,235.09	\$0.00	\$149,643.11	\$18,227.19	\$0.00	\$0.00	\$89,803,651.01

Investment Selection

Source

PENSION **Vanguard Conservative Strategy**

Investment Objective

Source

PENSION The Conservative Portfolio invests in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation.

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
PENSION - GF	0.17%	-5.56%	-7.36%	5.27%	-	-	6/22/2018
PENSION - SBVC	0.17%	-5.56%	-7.36%	5.27%	-	-	6/22/2018
PENSION - KVCR	0.17%	-5.56%	-7.36%	5.27%	-	-	6/22/2018
PENSION - MAE	0.17%	-5.56%	-7.36%	-	-	-	9/23/2019
PENSION - FNX	0.17%	-5.56%	-7.36%	-	-	-	8/31/2019
PENSION - CHC	0.17%	-5.56%	-7.36%	-	-	-	11/1/2019
PENSION-DSO	0.17%	-5.55%	-	-	-	-	3/16/2022

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

Past performance does not guarantee future results. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

PARS Pension Rate Stabilization Trust Snapshot | May 31, 2022

	Principle Investment ^{4,5}	Total Gains/Losses Since Start	Total Distribution of Gains to SBCCD ⁵	Total Expenses Since Start	Current Unrealized Gains/(Losses)	Balance Including Current Unrealized Gains/(Losses)
General Fund¹	46,000,000	10,495,585	(6,150,000)	(379,180)	3,966,405	49,966,405
SBVC²	5,000,000	1,160,667	(1,535,000)	(35,184)	(409,517)	4,590,483
CHC²	2,700,000	265,056	(130,000)	(12,832)	122,224	2,822,224
DSO²	3,000,000	(156,750)	-	(1,045)	(157,795)	2,842,205
KVCR	12,000,000	3,461,315	(1,800,000)	(106,259)	1,555,055	13,555,055
FNX	9,000,000	1,083,732	(1,350,000)	(43,446)	(309,714)	8,690,286
MAE³	7,040,000	1,020,962	(684,946)	(39,022)	296,994	7,336,994
TOTAL	84,740,000	17,330,565	(11,649,946)	(616,968)	5,063,651	89,803,651

1. Includes \$5 million contribution from General Fund invested prior to FCC Auction Proceeds as Board approved November 10, 2016.

2. MAE refers to overarching Media Academy Endowment, which is comprised of SBVC's Institute of Media Arts and CHC's Digital Media program.

3. Adjusted to show \$9 million transfer from KVCR as FNX principle (Board approved August 8, 2019; and \$3 million transfer from General Fund as DSO principle Board approved March 10, 2022.

4. Adjusted to show \$1,960,000 MAE transfer out as reduction of principle and not distribution per Board approval on September 10, 2020.





MEASURE CC

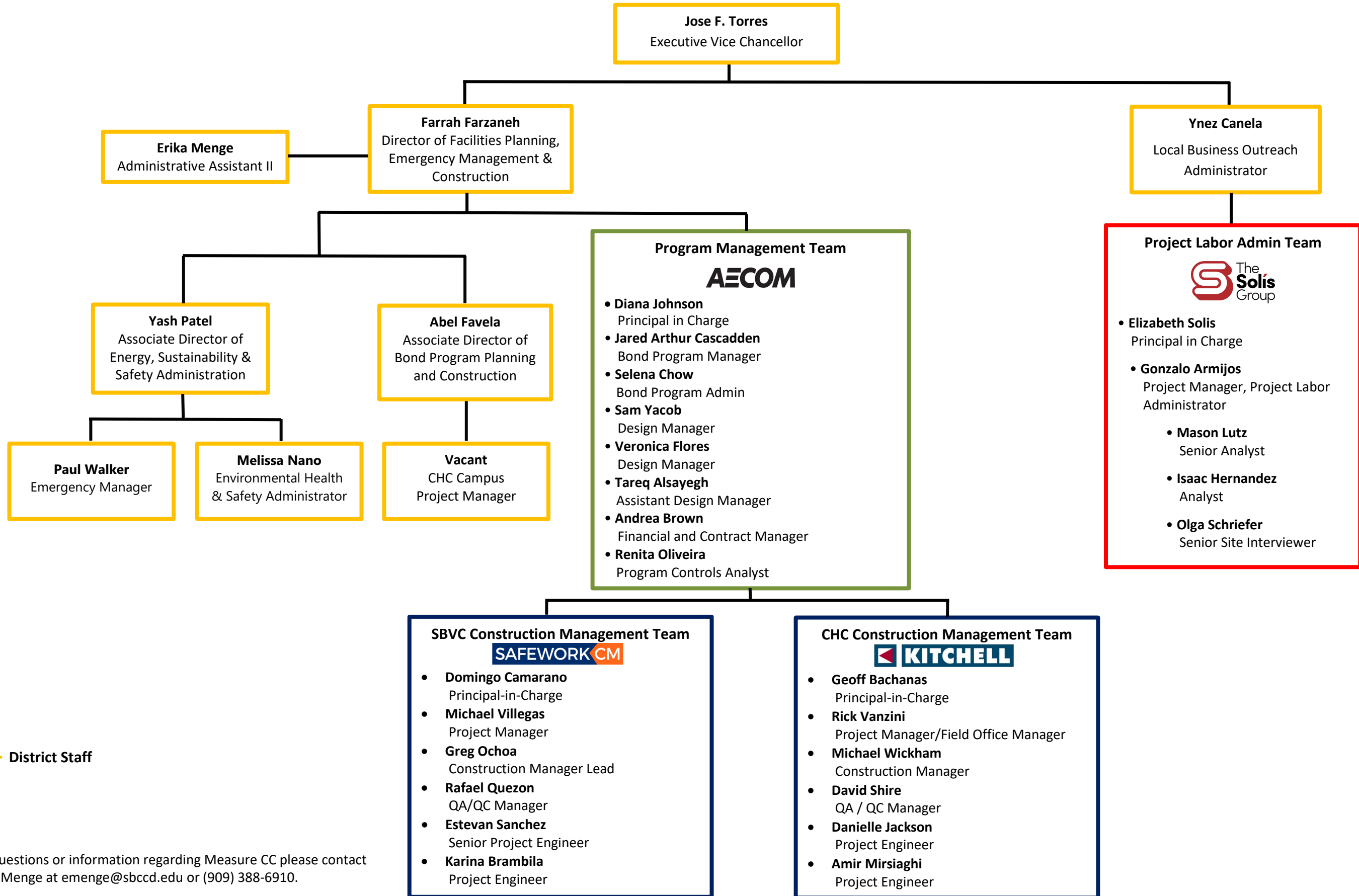
BUILDING NEW OPPORTUNITIES FOR
OUR STUDENTS & OUR COMMUNITY

PROJECT TIMELINE

April - June 2022		Completion Date	July - September 2022		Completion Date
✓	Award SBVC CWI Campus Wide Utility Upgrades, Electrical Contractor	4/27/2022		Award SBVC Student Services Building, Design Build Entity (DBE)	July 2022
✓	Award SBVC CWI Campus Wide Utility Upgrades, Mechanical Contractor	4/27/2022		Award District Wide FF&E Design, Procurement, and Installation Coordination Services	July 2022
✓	Award SBVC Planetarium HVAC Replacement, General Contractor	4/19/2022		Award SBVC Career Pathways 2, Special Inspection & Material Testing	July 2022
✓	Award CHC Instructional Building, Geotechnical	4/15/2022		Award SBVC East Wing Mechanical Improvements, Special Inspection & Material Testing	July 2022
✓	Award CHC Crafton Hall Renovation, A&E	4/20/2022		Award SBVC East Wing Mechanical Improvements, General Contractor	Sep 2022
✓	Award CHC Crafton Hall Renovation, CxA	5/10/2022		Award SBVC CWI Business Quad Development, Inspector of Record	August 2022
✓	Award CHC Crafton Hall Renovation, Hazmat Assessment	5/20/2022		Award SBVC PS&HLS Mechanical Upgrade, General Contractor	July 2022
✓	Award CHC Child Development Center Renovation, General Contractor	4/15/2022		Award SBVC PS&HLS Mechanical Upgrades, Inspector of Record	August 2022
✓	Award CHC Central Complex 2 Renovation, CxA	5/4/2022		Award SBVC PS&HLS Mechanical Upgrades, Special Inspections & Material Testing	August 2022
✓	Award SBVC Student Services Building, Hazmat Assessment	5/20/2022		Award SBVC Gym Lobby Flooring, General Contractor	Sep 2022
✓	Award SBVC Technical Building, General Contractor	5/12/2022		Award CHC Performing Arts Center, Special Inspection & Material Testing	August 2022
✓	Award SBVC East Wing Mechanical Improvements, HazMat	5/6/2022		Award CHC Performing Arts Center, Inspector of Record	August 2022
✓	Award SBVC Old Central Plant Repurpose, Hazmat	5/27/2022		Award CHC CCR Multi-Purpose Room Acoustical Improvement, General Contractor	July 2022
✓	Award SBVC Old Central Plant Repurpose, General Contractor	6/14/2022		Award CHC Instructional Building, CxA	Sep. 2022
✓	Award SBVC CWI Business Quad Development, Geotechnical	6/17/2022		Award CHC Public Safety Training Center, CxA	August 2022
✓	Award CHC CWI Accessibility and Site Improvements, General Contractor	6/17/2022		Award CHC BL 10 Third Floor Corridor Upgrade, General Contractor	August 2022
				Award CHC Public Safety Training Center, Inspector of Record	August 2022
				Award CHC Public Safety Training Center, Special Inspection & Material Testing	August 2022
				Award CHC Instructional Building, CxA	Sep. 2022



ORGANIZATION CHART



— District Staff

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

TO: Board of Trustees

FROM: Diana Z. Rodriguez, Chancellor

REVIEWED BY: Jose F. Torres, Executive Vice Chancellor

PREPARED BY: Lawrence P. Strong, Director of Fiscal Services

DATE: July 14, 2022

SUBJECT: Budget Revenue & Expenditure Summary

RECOMMENDATION

This item is for information only and no action is required.

OVERVIEW

While year-to-date revenue and/or expenditure percentages often vary from the percentage of fiscal year elapsed, all funds are expected to remain within the 2021-22 budget unless otherwise noted here. For explanations of any significant variances in year-to-date revenues/expenditures from fiscal year elapsed, please see the attached summary.

ANALYSIS

The attached Revenue and Expenditure Summary reflects activity for the 2021-22 fiscal year through June 21, 2022. As of that date, SBCCD was 97.5% through the fiscal year and had spent and/or encumbered approximately 88.1% of its budgeted unrestricted general fund.

SBCCD GOALS

4. Ensure Fiscal Accountability/Sustainability

FINANCIAL IMPLICATIONS

This analysis is an important tool for the Board of Trustees to track SBCCD revenue and expenditures across all funds.





Budget Revenue & Expenditure Summary

Year to Date 6/21/22

[v.6.29.2022.p.1]2

97.5% of Fiscal Year Elapsed

FUND	REVENUES			EXPENDITURES			COMMENTS
	Budget	Received YTD		Budget	Expensed/ Encumbered YTD		
110 General Fund - Unrestricted	117,851,802	115,241,651	97.8%	118,758,856	104,657,922	88.1%	Expenditures are consistent with the needs of the fund given the current climate.
125 General Fund - Restricted	120,678,847	69,856,756	57.9%	120,678,847	54,868,158	45.5%	Some grant funding is expected to be spent and reimbursed over a period greater than one year.
215 Bond Interest & Redemption	58,000,000	48,955,769	84.4%	58,000,000	50,437,387	87.0%	Taxes are determined and collected by the County for bond measures.
335 Child Development	4,198,678	3,460,303	82.4%	4,198,678	3,347,094	79.7%	Expenditures consistent with the current needs of the programs associated with this fund.
390 KVCR	11,116,835	7,766,188	69.9%	10,552,108	3,743,386	35.5%	Expenditures consistent with the current needs of the programs associated with this fund.
410 Capital Outlay	2,824,251	3,630,385	128.5%	2,275,963	764,228	33.6%	RDA Revenues came in at 1.48M above the budgeted amount. Expenditures consistent with the current needs of the programs associated with this fund.
435 Measure M	23,500	14,099	60.0%	880,413	394,458	44.8%	Interest income has been lower than expected due to the underperformance of the market. Expenditures consistent with project schedules.
445 Measure CC	3,400,000	1,492,855	43.9%	283,418,073	37,458,852	13.2%	Interest income has been lower than expected due to the underperformance of the market. Expenditures consistent with project schedules.
590 Investment Properties	4,627,527	3,389,286	73.2%	2,038,789	1,176,573	57.7%	Revenue and expenditure activity posted one month in arrears. Posting in progress for May activity.
615 Workers Compensation	1,345,000	1,198,920	89.1%	2,570,000	2,091,744	81.4%	Liability claim expenses have been lower than expected.
620 Self Insurance-Liability	595,660	580,457	97.4%	1,135,000	878,925	77.4%	Settlement Agreement Expenses have been lower than expected.
690 Retiree Benefit	1,356,216	1,219,557	89.9%	1,356,216	271,306	20.0%	Expense budget increased due to expected retirement incentive expenses; these will be accrued and posted before the fiscal year is closed on 8/26/22.
730 Student Body Center Fee	241,151	192,331	79.8%	241,151	226,987	94.1%	Decreasing enrollment has affected the amount of fees collected in this fund.
765 OPEB Trust	1,000,000	579,124	57.9%	82,000	1,364,921	1664.5%	Significant investment losses have been posted due to the underperformance of the market.
775 PARS Trust	4,900,000	2,621,264	53.5%	3,454,946	9,511,017	275.3%	Investment Gains have been lower than expected due to the underperformance of the market. \$6 Million recorded in investment losses and \$3.4 million in disbursement to General Fund, KVCR, and FNX.
825 FNX	570,000	643,709	112.9%	553,028	695,335	125.7%	Underwriting income received has currently exceeded the budgeted amount by \$79,600. \$195,866 prepaid expenses recognized not accounted in the budget.
890 Inland Futures Foundation	823,525	1,419,745	172.4%	823,525	680,957	82.7%	Contributions, Gifts, and Grants income received has currently exceeded the budgeted amount by \$484,000.
Total (All Funds)	333,552,992	262,262,399	78.6%	611,017,593	272,569,250	44.6%	

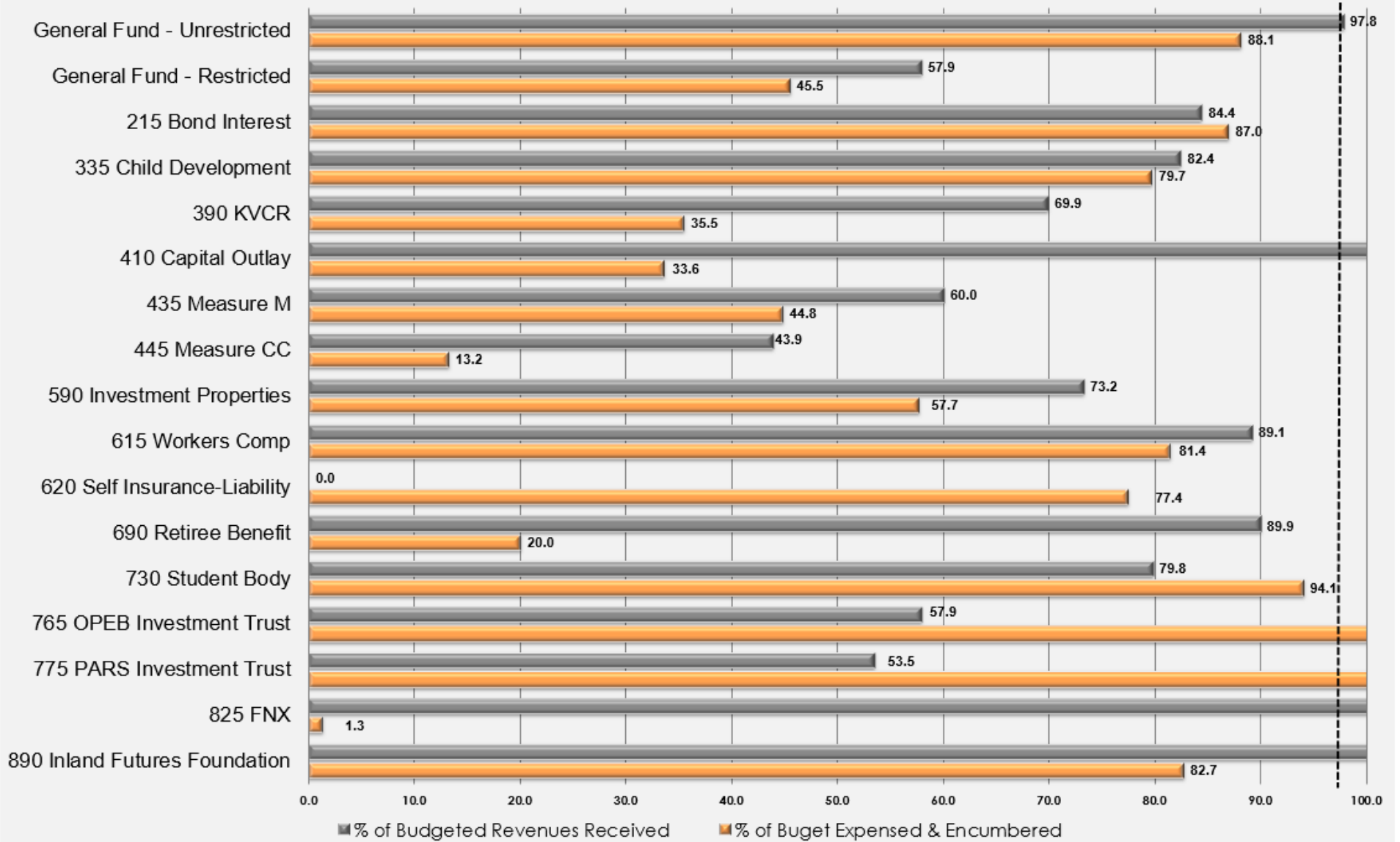


Budget Revenue & Expenditure Summary

Year to Date 6/21/22

[v.6.29.2022.p.2]2]

Fiscal Year Elapsed - 97.5%



SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

Program Summary: Board of Trustees - As of 06/24/2022

Percentage of Year Expired: 98.3%

(2)

(1)

(1 ÷ 2)

Object #	Description	2022 Budget	2022 Actuals YTD 06/24/22	Encumb.	Total 2022 Actuals + Encumb.	% of Budget Used	Notes
200000	Board Of Trustees Stipends	38,640	32,600	-	32,600	84%	
	Total 2000's Classified Salaries	38,640	32,600	-	32,600	84%	
300000	Employee Benefits	100,340	102,862	-	102,862	103%	
	Total 3000's Employee Benefits	100,340	102,862	-	102,862	103%	
450000	Noninstructional Supplies	1,500	44	505	549	37%	
456000	Commencement Supplies	1,200	564		564	47%	
475000	Meals & Refreshments	11,500	2,968	7,908	10,876	95%	
	Total 4000's Supplies & Materials	14,200	3,576	8,413	11,989	84%	
511300	Consultant & Other Services	17,000	11,968	-	11,968	70%	Retreats, training facilitator
520000	Travel & Conference Expenses	27,500	601	10,141	10,742	39%	
531000	Dues And Membership	11,000	2,250	7,668	9,918	90%	ACCT, CCLC, CALCCTA
554000	Telephone	1,000	-	-	-	0%	
561000	Rentals	500	-	-	-	0%	
581800	Student Travel	2,500	-	-	-	0%	Student trustee conference attendance
	Total 5000's Other Expenses	59,500	14,819	17,809	32,628	55%	
	Total Expenditures:	212,680	153,856	26,222	180,078	85%	