



Board of Trustees Finance Committee (BFC)

Meeting Minutes – January 11, 2024, 2:30 p.m.

Members Present: Trustees Gonzales, Chair, Harrison, and Houston

Members Absent: None

Staff Present:

- Chancellor Diana Z. Rodriguez
- Executive Vice Chancellor Jose F. Torres
- Vice Chancellor Nohemy Ornelas
- Associate Vice Chancellor Angel Rodriguez
- Director of Fiscal Services Larry Strong

I. WELCOME & INTRODUCTIONS

Trustee Gonzales called the meeting to order at 2:30 p.m. He recognized the presence of Trustee Reyes as Chair of the Board Legislative Committee. Trustee Gonzales took a moment to thank the individuals who took part in last month's tour of SBCCD's Commercial Properties. He felt it was a good experience and was appreciative of their effort.

II. PUBLIC COMMENT

There were no public comments.

III. APPROVAL OF MINUTES

A. November 9, 2023

Trustee Houston made a motion to approve the minutes which Trustee Harrison seconded. The motion was approved by the following vote.

Ayes: Trustees Gonzales, Harrison, and Houston

Noes: None

Abstentions: None

Absent: None

IV. CURRENT TOPICS

A. Annual Affirmation of Charge

Committee members reviewed their charge and had no suggested revisions. Trustee Houston made a motion to approve the charge as-is, which Trustee Harrison seconded. The motion was approved by the following vote.

*Ayes: Trustees Gonzales, Harrison, and Houston
Noes: None
Abstentions: None
Absent: None*

B. Proposed Board Items for February 8, 2024

1. BOT Directives for 2024-25 Budget

BFC members reviewed the directives and particularly the attachment. Vice Chancellor Ornelas advised that the strategic document referenced, while new at the BFC meeting, has been at the center of ongoing conversations by the Board about alignment of planning with Board goals. The strategic plan, which was Board approved in 2022 is being implemented through the years. The tying of budget directives to this plan is another step in the direction of integrating SBCCD's planning process. Executive Vice Chancellor Torres highlighted the timeline on page 17 of the BFC meeting materials. Chancellor Rodriguez advised that the strategic plan is also being reviewed at today's closed session. Trustee Houston made a motion to forward the proposed Board item to the full Board as presented, which Trustee Harrison seconded. The motion was approved by the following vote.

*Ayes: Trustees Gonzales, Harrison, and Houston
Noes: None
Abstentions: None
Absent: None*

2. Guiding Principles | FCC Auction Proceeds

Committee members reviewed the proposed Board item and had no suggested revisions. Trustee Houston commented on the changes made previously which also points these guidelines toward the strategic plan. Trustee Gonzales offered his hope that SBCCD continue to consider real estate investment opportunities. Trustee Harrison made a motion to forward the proposed Board item to the full Board as presented, which Trustee Houston seconded. The motion was approved by the following vote.

*Ayes: Trustees Gonzales, Harrison, and Houston
Noes: None
Abstentions: None
Absent: None*

3. Guiding Principles | KVCR \$15 Million

The BFC reviewed the document presented. Executive Vice Chancellor Torres went over the changes and shared his belief that if the investment continues to perform in this manner, the grant could last 20 years. Trustee

Gonzales applauded staff for taking the necessary steps to safeguard these funds. Executive Vice Chancellor Torres clarified for Trustee Harrison that the grant was not restrictive in nature and can be used in any manner SBCCD deems appropriate if it serves KVCR. Trustee Houston commented that it is not clear from the proposed Board item whether the funds were to be withdrawn from the principle or the investment gains. Executive Vice Chancellor Torres suggested that perhaps the Chancellor and BFC might consider presenting this item at the February 22 strategy session which will focus on KVCR. Chancellor Rodriguez felt this would give greater opportunity to provide context and allow the remaining Board members to ask any questions. It was requested that staff better clarify acronyms. For example, if "PARS" (which stands for Pension Agency Retirement Services) appears in a document, it should only do so after the full title is spelled out. Trustee Houston made a motion that this proposed Board item be placed on the February 22 Board strategy session with the clarifications discussed. Trustee Harrison seconded the motion, which was approved by the following vote.

Ayes: Trustees Gonzales, Harrison, and Houston

Noes: None

Abstentions: None

Absent: None

C. SBCCD Legislative & Budget Priorities

Committee members received a presentation from Associate Vice Chancellor Rodriguez regarding the Board Legislative Committee's recommendations for the upcoming year. There will be an item requesting the approval of these priorities on today's full Board agenda.

V. UPDATES (as necessary)

A. State Budget

Director of Fiscal Services Strong led a discussion of the 2024-25 budget, which was released by the State yesterday. This preliminary budget addresses a nearly \$38 billion deficit, includes a modest COLA of 0.76%, and .50% for FTES growth. Of concern is that the Governor's budget is based on an estimated deficit that is only about 50% of the deficit estimated by the Legislative Analyst's Office. SBCCD will proceed with caution and keep abreast of what is sure to be significant negotiations in the coming months.

B. Enrollment

There was no update on enrollment.

C. PARS Investment

This item was presented without further discussion.

D. Bond Construction Program Timeline & Org Chart

This item was presented without further discussion.

E. Budget Revenue & Expenditure Report

This item was presented without further discussion.

F. BOT Current Year Budget to Actual Expenditures

This item was presented without further discussion.

VI. FUTURE TOPICS

A. BFC Planning Calendar

This item was presented without further discussion.

B. Trustee Suggestions

Trustee Harrison requested Board talking points which provide information on how much of SBCCD's budget goes to salary. (Executive Vice Chancellor Torres confirmed it is approximately 87% of the general fund.) In addition, she would like to have data on how much success SBCCD has had (as a district) with categorical programs that have received extra funding.

VII. NEXT MEETING DATE & ADJOURNMENT

A. Next Meeting

The BFC is scheduled to convene again on February 8, 2024, at 2:30 p.m. in the DSO Boardroom Extension.

B. Adjournment

The meeting adjourned at 3:34 p.m.