



District Budget Committee (DBC)

5/18/2017, 2 p.m., PDC 104 – Meeting Minutes

Members Present: Jose Torres, Mike Strong, Scott Stark, Diana Rodriguez, Jim Holbrook, Denise Allen-Hoyt, Paula Ferri-Milligan, Celia Huston, Girija Raghavan, Yendis Battle, Jeremy Sims, Larry Strong, Jason Lee

Member Absent: Wei Zhou, Jajuan Dotson, Steve Sarres, Richard Galope, Steve Sutorus, Sheri Lillard, Rosemarie Hansen, Angela Davis

Guests: Tenille Alexander

1. Call to Order

Jose Torres called the meeting to order at 2:05 p.m. Self-introductions were made for the benefit of new members Jason Lee (representing CHC Classified Senate replacing Ginger Sutphin), and Paula Ferri-Milligan (representing CHC Academic Senate and replacing Achala Chatterjee).

2. Approval of Prior Meeting Minutes

Larry Strong made a motion, which Scott Stark seconded, to approve the minutes of 4/20/2017. Denise Allen-Hoyt pointed out that only 9 of the 21 DBC members had been present at the last meeting and asked if there were any DBC guidelines on what constituted a quorum. As there are no formal guidelines, this topic will be added to the August agenda for discussion. **The minutes were then approved** by all the members present except the following, who abstained from voting: Paula Ferri-Milligan, Celia Huston, Jim Holbrook, and Denise Allen-Hoyt.

3. Prior Business

A. DBC Recommendation 2017-07 – Guiding Principles for FCC Auction Proceeds Strategic Financial Plan

Jose advised that the guiding principles are being brought back to the DBC for discussion due to low attendance at the April meeting when they were approved. Committee members reviewed the guiding principles working document which reflected new input from several collegial bodies including CHC and SBVC Academic Senates, CHC Classified Senate, and the CHC Budget Committee. Scott Stark also provided comments from SBVC College Council. An in-depth discussion ensued resulting in several changes to the document. It was decided that the revised recommendation would be sent out to DBC members before noon on Friday with a vote to approve or disapprove taken via email by noon on Tuesday, 5/23/2017.

[Update to the Minutes: **Attached, revised recommendation was approved by the DBC with the following votes received on 5/22-23/2017:**

Ayes: Jose Torres, Mike Strong, Scott Stark, Diana Rodriguez, Jim Holbrook, Denise Allen-Hoyt, Paula Ferri-Milligan, Celia Huston, James Lee, Yendis Battle, Steve Sutorus, Larry Strong, Rosemarie Hansen*

Noes: None

Abstentions: Wei Zhou, Girija Raghavan, Jeremy Sims, Richard Galope

Absent: Jajuan Dotson, Steve Sarres, Angela Davis, Sheri Lillard

*Rose reported that CSEA members would like to see a provision for the public to periodically review the investments.]

B. District Assembly Grants Work Group Recommendation

Jose recapped the presentation made at last month's DBC meeting regarding the District Assembly recommendation to support with one-time funds a Director of Grants position at SBVC, CHC and the District for a period of two years. At that meeting a question arose as to the possible use of indirect fees from the ATPC grant for this purpose. Larry reported to DBC members that approximately \$55,000 in indirect fees had been realized from this grant last year which had been spent on an administrator for grant writing. Therefore, those funds are not available.

The District Assembly recommendation is to use indirect fees realized from grants at all the sites to fund these positions. Jose estimated that each position would cost approximately \$120,000 in annual salary and benefits. He explained that if the recommendation is implemented and the grants budgets centralized, SBVC will lose some funding as they currently receive about \$200,000 in indirect fees. Committee members were asked if they wanted to make a recommendation to combine all indirect fees throughout the district, including EDCT.

Diana Rodriguez stated that this is a concern from SBVC's prospective. Scott motioned the topic be tabled to allow more time to analyze the plan. Diana seconded. Jim also expressed apprehension with the proposal, citing concerns about the impact of a centralized system on their colleges' processes. Denise agreed and referred to the recent strong workforce grant that had been given to CHC without their having had input or time to prepare. Jose commented that the Grants Workgroup had discussed and recognized the need to respect the current process at each campus. It was confirmed that the District grant person director would report to Richard Galope. **The DBC voted to table this topic.**

4. Current Business

A. DEMC Recommendation 2017-04 – Revised Growth Projection Impact on RAM Guidelines for 2017-18

Committee members reviewed the DEMC recommendation setting FTES targets for 2017-18 and went over the impact the forecasted numbers had on the RAM Guidelines. **Jim made a motion to approve DBC Recommendation 2017-05 (Revised). Scott seconded the motion and it was approved with no further discussion.**

B. Committee Self-Evaluation

Committee members completed the self-evaluation form.

C. 2017-18 Budget Calendar Tasks

Jose reminded DBC members that they are encouraged to attend the 5/25/2017 BOT Study Session at which the preliminary budget will be presented.

5. Updates

A. FY 2017-18 State Budget

Committee members discussed the Business & Fiscal Services Update on the Governor's May revise which had been distributed campuswide via email earlier in the week.

B. FY 2017-18 SBCCD Tentative Budget

It was commented that the Tentative Budget will be presented for adoption on 6/8/2017.

6. Future Business

A. Review of FY 2017-18 Campus Program Review Requests (Mike Strong & Scott Stark)

Scott and Mike will bring these lists to the DBC for information purposes only.

It was requested that the following topics be added to the agenda:

- Discussion of DBC Quorum (This is in conjunction with discussion of item 2.A.)
- Lobbying for the State of California to pay \$10,000 per FTES (Requested by Jim.)
- Board of Trustees Budget Committee (Requested by Denise. She wants to understand why the committee was formed. Celia expressed concern over ACCJC implications of the committee.)
- Strong Workforce Allocation (Requested by Scott.)
- Block Grant Allocation (Requested by Mike.)
- CHC Enrollment Strategies & Budget Plan (Requested by Mike.)

7. Adjournment

The next meeting is scheduled for 6/15/2017, 2 pm, in PDC 104.*

Attachment: Revised DBC Recommendation 2017-07 – Guiding Principles for FCC Auction Proceeds Strategic Financial Plan dated 05-23-2017

**Attendance of faculty at the summer meetings of June 15 and July 20 is encouraged and will be reimbursed at the current non-instruction rate of \$49.00 per hour.*



District Budget Committee (DBC)

To: Board of Trustees Budget Committee (BBC)

Date: 5/22/2017

From: Jose Torres, District Budget Committee (DBC) Chair

Re: DBC Recommendation 2017-07 – Guiding Principles for FCC Auction Proceeds Strategic Financial Plan

At its April 20 and May 11, 2017 meetings, the DBC discussed the BBC’s request for input on guiding principles for the strategic financial plan being prepared in anticipation of the FCC auction proceeds. As a result of those discussions, the following principles are being recommended.

Overarching Plan Guiding Principles

1. Our students are our core mission and we will focus our resources on their success.
2. All FCC auction proceeds activity should be transparent and follow collegial processes.

One-Time Guiding Principles

3. SBCCD will use the proceeds as a one-time investment in KVCR for the mandatory transition costs from UHF to VHF over-the-air and current broadcast standards.
4. SBCCD will be reimbursed for all costs related to the FCC auction.
5. One-time fund proceeds should help KVCR reach financial sustainability assuring that its ongoing operation is not assessed to the colleges.
6. Fund balance should be restored to 15%.
7. With the exception of items 3-6 above, one-time expenditures should support the approved program review, and educational and facilities master plans.

Principal Investment Guiding Principles

8. Proceeds should be invested in a manner that serves the region for years

to come and supports the colleges’ initiatives.

9. Use of principal amount should be minimized as a resource for ongoing expenditures.
10. Investment portfolio should include real estate and should also be diversified enough to allow for some liquidity.

Revenue Generated from Investment Guiding Principles

11. Revenue generated from the investment of proceeds should help the colleges meet their strategic goals as established in the educational master plan.
12. Revenue generated from the investment of proceeds should help the colleges serve students.
13. Annual revenue amount should be subject to annual allocation and follow existing collegial consultation and established budget processes:
 - a. District Budget Committee will recommend annual allocation by site to Chancellor’s Cabinet.
 - b. Chancellor’s Cabinet will forward final recommendation to the Board of Trustees for approval.