A. Welcome & Introductions

Jose Torres convened the meeting at 2:03 Pm. Self-introductions were not necessary.

B. Approval of Minutes of 11/21/2019

Rosemarie Hansen made a motion to approve the minutes which Kevin Horan seconded. The motion was unanimously approved.

C. Current Business

1. Prioritized Board Directives for the 2020-21 Budget

Committee members reviewed the Board agenda item in the meeting materials packet. Jose advised that the directives had gone to the January 9, 2020 Board meeting for a first read. They will be discussed at the January 30-31 Board retreat with final approval anticipated February 13, 2020. He added that the redlined changes to last year's directives were from the suggestion of one of the DBC members.

Celia Huston questioned if the directives would come back to the DBC if the Board wound up making drastic changes. Jose advised that they would not and that, as of the January 9 BFC meeting, he was unaware of any Board intention to make such changes.

Kevin asked if directive 4. Allocate funding through the collegially-approved resource allocation model to provide for safe, energy efficient and well-maintained facilities that contribute for success. applied to bond funds or just the general fund. It was mentioned that the directives apply to the general fund budget – both restricted and not restricted. It was felt that more clarification was needed in that the directives appear to be related to funding sources outside the general fund. Jose commented that directive 2. Allocate funding to support the implementation of the SBCCD Promise. is related to a subprogram of the general fund.

Committee members discussed the possible origin, purposes and parameters for directive 4 and were unable to come to a clear understanding. Kevin made a motion that the DBC request clarification for directive 4. from the Board of Trustees. Mike Strong seconded the motion and it was unanimously approved.

2. PARS Investment Accounts

Committee members referred to the PARS Investment Update graph. The new mirror accounts being proposed would serve to preserve any unrealized gains identified for distribution. Any such amount would be moved into the mirror account, and managed at a more conservative investment strategy, protecting it from market fluctuations. Current accounts are maintained at a conservative strategy estimated to gain 5-7%; the new
accounts would be managed under a fixed income strategy and anticipated to gain only 1-2%.

Kevin questioned if it might be beneficial to split the Media Academy Endowment. Jose advised that this will be added to an upcoming agenda.

Scott made a motion to approve the establishment of mirror accounts as recommended. Celia seconded the motion, which was unanimously approved.

2. Resource Allocation Model

Committee members talked about the need to adopt a Resource Allocation Model and reviewed the previously adopted RAM Guidelines and Assumptions. Due to the transition to the state’s new SCFF, the existing model became ineffective.

After some discussion, it was requested that Fiscal Services bring a suggested RAM to the next DBC meeting which is the same as the previous RAM but incorporates the SCFF data. It is intended that this model, which is in line with the State Chancellor’s Vision for Success could be reviewed with DBC constituencies, revised if necessary, and then approved and forward to Chancellor’s Cabinet via a formal recommendation.

In the meantime, the DBC will continue to work toward the development of a more philosophical model.

Kevin voiced his belief that KVCR and EDCT should pay from their revenues a portion of the assessment for District Support Services such as HR, payroll, safety, etc.

F. Adjournment

No further topics were discussed and the meeting was adjourned at 2:45 pm. The next meeting is scheduled for February 20 (not February 13 as indicated on today’s agenda).

Kelly Goodrich, Recorder