



Board of Trustees Budget Committee (BBC)
SBCCD Board Room, 114 S. Del Rosa Drive, San Bernardino CA 92408

Meeting Minutes – November 8, 2018

Members Present – Gloria Macías Harrison, Donna Ferracone

Members Absent – Joseph Williams

Staff Present – Jose Torres, Scott Stark, Mike Strong

Guests Present – Maureen Toal, PARS

I. Welcome & Introductions

Gloria called the meeting to order at 10:03 a.m. No introductions were necessary.

II. Public Comment

Gloria called for public comments but there were none.

III. Approval of Minutes

Donna made a motion to approve the minutes of August 9, 2018, which Gloria seconded. There was no discussion and the motion was approved by the following vote.

Ayes: Gloria, Donna
Noes: None
Abstentions: None
Absent: Joseph

IV. Current Topics

PARS/Pension Rate Stabilization Program Trust

Jose introduced Maureen Toal from PARS who is the main representative for SBCCD at PARS. She presented material on SBCCD's investments to date.

Jose pointed out that between February and June 2018 the principal was less than the contributions. He reminded everyone that the account is long term and subject to fluctuations. SBCCD needs to be accepting of these fluctuations.

The various contributions were discussed, as well as the amount of funds that could be withdrawn from the trust. Jose advised that the amount was \$26 million the first year and \$13 million per year after that. Each campus made its decision on how its FCC Auction Proceeds were to be spent and/or invested. The rates of return are the same for all accounts because all funds are in the Conservative portfolio. They may appear different because of the timing of the investments.

Jose advised that Fiscal Services staff will be studying the feasibility of SBCCD moving its funds into an individualized pool. The fees would be higher but District investments would receive additional attention and experience greater flexibility in responding to market volatility. The current Conservative option is restricted by established parameters; it is thought that another portfolio could be possibly established between Conservative and Fixed Income. Gloria stated that it would be beneficial if the available options were to be presented to the whole board. Jose advised he would arrange such a presentation once the research had been done.

It was mentioned that a decision remains to be made regarding what should be done with the return on allocation. Gloria advised this should be discussed at the BOT's upcoming retreat. Something should be put in writing that addresses the allocation of returns on investment, including the official return on investment in the commercial buildings.

Donna asked about status of the revised Resource Allocation Model. Jose replied that SBCCD researchers are working to develop data for the Student Centered Funding Formula to make sure they can duplicate the State's numbers. Fiscal Services staff have been participating in state webinars and will also be attending a regional meeting next month. Gloria asked that Jose schedule time at one of the upcoming study sessions to review the new funding formula with the whole board.

V. Updates (as necessary)

A. PARS

This topic was discussed earlier in the meeting.

B. Enrollment

Scott and Mike presented the FTES reports. Scott mentioned that investigation was still ongoing as to why SBVC's efficiency had fallen off.

Committee members discussed the impact of the new Student Centered Funding Formula on SBCCD in terms of enrollment, productivity and funding. It is very important for SBCCD to align its goals with the California Community College Chancellor's Office Vision for Success. This should become part of the agenda for the Board's upcoming retreat.

C. 2018-19 Board of Trustees Budget

The BOT budget report was not reviewed.

D. KVCR Transition Scope

Jose brought page 38 to the attention of the BBC. He reviewed the major expenditures. They reviewed the time goals on page 34.

VI. Future Topics

Trustee Suggestions

No future topics were added to the agenda.

VII. Adjournment

The meeting adjourned at 11:25 am. The next meeting is scheduled for December 13, 2018 at 10:00 am.