



Board of Trustees Finance Committee (BFC)

Meeting Minutes – September 10, 2020, 2:00 pm
Via Zoom: <https://cccconfer.zoom.us/j/549449972>

Members Present: Trustee Harrison, Chair; Trustee Houston; Trustee Singer

Members Absent: None

Additional Trustees Present: Trustee Viricel, Trustee Reyes

Staff Present: Interim Chancellor Torres; Presidents Horan and Rodriguez; Vice Presidents of Administrative Services Stark & Strong; Director of Fiscal Services Strong

I. WELCOME & INTRODUCTIONS

Chair Harrison called the meeting to order at 2:03 pm.

II. PUBLIC COMMENT

There were no public comments.

III. APPROVAL OF July 9, 2020 MINUTES

Trustee Houston made a motion to approve the minutes of July 9, 2020, which Trustee Singer seconded. The minutes were approved by the following vote.

Ayes:	Harrison, Houston, Singer
Noes:	None
Abstentions:	None
Absent:	None

IV. CURRENT TOPICS

A. PARS PRST Actions Affecting Media Academy Endowment

Interim Chancellor Torres recapped the usual process of bringing PARS/PRST transactions to the BFC before bringing them to the full Board, however, since the November election is getting closer, staff believed it would be beneficial to set aside the funds prior to any potential election-related market upset.

The proposed September Board item was revised by BFC members. Chair Harrison confirmed that the transaction for the Promise Program funding would reduce the corpus (or principal). She asked about reporting on enrollment in Media Academy and Interim Chancellor Torres replied that this could be reviewed in an upcoming Board strategy session.

It was confirmed with that this action is in alignment with Guiding Principle 9: *Principal amount shall not be used as a resource for ongoing expenditures **unless approved by the Board of Trustees.*** It was further discussed that the Promise Program Cohort

#2 will be funded by the investment properties. There is no third cohort being recruited at this time.

Chair Harrison asked about Promise Program enrollment and President Horan reported there is about 25% attrition. Interim Chancellor Torres commented that when it comes to FTES, SBCCD is approximately 9% under last year. This is consistent across the state.

Trustee Viricel asked about future plans for the Promise Program and was advised that a task force is being created comprised of the VPSS and up to five representatives from each campus, as well as two people from the DSO. Chancellor's Cabinet will develop a charge for this task force to provide a full analysis, which will be presented at a future Board strategy session. Trustee Houston confirmed that the report will include a comparison with non-Promise Program students.

B. State Budget Update

Director Strong discussed the drastic change from the State budget presented in January (a surplus of \$5.6 billion) to the current situation (a deficit of \$54.3 billion). The budget act anticipates that SBCCD will continue to serve the same number of students regardless of anticipated deferrals. He commented that it is a testament to the BOT and its fiscal policy that the District has a fund balance it can turn to in this financial climate. Many other districts in the state are having to find other cash sources that incur interest costs. It is hoped that the State will receive further federal funding which could result in approximately \$11 million less in deferrals for SBCCD.

Interim Chancellor Torres added that based on information received from the State late Friday evening after the August 27 strategy session, the SBCCD budget deficit factor was increased .35 to .85%. This is the only change between the Final Budget being presented for approval this evening and the numbers discussed at the strategy session.

Committee members discussed the timing of apportionment and deferrals. Trustee Singer voiced his concern about further Federal support, citing a lack of action from either political party. Interim Chancellor clarified that the federal stimulus, if received, would not result in more money; it would just allow the State pay SBCCD more promptly.

V. UPDATES (as necessary)

A. COVID-19 Expenditures

Director Strong presented the COVID-19 Funding and Estimated Expenses material. Interim Chancellor Torres commented that the federal portion of block grant is required to be expended by December 31 of this year.

B. Enrollment

Vice President Strong advised that prior to the onset of COVID-19 CHC was budgeting an increase for Fall 2020 has had to cut back. Staff is tracking the numbers closely and trying to adjust as economic data becomes clear. Trustee Singer asked that the Interim Chancellor work with the Presidents to increase productivity. Vice President Stark advised that SBVC fall numbers are down, presumably due to COVID-19. They will continue to adjust in order to hit 10,795. He explained that the real target is the \$43.8 million that can be earned through the various types of FTES. The numbers on this enrollment report will change as that strategy develops.

C. PARS Report

The Committee reviewed this report. As of July 2020, the market has been doing very well. SBCCD has recouped the COVID-19 losses and even gained a little.

D. Measure CC Timeline

Committee members reviewed the timeline. It was mentioned that the Facilities team is doing a great deal of procurement and that there are a couple RFP/contract awards in tonight's Board agenda.

Trustee Reyes confirmed with Interim Chancellor Torres that SBCCD is making every effort to support local vendors. Local Outreach Coordinator Ynez Canela is very active in attending community group meetings as well as conducting a bootcamp to teach local vendors how to do business with the District. Chair Harrison confirmed that there will be a local vendor report detailing the results of these efforts.

E. Budget Revenue & Expenditure

This item was not discussed.

F. 2019-20 Board of Trustees Budget

Chair Harrison remarked on the reduction of BOT expenditures due to COVID-19 remote working conditions.

VI. FUTURE TOPICS

A. Trustee Suggestions

B. Deferred Maintenance

These topics were not discussed.

VII. ADJOURNMENT

The meeting was adjourned at 3:19 pm. The next meeting is scheduled for October 8 at 2:00 pm via Zoom.