1. Welcome & Introductions

Jose Torres called the meeting to order at 2:02 pm. Self-introductions were made.

2. Approval of Minutes of 9/21/2017

Scott Stark made a motion to approve the minutes from 9/21/2017 which Jeremiah Gilbert seconded. There was no discussion and the motion passed unanimously with the exception of Jim Holbrook who abstained from the vote.

3. Current Business

A. Bond Feasibility Survey

Jose directed members to the Bond Feasibility Study presentation. He spoke about the recent facilities master plan which identified several hundred million dollars in need throughout both campuses, and the BOT strategic directive asking staff to find a way to address this need. The next steps in this process entail contracting with a consulting firm specializing in public finance ballot measures, and reaching out to the public to raise awareness.

In July 2018 the Board of Trustees will decide whether or not to go out for the bond. If the BOT does approve the action, at that point SBCCD can no longer spend resources or discuss the measure until it goes to a vote in November 2018. Jose advised that he will be speaking to both Academic and Classified Senates on his topic. Mike Strong recommended that he share the approved project list with these constituent groups when he does. In addition, a BOT study session will be conducted in January to update and educate the SBCCD community on this potential bond measure.

B. FCC Auction Proceeds Investment

A draft recommendation was distributed to DBC members for the purpose of discussing the investment of FCC Auction Proceeds. The $157 million was received in July 2017 and has been held at the County treasury, generating only $43,000 in interest per month. Jose explained that several proposals have been put forth regarding the expenditure of a portion of the funds including the mandatory transition of KVCR from UHF to VHF, an equipment upgrade for the station, and the potential development of a media academy. While these conversations are ongoing, it is estimated that SBCCD is missing out on potential earnings of $400,000 per month.

The draft recommendation suggests the expedient investment of $100 million of the proceeds into Option 4 – Donor Sponsored Supporting Organization (DSSO), which has been the option favored at previous discussions. Mike asked how long it would take to set this up. Jose advised that the
action would require BOT approval, and that SBCCD would need to contract with an attorney. He estimated it would be February 2018 before the money would be moved. Scott confirmed that such an investment would not preclude SBCCD from changing investment options going forward.

Mark McConnell arrived at 2:30 p.m. and Jose recapped the conversation for his benefit. Mike made a motion to approve Recommendation 2018-02 as presented, and Scott seconded the motion. Jim asked that the date in the first paragraph of the recommendation be corrected to 11/16/2017. Jeremiah asked what would happen with the remaining $57 million. Jose responded that many conversations have to happen before decisions can be made about those funds. He also confirmed that the distribution of earnings from the $100 million in Option 4 would follow SBCCD collegial consultation process. Mike’s motion to approve the recommendation was unanimously approved.

Jose advised that this recommendation would be sent to Chancellor’s Cabinet by 11/17/2017 and then hopefully be presented to the BOT at its 12/14/2017 meeting.

4. Updates

A. 2018-19 Budget Calendar

The 2018-19 Budget Calendar was presented for DBC member information. The calendar was board approved on November 9 and Fiscal Services staff is already getting started on the process. There were no questions.

B. Board of Trustees Budget Committee (BBC) Charge

The recently developed BBC charge was reviewed by committee members. Celia Huston asked where the DBC fit in with the BBC. Referring to the charge, Jose commented that the BBC reviews future board items so it can develop an understanding and pose any questions ahead of regular BOT meetings. Typically, items go for discussion from the DBC to Chancellor’s Cabinet, then to the BBC, and then to the BOT. The BBC operates under the Brown Act and does not make decisions. It was clarified that the District Budget Committee’s role is to make recommendations. However, ultimate decisions are the responsibility of the Board of Trustees.

Jim referred to Recommendation 2017-07 which contained DBC input on the Guiding Principles for the FCC Auction Proceeds. He and Celia were concerned at the changes to language that occurred after their recommendation was received by the BBC. Jose advised that he will continue to promote clarity and communication wherever possible.

C. FTES Report

DBC members discussed the new FTES reporting format. This report, which provides information regarding FTES in an ‘at-a-glance’ format will be presented to the Board of Trustees by the campuses each month. Committee members discussed the productivity measurement. Scott commented that the overall goal of the District is to increase productivity. Jim felt the report focused unfairly on faculty performance and ignored the impact that administrative practices could have on productivity. Mike agreed that overhead can be the problem. He advise that CHC suffers from an economy of scale factor and costs more to operate than SBVC. Jose commented that WSCH/FTF is a standard measure used throughout the CCC system; unfortunately, there is no standard measure for district office services.
5. **Future Business**

Jose added Resource Allocation Model as a future topic. He would like to review models being used at other colleges. In addition, he mentioned that a task force has been developed and is working with the State Chancellor’s office to revise the funding formula. Community colleges are the lowest funded institution in the state.

6. **Adjournment**

The meeting adjourned. The next meeting is scheduled for 12/21/2017, 2 pm, in PDC 104.