



BUDGET COMMITTEE

Meeting Minutes
9/12/2013, 2 pm, PDC 104

Members Present – Ed Millican, Patrick Kirk Dorsey, Yendis Battle, Matthew Isaac, Kathy Crow, Glen Kuck, Denise Allen-Hoyt, Mike Strong, Steve Sutorus, Karen Peterson, Rhonda Prater, James Dulgeroff, Jose Torres, Tim Oliver

Members Absent – Kelli Barnett, Cheryl Marshall, Ferny Arana Garcia, Girija Raghavan, Jack Miyamoto, Rosemarie Hansen, Scott Stark, Sheri Lillard

Guests Present – Gloria Fisher, Yasmeen Flores, Barbara Nichols

Welcome/Introductions

Tim Oliver opened the meeting and self-introductions were made. Tim and new Director of Fiscal Services Jose Torres each told committee members a little about themselves. Patrick Kirk Dorsey and Yasmeen Flores were present representing the CHC Associated Student Body, which will be nominating a representative for the District Budget Committee in the near future.

Approve May 9, 2013 Minutes

Matthew Isaac moved and Ed Millican seconded that the minutes from May 9, 2013 be approved. The motion passed by consensus.

Review & Approve AP 2225 Budget Committee Charge

Tim reviewed the changes to #4 of the Budget Committee charge:

4. Review and make recommendations regarding Districtwide budget **processes**, assumptions (revenues, allocations, COLA and growth) **and the District's Resource Allocation Model for the colleges**. Any District Budget Committee recommendations related to Districtwide **budget processes**, assumptions, **and District's Resource Allocation Model** for the colleges shall be advisory to the Chancellor.

Matthew moved and Mike Strong seconded to approve this change in committee charge; the motion carried and the changes will be forwarded to District Assembly for approval.

Committee Task -- Budget Processes & Resource Allocation

Tim reviewed the tasks of the committee as they are reflected in AP 2225. He called for any comments or discussion from the committee regarding the its roles and tasks. There was no feedback.

Final Budget – Fiscal Year 2013-14

Jose made a presentation to the committee of the Powerpoint that is going to be presented during tonight's Board meeting.

At Mike's request Tim elaborated on the budget process and the highlighted the COLA, growth and restoration in the Allocation Model.

State Budget Update

Tim talked about Redevelopment Agency money and advised that there is uncertainty about the distribution the \$97 million collected by the state. The State Chancellor's office would like to distribute it to the community colleges based on FTES (AB 103, SB 97). If this happens, SBCCD would receive a little over \$1 million in redevelopment money. The committee will be updated as the situation unfolds.

Resource Allocation Model

Tim reviewed the 2013-14 Resource Allocation Model. The appearance is different, but the calculations have not changed. Ed asked what was income was included in line 17, "Other Campus Revenue Projections". Mike said it was from facilities rentals, like the pool, solar initiative revenues, etc.

Additional 0.8% Allocation for CHC Not Funded

At the start of the meeting, Glen had asked how the 0.8% was being funded and Tim told the Committee that this additional allocation to CHC would not, in fact, be funded. Denise Allen-Hoyt asked why and Tim advised this was a directive from the Chancellor. Tim went on to say that the Chancellor has decided to employ a consultant – The College Brain Trust – to 1) study CHC to ascertain any possible steps that might be taken in order to improve its operation, 2) review the District's resource allocation model and make recommendations to improve it, and 3) provide on call services for our Fiscal Services Division as necessary.

Tim further explained to the committee that one of the District's fiscal policies is that a college in fiscal deficit must repay that deficit within three years. In view of their deficit and this policy, an accreditation team could put CHC on probation.

There will be a live or web presentation on the findings of The College Brain Trust and the Budget Committee will have a major role based on those findings. In answer to a question from Denise, Tim advised that the contract is being executed before going to the October Board meeting in order to expedite the process and complete the assessment in time for next fiscal year's tentative budget. The total contract value is \$45,000. Denise felt this study is a great idea and mentioned that the consultant could find that CHC is operating properly but not being funded at an appropriate level.

FTES Growth of 3.9%

Tim advised that there will be an item going before the Board tonight requesting \$270,000 to fund an additional 2% growth. Tim stressed that committee members should understand how the District grows from the current FTES back to its FTES of four years ago, and that their recommendations should help guide the pace of that growth.

Long Range Financial Planning

Tim talked about the District's different approaches to developing the budget. He wants to put together a relatively simple system so that all entities that are budgeting – campuses, district sites, EDCT, etc. – can use the same tools. Preferably this would be a cloud-based system. Mike Strong, Jose Torres, Scott Stark, and Steve Sutorus will be joining Tim in identifying the criteria to

be considered. In addition, SBCCD would benefit from a districtwide set of priorities, which can help guide current decision-making processes as well as those out into future years.

Tim is hoping to have much of this accomplished in time for the developmental budget process, which will start March 2014. Denise suggested that the goals and objectives of the board should be reviewed in the development of the process. The progress of this effort will be reported on at the next Budget Committee meeting.

2012-13 Committee Self-Evaluation

Tim asked the committee to review the four areas of concern and be prepared to discuss them next month:

	Almost Always	Often	Sometimes	Seldom	Almost Never	No Opinion
<u>Transparent:</u> Open, easy to understand, clearly defined, characterized by effective and meaningful communication with the District community	3	6	1			
	Very Good	Good	Fair	Poor	Very Poor	No Opinion
Quality of information flow from the constituency groups to the committee	3	3	3			1
Training or mentoring for you as a committee member	3	2	4			1
Adherence to expectations or norms for committee members and convener(s)	4	2	3			1

Adjournment

Tim adjourned the meeting. The next regular meeting is scheduled for October 10, 2013, 2:00 pm, in PDC 104.

Kelly Goodrich, Recorder