



Budget Committee

8/20/2015, 2:00 pm, PDC 104

Attendance

Members Present – Walt Chatfield, Jeremy Sims, Rosemarie Hansen, Cheryl Marshall, Robert Levesque (for Matthew Isaac), Larry Strong, Girija Raghavan, Yendis Battle, Jose Torres, Denise Allen-Hoyt, Lisa Norman (arrived 2:29 p.m.)

Members Absent – Mike Strong, Scott Stark, Esmeralda Vasquez, Tom Robles, Gloria Fisher, Rhonda Prater, Steve Sutorus, Jeremiah Gilbert, Sheri Lillard

Welcome/Introductions

Jose Torres started the meeting at 2:05 p.m. Self-introductions were made.

Approval of Minutes

Jose made a motion, which Cheryl Marshall seconded, to approve the minutes from July 16, 2015. Everyone voted in favor of the motion except Walt Chatfield & Denise Allen-Hoyt who abstained. The motion passed and the minutes were approved.

Update on DBC Recommendation 2016-01 – RAM Guidelines for 2015-16

Jose advised committee members that the Chancellor had accepted the committee's recommendation and appreciated all of hard work done by committee members.

Review & Recommendation of 2015-16 Final Budget

The committee reviewed a recommendation Jose had drafted for its approval on the 2015-16 final budget and revised RAM guidelines along with the proposed final budget for the Unrestricted General Fund. It was noted during the meeting that the handout contained two clerical errors – 1) the District's allocation from the state changed to 7.44%, not 7.74%; and 2) under the RAM Guidelines, 3. SBVC FTES Allocation II should read "excess over 10,504" not "excess over 10,454".

Jose advised that the State Budget Workshop was hosted at SBVC on July 30, 2015. At the workshop, the District received good news about its 2015-16 budget, including additional one-time money and an increase in the previously projected growth figure of 6.74% to 7.44%. The revised RAM guidelines indicate that the additional ½% in one-time growth is being allotted to SBVC since CHC already had a high target of 6%.

Walt voiced his concern about projecting enrollment growth over the next few years because the economy is improving. He advised that, historically, enrollment falls when unemployment falls, as it has been. Jose responded that both colleges and the district are doing what they can to increase their marketing budgets. Cheryl agreed with Walt that enrollment was softening from last year. She said fill rates will drop and that we have to offer more sections. Other ideas to reach growth goals are to pursue dual enrollment for high school students, as well as do more with local employers. Jose mentioned that the District is embarking on the process of revamping its educational and facilities master plans for both colleges. He explained that although there is no guaranteed solution to this potential problem, the District is trying to minimize its risk by doing work ahead of time, and that projected growth after this year is as conservative as possible at 3%. Cheryl commented that the District's best shot at capturing growth dollars is this year.

The committee discussed the \$8 million in one-time money. Jose advised that this issue is being considered in Chancellor's Cabinet. Cheryl Marshall said that some of the ideas being examined are enrollment management, student support (i.e. tutoring, supplies, etc.), PERS, STRS, ERP technology, and outside hosting for WebAdvisor. Jose cautioned that it is important the District not create long-term expenses with one-time income. He added that the District might consider investing in things that could save it money in the future like a non-potable water project at CHC which could cost over a million dollars but would save as much as \$200,000 annually.

Ruby Zuniga commented on the one-time money and questioned why any of it would go to the District. Jose responded that Chancellor's Cabinet is working to create different types of initiatives district-wide regardless of location that could benefit the district as a whole, unfortunately due to the timing of the funding notice from the State Chancellor's Office, he cannot say at this time where the funds would be spent. Those determinations will be made in time for the September 8 board presentation but will be shared with the committee via email.

Jose also commented on the 24% fund balance, advising that it will decline once the expenses associated with using the one-time \$8 million are budgeted. He also pointed out that if the fund balance were maintained at 15% districtwide, this will limit SBVC from using its \$2.6 million fund balance.

Cheryl spoke about the Faculty Obligation Number, saying the District has to figure out how many full-time faculty it can afford. The State maintains that the extra allocation of \$800,000 for this purpose should enable the District to hire over 10 faculty. However, this is unrealistic because the cost of 10 full-time faculty positions is much higher than \$800,000.

After this discussion of DBC Recommendation 2016-02 on the Final Budget for the Unrestricted General Fund with Revised Resource Allocation Model (RAM) Guidelines for FY 2015-16, Jeremy Sims made a motion to approve it with the corrections noted earlier. Rosemarie Hansen seconded this motion and it was passed unanimously.

Jose thanked everyone for their hard work. He is excited to be moving away from the historic 70/30 split and feels this is a step in the right direction. He invited committee members to attend the September 8 board study session.

Cheryl brought up the task of developing DBC talking points and answers to frequently asked questions and mentioned that it should include the question on what will happen if the District can't meet its growth goals. Jose advised that he has a draft prepared and will be sharing it with the committee pending a few adjustments. This will be added to the next meeting's agenda.

Jose went on to say that the Chancellor had talked about RAM at opening day events, and that Jose and Larry Strong had made a presentation to the CHC Academic Senate. Additionally, Jose's been invited to speak to CSEA members and hopes to go to SBVC academic senate as well as both college's classified senate.

Adjournment & Next Meeting

The meeting adjourned at 2:50. The next meeting of the DBC is scheduled for 9/17/2015 at 2:00 p.m. in PDC 104.