



District Budget Committee (DBC)

8/17/2017, 2 p.m., PDC 104 – Meeting Minutes

Members Present: Jose Torres, Mike Strong, Scott Stark, Wei Zhou, Diana Rodriguez, Mark McConnell, Denise Allen-Hoyt, Paula Ferri-Milligan, Celia Huston, Girija Raghavan, Yendis Battle, Robert Levesque (for Richard Galope), Steve Sutorus, Larry Strong, Rosemarie Hansen, Shari Blackwell, Jeremiah Gilbert, Jason Lee

Member Absent: Jajuan Dotson, Jeremy Sims, Sheri Lillard

Guests: Tenille Alexander, Jim Holbrook, Keith Birkfeld, Kathy Bakhit

1. Call to Order

Jose Torres called the meeting to order. Self-introductions were made for the benefit of new members and visitors.

2. Approval of Prior Meeting Minutes

Diana Rodriguez made a motion, which Larry Strong seconded, to approve the minutes of 7/20/2017. Jason Lee asked that the minutes be corrected to reflect his name as Jason instead of James. **The minutes were unanimously approved with this revision.**

3. Current Business

D. Committee Organization (*out of order*)

c. Membership – Add District Assembly President (*out of order*)

Jose advised committee members that Jeremiah Gilbert, in his new role as Academic Senate President, realized that one of his duties was to actively participate on the District Budget Committee. **Scott Stark made a motion to approve this position for inclusion on the DBC membership roster. Celia Huston seconded the motion which passed unanimously.**

B. 2017-18 Final Budget – Unrestricted General Fund RAM (*out of order*)

Committee members discussed the handout at length. Jose pointed out that the Draft Final Budget was balanced but he had concerns. He explained the need for SBCCD to receive stability funding from the state for 2016-17 due to a decline in enrollment. Stability enables us to receive funding equal to last year's (2015-16) FTES, rather than the amount of FTES actually attained in the current year (2016-17), which was much less. During the next two years, SBCCD will move away from the growth formula and enter what is called restoration. Jose explained that SBCCD is not alone in this circumstance; in fact his research indicated at least 16 other districts were also placed on stability for 2016-17. Our unemployment rate is currently low, at 3%. Historically, when the economy is good people are working and not taking classes.

Jose pointed out that lines 3, 6 and 10 were added to the RAM this year to account for enhanced noncredit FTES with an estimated rate of \$5,151.24 versus regular noncredit FTES with an estimated rate of \$3,097.58.

Denise Allen-Hoyt recalled that the DBC had discussed the request that management salaries be given its own line in the RAM, however, this change has not been implemented. Jose acknowledged the request and advised he would look into best how to do this. She also advised that Crafton's Academic Senate recommends a column for KVCR and one for EDCT be added to the RAM rather than just a row as all district entities require support services. She commented that assessments should be made on these entities, as well as the colleges. Jose acknowledged the request and advised he would look into best how to do this.

Committee members reviewed each year going forward.

A. DBC Recommendation 2018-01 – Revised 2017-18 RAM Guideline to Reflect P3

The draft recommendation was reviewed. Jose highlighted changes to #3 and #5 of the guidelines. These changes reflect the fact that previously there was very little noncredit FTES. Currently, however, SBCCD is projecting more noncredit FTES. Scott made a motion which Mike Strong seconded. It was confirmed that the assessment and other revenues received will be allocated by the percentages in #8. **It was suggested that the words "Total FTES" should be added to #8. The recommendation was unanimously approved with this revision.**

C. District Assembly Grants Work Group Recommendation

The DBC reviewed the District Assembly workgroup's recommendation for the development of a centralized grant effort which would be funded by combining indirect grant fees districtwide with two years of reserve fund contributions. The goal of such an effort would be to write and plan districtwide grants to encourage intra-district planning and partnerships. This item had been previously discussed by the DBC and tabled at its April 2017 meeting. Scott mentioned that if this effort were approved, SBVC has expressed its desire to retain its CDC indirect fees. Jose mentioned that this centralized grant project was not currently part of the RAM. A discussion ensued regarding implementation of the recommendation in view of the current downturn in FTES and general budgetary challenges. Rosemarie Hansen mentioned that fund balance should not be used for recurring costs. She then moved to table this item until it can be discussed in CHC's collegial process. Jeremiah Gilbert advised that this has already been discussed among SBVC's collegial groups. Mike seconded the motion and **the DBC voted unanimously voted to table this item.**

D. Committee Organization

a. Self-Evaluation Results

Committee members reviewed the results of their self-evaluation. Jose commented on the one "sometimes" rating for the category of Transparent. He reiterated that anyone should feel free to approach him with comments or concerns about transparency. Committee members also discussed the one "fair" rating received for the flow of information to constituency groups, to the district as a whole, and training and mentoring. It was felt that the DBC was much improved from years past.

b. Charge

DBC members read the charge. Jim Holbrook questioned that second sentence, asking if everyone is invited to provide input or just committee members. It was clarified that everyone is welcome to attend and provide input at the DBC meetings, however, only members can vote.

It was recommended that the wording of the charge be updated to reflect this openness. **Jose promised to draft the wording and bring it back for a vote to the next meeting.**

d. Quorum

Based on his past experience as a member of the DBC, Jose offered his concern that establishing a quorum other than the majority of members present might impede the committee's ability to conduct business. Diana Rodriguez and Shari Blackwell both commented that they felt comfortable with this definition of a quorum. Committee members decided to leave things as is for now and revisit this if and when it becomes a problem in the future.

4. Updates

Guiding Principles for FCC Auction Proceeds

Celia expressed her desire to discuss the August 10 board item approving the FCC Auction Proceeds Guiding Principles for first read. Denise and Paula Ferri-Milligan were in agreement and it was decided that the DBC would compare the board item document with DBC Recommendation 2017-07. Committee members revised the documents side-by-side and highlighted all the changes. *(Notes of the comparison are attached to these minutes.)*

This comparison was discussed at length. Celia was concerned that the changes in the first read version all but eliminated the colleges. Denise commented that the budget process is subject to 10+1. Scott stated his opinion that the development and review of DBC Recommendation 2017-07 represents the 10+1 process. Rosemarie mentioned that the principles should include reporting requirements and that #2 should use the word "shall" instead of "should". Mike mentioned that perhaps the Academic Senate presidents would like to talk about their concerns with BOT Budget Committee (BBC) members. **It was agreed that Mark McConnell and Celia should plan to attend the 8/24/2017 meeting of the BBC.**

5. Future Business

No discussion of Future Business took place.

6. Adjournment

The meeting adjourned at 4:00 p.m. The next meeting is scheduled for 9/21/2017, 2 pm, in PDC 104.

Attachment: Document comparing DBC Recommendation 2017-07 on the Guiding Principles for the FCC Auction Proceeds with the August 10 board item approving first read of same.