



District Budget Committee (DBC)

Members Present: *Kristina Hannon, Scott Stark, Girija Raghavan, Jeremy Sims, Mike Strong, Celia Huston, Rania Hamdy, Mark McConnell, Yendis Battle, Larry Strong*

Members Absent: *Steve Sutorus, Meridyth McLaren, Shari Blackwell, Frank Sclafani, Richard Galope, Naomi Lara, Kevin Horan, Rosemarie Hansen, Denise Allen-Hoyt, Diana Rodriguez, Jose Torres*

Guests: *Tenille Alexander*

Meeting Minutes – 4/18/2019, 2 pm, ATTC 119

A. Welcome & Introductions

Larry chaired the meeting on behalf of Jose who was attending a conference. He welcomed everyone to the meeting. No introductions were necessary.

B. Approval of Minutes of 2/21/2019

Jeremy made a motion, which Scott seconded, to approve the minutes of 2/21/2019. The motion was passed by consensus.

C. Current Business – Preliminary Budget Review

Larry advised that the document previously sent out by email had been revised and confirmed that everyone had the new copy which was handed out at today's meeting. Committee members reviewed the Preliminary Budget with the footer noting V.12.

The material contained in the handout addresses the unrestricted general fund forecast over the next several years. Larry went through the revenues on the first page, pointing out that row 24 shows a shortfall for the current fiscal year. He explained that this amount is what the state has advised it will be unable to pay SBCCD. The figure is significant at almost \$5 million. Although it's possible this amount could be reduced, Larry stated that the District is being conservative and preparing for the entire shortfall.

Larry highlighted the fund balance percentage at the bottom of the table which the BOT has instructed staff to keep above 10%.

Celia questioned the deficits showing on line 65 – \$64,518,403 for SBVC and \$30,833,857 for CHC. Tenille determined that there was a formula relating to the old funding method which should have been removed when the new Student Centered Funding Formula was implemented. Only the site budgets are showing incorrect numbers; the SBCCD Total deficit of \$1,931,146 is correct. Tenille will make the necessary revision and a corrected version will be sent to the DBC.

Committee members turned to the 2019-20 preliminary budget. Larry cautioned that the budget will continue to change as the year unfolds, however, this is a snapshot of where things stand at this time. This budget indicates SBCCD's commitment to have salaries and benefits be fair and move toward the median. He pointed out that the fund balance dips to 14.88% in 2019-20 and continues to change through the coming years down to 10.70%, 8.99%, and 9.84%. SBCCD staff are working together to see what adjustments can be made so that the budget can adhere to the 10% directive. It's a work in process and a joint effort.

Mike and Scott questioned whether there had been any directive regarding revenue shortfall for 2019-20. Larry responded that there has been no word at this time.

Scott asked about the solidity of the 2019-20 revenues and Larry replied that the figures are less solid than in the past due to the new funding formula. Tenille advised that Advanced Apportionment figures were used and then adjusted according to SBCCD's P1.

Celia commented that for 2019-20, the District Support Services' share of the SBCCD Total budget increased by almost 3% while Crafton's share decreased a half-percent. Tenille recalled for committee members that District Support Services is budgeting for all software districtwide, which would cause an upswing, which had been discussed at the February meeting. Jeremy pointed out that the increase in the 6000 object code.

Mike suggested the possibility of using some of the STRS PERS set-aside to offset these numbers. Scott agree that it might be time to use these funds in addition to looking for ways to reduce in object codes 4000, 5000 and 6000.

Mark brought up the DBC's previous request to add EDCT and KVCR budgets alongside the other entities in the document. Larry distributed a table which had earlier been emailed to the committee. He commented on Fiscal Services' desire to maintain the readability of the Multi-Year Forecast and added that the information being requested was shown on this table. Mark acknowledged the reasoning and appreciated the handout. Celia asked about \$3,000 in academic salary for EDCT. Celia also requested a breakdown of restricted vs. unrestricted for the KVCR/EDCT data. Tenille promised to research and report back to the committee.

Mark asked for the meaning of Line 60 – *7000 Other Outgo (Inc Insurance and EDCT Foundation)*. It was agreed that the note should be taken out and the read simply, *7000 – Other Outgo*.

Mike asked if there has been any information regarding growth beyond the funding formula. Is SBCCD looking to increase access? The state says access is important but the funding from FTES is going down. Scott commented that SBVC will be backing off of growth; and since his expenses are based on a 2% growth, this will be the first place he looks to adjust his budget. Larry commented that the team will be sure and ask these questions at the upcoming ACBO conference.

D. Updates

There were no updates.

E. Future Business

Rania asked about when the Future Business items were going to be addressed. She stated her strong belief that the DBC should hear an update regarding the Makerspace prior to faculty's summer recess. Larry assured her that every effort would be made to arrange this report.

F. Adjournment

Larry thanked everyone for attending and adjourned at 2:38 p.m.