



District Budget Committee (DBC)

Members Present: Amy Avelar (for Celia Huston), Dina Humble (for Diana Rodriguez), Girija Raghavan, Kevin Horan, Larry Strong, Laura Van Genderen, Mark McConnell, Rania Hamdy, Rosemarie Hansen, Scott Stark, Shari Blackwell

Members Absent: Jeremiah Gilbert, Jeremy Sims, Jose Torres, Kristina Hannon, Leen Alkaddumi, Meridyth McLaren, Mike Strong, Stacey Esparza Serrano/Sofiya Herrera, Steve Sutorus, Yendis Battle

Guests: James Smith, Tenille Alexander, Joanna Oxendine, Tony Papa

Meeting Minutes – 2/20/2020, 2:00 pm, Boardroom Extension

A. Welcome & Introductions

Larry Strong convened the meeting at 2:02 pm. Self-introductions were made.

B. Approval of Minutes of 1/21/2020

Scott Stark made a motion to approve the minutes from January 16. Laura Van Genderen seconded, and the motion was unanimously approved.

C. Current Business

1. Draft Resource Allocation Model with SCFF

Committee members were directed to the sample RAM included in the meeting materials. Larry recapped that SBCCD's RAM is being changed to reflect the State's new Student Centered Funding Formula (SCFF). There are now three main components, including:

- Base Allocation 70%
- Supplemental Allocation 20%
- Student Success 10%

Amy Avelar confirmed that the State uses the previous year's FTES for size allocation.

Larry reviewed the Basic Allocation for Multi-College Districts and the Base Allocation. For the Supplemental Allocation and Student Success components, he explained how SBCCD's Institutional Effectiveness staff verifies the state's numbers and then breaks down the information by campus.

Committee members were referred to the production by campus section, of the RAM containing SCFF data by campus. Larry explained that when Jeremiah Gilbert presented this production model to the DBC in September 2019, it had contained actual data. For today's discussion, however, the information being presented is just an example. He further referred the committee to the Final Budget adopted September 2019 and explained how the example data feeds into the Multi-Year Forecast. It was confirmed that actual funding is received a year after the FTES are reported.

Mark McConnell arrived at 2:22 pm.

Scott commented that SBVC is currently pulling back on FTES and campus staff are concerned that this will negatively impact their allocation budget for next year. He confirmed that the data in today's model was developed as a sample to match the 2019-

20 budget. Jeremiah's group is currently working with the state to confirm and analyze last year's numbers.

Scott recommended that the calculation of the Percentage of State-Based Revenue, which is described in statement 2. of the RAM, be revised to remove the Basic Allocation for Multi-College District, as this amount is not linked to FTES or other performance.

Kevin Horan commented that it's clear the model presented for review is responsive to the shift away from the SB 361 funding method. His concern, however, is that the model does not meet Accreditation Standard III.D.1. in terms of achieving fiscal accountability. It does not calculate or provide a control mechanism for DSO cost. That places CHC out of compliance with Standard III.D.1., which he feels will be an issue during the October Accreditation visit. This RAM is capturing the SCFF but it doesn't fix what is broken in the current model.

Amy asked how the DSO determines what it needs. It was commented that the DSO budget is 70% of CHC's budget.

Amy also commented on the issue of unfunded FTES; classes are scheduled based on the Promise Grant and then cancelled due to enrollment management. Rania Hamdy agreed and stated that this impacts faculty (especially part-time); we are taking on a lot of students and then not growing – just cancelling classes. Amy commented that the model should include the income from the investment of FCC Auction Proceeds to support unfunded FTES for the Promise.

Scott expressed his belief that if SBVC just scheduled sections without managing to the 2019-20 budget, the college would be about \$3.5 million in deficit. This would hit the District reserve and cause the Fund Balance to fall way below 10%.

Larry confirmed that DBC members were expressing concern over the funding of the SBCCD Promise. Scott confirmed that is one aspect, asking how the colleges could manage FTES but still offer classes. Rania asked why the classes aren't identified as being funded with Promise Program investment rather than being identified as unfunded FTES and cancelled. She would like to hear from management on these concerns.

DBC members were tasked with reviewing the model with their constituencies and bringing feedback to the next DBC meeting. There were no further questions on the RAM.

2. DSO Budget

Larry explained that DSO stood for Districtwide Support Operations. He recapped that the DSO prepares its budget ahead of the campuses in order for it to be discussed at DBC and then used by college management during the development budget process.

The budget handout was reviewed. Larry talked about salary and benefit increases. Kevin commented that the colleges are paying for decisions in which they did not have an opportunity to participate. He understands that SBCCD is obligated to make good on its decisions but feels they are ones it can't afford. There were several comments about which DSO budgets could be reduced, which services weren't necessary, whether or not

money from recent staffing vacancies could be used, and whether or not a staffing plan would be helpful.

DBC members were asked to forward their questions on the RAM and the DSO budget via email to Kelly Goodrich so a communication to management could be drafted from the committee which could be finalized at the next meeting.

Scott wrapped up the conversation by commenting that the DSO budget was laid out well and the justifications were very helpful. Tenille Alexander asked for DBC members to email her with any specific questions.

3. Draft Recommendation 2020-02 – Identification of Unrealized Gains for Distribution

Larry reviewed the draft recommendation. Tony Papa asked how the KVCR unrealized gains were to be spent and was advised that he may want to communicate with Interim Chancellor Torres on this since it was not in the DBC's purview. Mark asked about the Media Academy Endowment and whether or not it was to be split between the colleges. It was confirmed that this topic was on the future business list. Scott made a motion to approve the recommendation which Shari Blackwell seconded. The vote was unanimously approved.

No further topics were discussed.

F. Adjournment

Rania requested that the committee move the March meeting since it was during Spring break. After some discussion, it was decided to cancel the March meeting and reconvene at the following regularly scheduled meeting, which is April 16, 2020.

The meeting was adjourned at 2:45 pm.

Not Yet Approved