



District Budget Committee (DBC)
 Meeting Minutes – August 26, 2021, 2:00 p.m.
 Via Zoom

Members	Present	Absent	Members	Present	Absent
Jose Torres, Chair	X		Jackson Bottorff		X
Mike Strong		X	Sophia Zamora	X	
Scott Stark		X	Tony Papa	X	
Kevin Horan	X		Luke Bixler	X	
Scott Thayer	X		Deanna Krehbiel	X	
Ray Carlos		X	Steve Sutorus		X
Josh Robles	X		Larry Strong	X	
Brandi Bailes	X		Meridyth McLaren		X
Rania Hamdy	X		Kristina Hannon		X
Davena Burns-Peters	X		Rosemarie Hansen	X	
Laura Van Genderen	X		Shari Blackwell	X	
Girija Raghavan	X				

A. Welcome & Introductions

Jose Torres called the meeting to order at 2:11 p.m. and shared his screen. He thanked the members for their time and gave a shout-out to new Chancellor Diana Rodriguez and new Interim SBVC President Scott Thayer.

B. Approval of Minutes of 05/20/2021

A motion was made by Deanna Krehbiel to approve the minutes of the last meeting. The motion was seconded by Rania Hamdy. There was no further discussion and the motion was approved by a unanimous vote of the members present.

C. Current Topics

2021-22 Final Budget

Jose thanked everyone for being flexible with the meeting date. He advised that the DBC was being presented the same material that the Board of Trustees would be reviewing at its strategy session later today.

- Analysis

Jose addressed the DBC regarding the state budget, highlighting the following.

- State revenues came in much higher than anticipated.
- The approximate \$32 million in 2020-21 deferrals will be repaid to SBCCD.
- The budget sets aside some rainy-day funds.
- The community colleges are receiving COLA and a lot of one-time categorical funding.
- SBCCD will continue to advocate for additional ongoing funding.

- Multi-Year Forecast

The committee reviewed the Unrestricted General Fund Multi-Year Forecast. Larry Strong went over the structure and content of the document. Discussion of the final budget for 2021-22 included the following.

- Line 42 indicates the budget is essentially balanced.
- The year ending fund balance (line 51) is projected to be \$30,578,171 or 26.04%.
- Jose touched on the revenue portion (section A). This is where the COLA funds are located. Most of SBCCD's funding comes from the State.
- Line 18 usually reflects a shortfall in State funding, however, for 2021-22 there is no shortfall anticipated. This year's state revenue is anticipated to be about \$107 million.
- Line 29a reflects funding from the CalPERS (PARS Pension Rate Stabilization Trust gains) in the amount of \$2,050,000, bringing total revenue to \$117,851,802, resulting in a surplus.
- Jose stated that line 45 shows the expense of the retro salary and benefit increases related to the completed classification study. This is a result of SBCCD's efforts over the past few years to have all its classifications brought up to the median. This is something to celebrate. We are now on par with most districts in the surrounding area.
- Regarding line 43, Jose pointed out that although a District surplus is a great thing to have, SBVC has a \$2.4 million surplus while CHC has a \$2 million shortfall. He commented that with SBCCD in a strong position financially, there shouldn't have to be discussions about shortfalls; SBCCD entities should take care of each other. This year there will need to be some difficult conversations in the community and some different strategies examined to address this situation. He commented on the opportunity now in front of the DBC and expressed confidence in the group to come up with a solution.
- Rania, while agreeing with Jose that SBCCD is all one District and should take care of each other, did express concern about possible inequities between the campuses in the number of students served, levels of staffing, data needs, etc. Dr. Horan mentioned that it is a local decision how campus dollars are expended. Rania believes that complex conversations need to happen and should explore why deficits and surpluses occurred, as well as the need for each campus to be fully staffed.
- Jose reiterated that we need to start working to find a solution as a group. There will be months of transparent and collegial conversations which DBC members will need to share with their constituent groups – classified senates, academic senates, bargaining units, management association, etc.

(Davena Burns-Peters joined.)

- Committee members reviewed the fund balance forecast through 2025-26. Larry pointed out some different sources of revenue (lines 29 a, b, and c) that will enable SBCCD to balance each year, including reimbursement of the DSO contribution to the FCC auction process, as well as the DSO's one-time allotment from the Board, which are both currently part of the PARS PRST principal.
- Future years each include an anticipated 1.00% shortfall from the State. However, if the State does not have a shortfall, then SBCCD will not need to take the funds from

line 29b (Commercial Property). This means of forecasting protects SBCCD in future years.

- COLA estimates are taken from School Services of California.
- Every single year shows a balanced budget, which hasn't happened in a long while. We are coming out of our anticipated deficit spending sooner than expected, which is good.

- Summary by Fund

Larry went over the various funds. Jose clarified that in Fund 590, Investment Properties, the \$51 million is not cash. Larry explained that this is an enterprise fund and that accounting rules requires us to show what was paid for the building. Girija Raghavan asked about the CARES money and Larry advised it is in Fund 125 Restricted General. He clarified that the entire grant doesn't show there, just the funds as SBCCD is using them.

Jose mentioned funds for KVCR, FNX and the Inland Futures Foundation, stating that in a way, they are all basically one fund. SBCCD is receiving a state grant in the amount of approximately \$4 million for KVCR. This budget shows \$1.3 million for 2021-22. Jose highlighted that this is the first year that KVCR has a surplus, which is a reason to celebrate. He thanked Tony Papa and Larry for working so very hard to stabilize the funding for KVCR.

D. Future Business

1. Chancellor's Council & District Budget Advisory Committee
 - Charge
 - Quorum
 - Membership

Jose asked that DBC members review the materials provided at this meeting. SBCCD's collegial process is changing. The committee's charge, quorum and membership will be changing. This is due to District Assembly's move last year to establish a Chancellor's Council which will have five committees reporting to it, including the District Budget Advisory Committee. He pointed out that a quorum was established to ensure representation at all of the committees.

We will begin to have conversations about the Resource Allocation Model (RAM) and make recommendations to the Chancellor's Council and, eventually, to the Chancellor.

2. Any Committee Member Suggestions?

There were no further suggestions for future topics.

E. ADJOURNMENT

The meeting adjourned at 2:56 p.m. The next meeting of the DBAC is scheduled for Thursday, September 16, 2021, at 2:00 p.m. via Zoom.