



District Budget Advisory Committee (DBAC)
Meeting Minutes – November 4, 2021, 2:00 p.m.

I. Welcome & Introductions

Jose Torres opened the meeting at 2:05 p.m. He welcomed Robert Alexander, the new student representative from Crafton Hills College, and briefly recapped the focus and operation of the committee.

II. Approval of Minutes

A. Confirm a Quorum

Quorum was confirmed.

B. Approve Minutes of October 21, 2021

Scott Stark made a motion to approved the minutes of October 21, which Mike Strong seconded. The motion was unanimously approved.

III. Current Topics

Prioritized Board Directives for Development of the 2022-23 SBCCD Budget

It is anticipated that this item will be reviewed by the Board Finance Committee on November 18 and go the full Board on December 9 for first read. Whenever possible, staff will bring things to the DBAC first, then the BFC.

Committee members went over each revision. Jose explained that SBCCD is embarking on a strategic planning process. The Board has initially identified its goals and DSO members are working to develop objectives to meet the goals. This is why some of last year's priorities are being removed from the Board Directives and will instead be aligned with the SBCCD Goals. It is anticipated that the goals will be approved in January and a strategic plan approved in March. In addition, the colleges will be involved in the educational master plan process for the remainder of the academic year.

Committee members discussed the change in fund balance directive. Jose shared that at the Fall ACBO conference the State Chancellor's Office made a presentation that outlined it's aim to align themselves with the Government Finance Officers Association recommendation to maintain at least two months of expenditures in reserve.

Scott Stark commented that this is significantly higher than the previous minimum and asked if the second part of the directive, "unless fund balance is utilized for specially identified on-time needs ..." was also the recommendation of the GFOA. Jose replied that this language is not from GFOA but allows SBCCD to remain flexible if there's a need for the colleges or the District to tap into the fund balance. Uncertain conditions still exist such as the worldwide pandemic and a statewide decline in enrollment.



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Romana Pires asked if SBCCD would be required to reduce its reserve if it is over the 16.67%, and what the spending plan would be for this. (Current reserves are at 26%.) Jose explained that approval of Directives by the Board is just the first step in the process. Down the road, Fiscal Services will put together the numbers to forecast the fund balance and a spending plan. These steps will be reviewed at DBAC meetings.

Romana questioned if there was any legislation capping SBCCD's reserve amount and was advised that there is no cap.

Mike clarified that the 16.67% would be a recommended minimum. He suggested that going into developmental budget, SBCCD consider the fund balance over the course the next five years in anticipation of the end of the current Hold Harmless period.

The current Hold Harmless period is based on the amount of funding SBCCD received in 2018-19, which is the State-calculated Total Computational Revenue. Even though SBCCD had many more FTES in 2018-19, the rate was much lower. It's not the amount of FTES that the current guaranteed Hold Harmless rate is based on, rather it's the dollar amount calculated for 2018-19 which we're guaranteed, plus COLA.

Other anomalies to consider in long range planning are increases in PERS and STRS and likely some level of salary increases. Expenses will increase and at some point, our funding level from the State will likely drop.

Scott Stark added that the State's economy is not certain for the next five years. While 2020-21 was a good year that put us in a sudden excess, the opposite could occur two years out.

Jose mentioned that SBCCD has historically used its fund balance to offset revenue shortages, rather than layoffs or furloughs, like some other districts.

It was pointed out that with the newer Student Centered Funding Formula, we only gain one-third of whatever enrollment growth we get because it is based on a three-year average.

Comments were made to further revise the Board Directives document by spelling out Government Finance Officers Association rather than using the acronym GFOA, removing the word "range", and adding the clarification of two months of expenditures.

Romana questioned whether or not parking would continue to be free of charge. Scott Stark and Mike advised that CARES funds are being used to offset parking revenues in support of our students. It is anticipated that parking fees will be re-instituted next fall.

Erik Morden asked about the status of the COVID-19 funds. Jose explained that SBCCD received three separate grants, having various expiration dates. Approximately one and a half of the first two has already been spent. The remainder is being used to offset



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some revenue losses, to fund the Books+ program for students, and for direct student grants.

Scott Stark made a motion to approve DBAC recommendation of the Board Directives for the 2022-23 Budget with the revisions discussed. Robert Alexander seconded the motion, which was unanimously approved by all the members in attendance.

Jose advised that the revised version will be forwarded to Chancellor's Council and the Board Finance Committee. He let DBAC members know that they can attend the Board Finance Committee which is an in-person meeting. Additionally, if there are any changes made to the documents, these will be shared with the DBAC in December.

IV. Future Topics

There were no suggestions for future topics.

V. Next Meeting Date & Adjournment

The next meeting is scheduled for December 2 at 2:00 p.m. The meeting adjourned at 2:36 p.m.



District Budget Advisory Committee (DBAC)
 Meeting Attendance – November 4, 2021, 2:00 p.m.

QUORUM: Definition of Quorum is established by Chancellor’s Council. Committees cannot vote or make decisions unless they have met quorum, but in order to encourage participation, committee members can provide a designee or a proxy if they are not able to attend.

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| Met? | |
| Yes | 50% + one of appointed* voting members (<i>10 members</i>) |
| Yes | Two persons from each site (CHC, SBVC, DSO) |
| Yes | Three of four constituent groups represented (faculty, classified, student, management) |

| Representation | Member | Present | Absent |
|---|--------------------------------|---------|--------|
| 1) Executive Vice Chancellor, Chair | Jose Torres | X | |
| 2) Management, CHC (<i>appointed by college president</i>) | Kevin Horan | | X |
| 3) Management, SBVC (<i>appointed by college president</i>) | Scott Thayer | X | |
| 4) VP, Admin Services, CHC | Mike Strong | X | |
| 5) VP, Admin Services, SBVC | Scott Stark | X | |
| 6) Faculty, CHC (1 of 2) (<i>appointed by Academic Senate President</i>) | Brandi Bailes | | X |
| 7) Faculty, CHC (2 of 2) (<i>appointed by Academic Senate President</i>) | Josh Robles | | X |
| 8) Faculty, SBVC (1 of 2) (<i>appointed by Academic Senate President</i>) | Davena Burns-Peters | X | |
| 9) Faculty, SBVC (2 of 2) (<i>appointed by Academic Senate President</i>) | Romana Pires | X | |
| 10) ASG President or designee, CHC | Robert Alexander | X | |
| ASG President or designee, SBVC | (<i>pending appointment</i>) | n/a | n/a |
| CTA (<i>appointed by CTA</i>) | (<i>pending appointment</i>) | n/a | n/a |
| 11) Director of Fiscal Services | Larry Strong | | X |
| 12) Business Manager | Steve Sutorus | | X |
| 13) Chief Technology Officer | Luke Bixler | X | |
| 14) Classified, CHC (<i>appointed by Classified Senate President</i>) | Laura Van Genderen | | X |
| 15) Classified, SBVC (<i>appointed by Classified Senate President</i>) | Girija Raghavan | X | |
| 16) CSEA Treasurer (<i>appointed by CSEA</i>) | Rosemarie Hansen | X | |
| 17) DSO (<i>appointed by CSEA</i>) | Corrina Baber | X | |
| 18) Black Faculty & Staff | Denise Knight | | X |
| 19) Latino Faculty & Staff | Erik Morden | X | |

*50% + 1 will be calculated using 50% of total appointed members (not 50% of appointed members plus vacancies).