



District Budget Advisory Committee (DBAC)

Meeting Agenda – February 3, 2022, 2:00 p.m.

Via Zoom: <https://cccconfer.zoom.us/j/360544163>

Or Dial-In: 669-900-6833 (Meeting ID: 360 544 163)

- I. **Welcome & Introductions** – Jose Torres, Chair
- II. **Approval of Minutes**
 - A. Confirm a Quorum
 - B. Approve Minutes of November 4, 2021
- III. **Current Topics**
 - A. State Budget Update
 - B. DSO Unrestricted General Fund Budget
- IV. **Update - 2022-23 Budget Directives**
- V. **Future Topics?**
- VI. **Next Meeting Date & Adjournment**

The next meeting of is scheduled for March 3, 2021 at 2 p.m. via Zoom.

SBCCD Mission: *Transform lives through the education and training of students for the benefit and enrichment of our diverse communities.*

DBAC Charge: *The objective of the District Budget Advisory Committee is to share budget information with identified constituencies. It is intended to provide a forum for budget discussion and input. It is also a committee where explanations of Board action can be discussed. The committee is neither a decision-making body nor is it intended to undermine or replace the budget allocation processes of the colleges. Responsibilities include, but are not limited to the following.*

- *Review and evaluation of current, projected or proposed Federal, State and local funding affecting California Community Colleges and SBCCD.*
- *Review of budgetary policies, administrative procedures, allocation model formulas and guidelines, and the financial well-being of the District. (Union issues which are conducted as a part of labor negotiations are not a part of this Committee's responsibility.)*
- *Review of both general fund unrestricted and restricted revenue sources, enrollment growth projections, and other workload measures.*
- *Review and make recommendations to Chancellor's Council regarding budget assumptions (revenues, allocations, COLA and growth).*
- *Promote budget awareness and communicate budget issues.*



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.



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

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



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

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.

Not Yet Approved



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.

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).



FISCAL SERVICES UPDATE FY 2022-23 STATE BUDGET

JANUARY 2022

Larry Strong, Director of Fiscal Services

Governor Newsom recently released his proposed FY 2022-23 State Budget, which is merely the beginning of the process. In coming weeks, we will learn more about what's in store for SBCCD, as the many details concerning this proposal emerge. Some factors impacting us over the next few months will be COVID-19 pandemic developments, the economy, and the political situation at both the State and federal levels. The Governor's proposed budget can be viewed at www.ebudget.ca.gov.

AREAS OF IMPORTANCE

- The proposed budget projects a state surplus, which may mean an additional \$1.8 billion in funding for community college districts.
- The Governor notes that 86% of new spending is one-time in order to protect against possible future funding decreases.
- \$150 million is proposed to assist with retention and enrollment strategies.

UNRESTRICTED GENERAL FUND

- Student-Centered Funding Formula—permanent new hold harmless funding proposed to be set at the 2024-25 funding level. Future funding would not be less than this floor, regardless of the number of students served that year or in the future.
- 5.33% COLA
- 0.5% enrollment growth

OTHER

The budget proposal includes additional important provisions to further support the community college system, including:

- \$200 million in ongoing support for part-time faculty health insurance
- \$388 million for deferred maintenance and energy projects
- \$100 million for student success and completion grant

Staff will continue to monitor the State budget process and keep the SBCCD community updated on important developments. In the meantime, for more details and a look at the Joint Analysis of the 2022-23 proposed budget, you can visit the CCCC Budget News webpage (<https://www.cccc.edu/About-Us/Chancellors-Office/Divisions/College-Finance-and-Facilities-Planning/Budget-News>).

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

TO: Board of Trustees

FROM: Diana Z. Rodriguez, Chancellor

REVIEWED BY: Jose F. Torres, Executive Vice Chancellor

PREPARED BY: Jose F. Torres, Executive Vice Chancellor

DATE: February 10, 2022

SUBJECT: Consideration of Approval of the Prioritized Board Directives for Development of the 2022-23 Budget

RECOMMENDATION

It is recommended that the Board of Trustees accept the attached Prioritized Board Directives for Development of the 2022-23 budget for second read and final approval.

OVERVIEW

District Administrative Procedure 6200, Budget Preparation, calls for the Board of Trustees to give initial direction concerning the distribution of resources for the 2022-23 budget prior to March 1, 2022.

The attached directives have been collegially reviewed by the District Budget Advisory Committee and discussed at the Board Finance Committee. On December 10, 2021, the Board Finance Committee voted to approve the document's submission to the full Board of Trustees. The attached directives are a result of Board discussion at its January 24-25 mid-year retreat.

ANALYSIS

The attached directives are different from those of 2021-22 in order to align SBCCD resources with the Board approved SBCCD Goals and Objectives. Specific changes include:

- Former directives 2) *Allocate resources to support college affordability*, and 4) *allocate funding through the budget process for deferred maintenance*, are being removed as they will be incorporated into the SBCCD Goal to Ensure Fiscal Accountability/Sustainability.
- Former directive 3) *Maintain a fund balance range of 10-15%...* is being revised to reflect the Government Finance Officers Association and State Chancellor's Office recommendation to maintain a minimum fund balance of approximately two months of expenditures.

INSTITUTIONAL VALUES

- I. Institutional Effectiveness
- III. Resource Management for Efficiency, Effectiveness, and Excellence
- IV. Enhanced and Informed Governance and Leadership

FINANCIAL IMPLICATIONS

This direction of the Board of Trustees on the 2022-23 development budget process will facilitate the following:

- › Alignment of resources with the SBCCD Board approved Goals and Objectives.
- › Establishment of reserve levels following Government Finance Officers Association and State Chancellor's Office recommendations.
- › Establishment of preliminary budget allocations for the colleges, DSO and other sites.

**Prioritized Board Directives for the
2021-22 SBCCD Budget**
(Board Approval April 8, 2021)

Consistent with SBCCD Administrative Procedure 6200 Budget Preparation, the Board of Trustees provides staff with initial direction concerning the distribution of resources for the next fiscal year's budget prior to March 1. SBCCD's budget shall be prepared in accordance with Title 5, the California Community Colleges Budget and Account Manual, and all other related State and federal laws and regulations.

- 1) Align unrestricted general fund and student success funding with the State Chancellor's Vision for Success and Guided Pathways frameworks.
- 2) Allocate resources to support college affordability.
- 3) Maintain a fund balance range of 10-15% in the Unrestricted General Fund, unless fund balance is utilized for specially identified *one-time*¹ needs as authorized by the Board of Trustees.
- 4) Allocate funding through the budget process for deferred maintenance.
- 5) Proposed new positions must be approved through the program review process or any other prioritization process established at SBCCD.

2021-22 Approved Directives



¹ *One-time* is defined as an expenditure that has no ongoing commitment. While one-time needs may be repeated in future years, the nature of the expenditure must conform to the definition.

Prioritized Board Directives for the
~~2021-22~~2022-23 SBCCD Budget
(Board Approval April 8, 2021)
(Presented for Board Approval February 10, 2022)

Consistent with SBCCD Administrative Procedure 6200 Budget Preparation, the Board of Trustees provides staff with initial direction concerning the distribution of resources for the next fiscal year's budget prior to March 1. SBCCD's budget shall be prepared in accordance with Title 5, the California Community Colleges Budget and Account Manual, and all other related state and federal laws and regulations.

- 1) Align unrestricted general fund and student success funding with the ~~State Chancellor's Vision for Success and Guided Pathways frameworks~~ attached SBCCD Goals and Objectives.
- ~~2) Allocate funding resources to support college affordability.~~
- ~~3) 2) Maintain a minimum fund balance ~~range of approximately two months of expenditures~~ 10-15% in the Unrestricted General Fund, as recommended by the Government Finance Officers Association and the State Chancellor's Office, unless fund balance is utilized for specially identified *one-time*¹ needs as authorized by the Board of Trustees.~~
- ~~4) Allocate funding through the budget process for deferred maintenance.~~
- ~~5) 3) New positions must be approved through the process of program review or any other prioritization process as established at SBCCD.~~

Attachment: SBCCD Goals & Objectives (Pending Board Approval)

2022-23 Proposed Directives
(Redlined)



¹ *One-time* is defined as an expenditure that has no ongoing commitment. While one-time needs may be repeated in future years, the nature of the expenditure must conform to the definition.

**Prioritized Board Directives for the
2022-23 SBCCD Budget**

(Presented for Board Approval February 10, 2022)

Consistent with SBCCD Administrative Procedure 6200 Budget Preparation, the Board of Trustees provides staff with initial direction concerning the distribution of resources for the next fiscal year's budget prior to March 1. SBCCD's budget shall be prepared in accordance with Title 5, the California Community Colleges Budget and Account Manual, and all other related state and federal laws and regulations.

- 1) Align unrestricted general fund and student success funding with the attached SBCCD Goals and Objectives.
- 2) Maintain a minimum fund balance of approximately two months of expenditures in the Unrestricted General Fund as recommended by the Government Finance Officers Association and the State Chancellor's Office, unless fund balance is utilized for specially identified *one-time*¹ needs as authorized by the Board of Trustees.
- 3) New positions must be approved through the process of program review or any other prioritization process as established at SBCCD.

Attachment: SBCCD Goals & Objectives (Pending Final Board Approval)

2022-23 Proposed Directives
(Clean)



¹ *One-time* is defined as an expenditure that has no ongoing commitment. While one-time needs may be repeated in future years, the nature of the expenditure must conform to the definition.

Prioritized Board Directives for the 2022-23 SBCCD Budget

Attachment

GOAL 1: ELIMINATE BARRIERS TO STUDENT ACCESS AND SUCCESS

Value Statement: SBCCD is in the business of transforming the lives of our students by both expanding access to high quality educational opportunities and regularly deploying interventions to support students from matriculation to completion.

Objective 1.1: Continue efforts to increase college-going culture.

Objective 1.2: Investigate and promote the success of our identity-based programs and student support services to gain insight that can be leveraged to enhance current efforts to improve the broader student experience at SBCCD.

Objective 1.3: Develop a state-of-the-art technology system that delivers a student-centered experience, improves efficiency and effectiveness, and provides analytical strategies and infrastructure that allow SBCCD to make data-driven decisions.

Objective 1.4: Grow and expand dual/concurrent enrollment and k-12 articulations.

Objective 1.5: Implement a Board approved KVCR plan.

Proposed SBCCD Goals



DRAFT – NOT YET APPROVED

**Prioritized Board Directives for the
2022-23 SBCCD Budget**

Attachment

GOAL 2: BE A DIVERSE, EQUITABLE, INCLUSIVE, AND ANTI-RACIST INSTITUTION

Value Statement: *SBCCD is committed to fostering an inclusive and antiracist environment where persons of all intersecting identities might thrive.*

Objective 2.1: Implement the four Pillars of Guided Pathways.

Objective 2.2: Increase access and sense of belonging districtwide and foster a culture of inclusion that is supported by targeted professional development and sustained DEIA initiatives.

Objective 2.3: Leverage partnerships with community-based organizations to expand SBCCD's sphere of influence and include constituent voices in decision making.

Proposed SBCCD Goals



DRAFT – NOT YET APPROVED

Prioritized Board Directives for the 2022-23 SBCCD Budget

Attachment

GOAL 3: BE A LEADER AND PARTNER IN ADDRESSING REGIONAL ISSUES

Value Statement: *SBCCD is uniquely poised to lead our region into a transformative period for the California Community College System. We will capitalize on this opportunity through innovative and data-driven decision making.*

Objective 3.1: Develop a Strategic Plan that will signal to all constituents that SBCCD has a comprehensive vision that positively impacts our region and effectively employs strategies that will enable our students to develop the knowledge, confidence, and ability to succeed.

Objective 3.2: Institutionalize our commitment to investing in cultivating leadership skills within our District as a vehicle for expanding SBCCD's ability to influence economic and educational initiatives around the region, state, and country.

Objective 3.3: Grow our reputation as a leading higher education institution by enhancing and cultivating community partnerships with K-12 partners, businesses, and community organizations.

Proposed SBCCD Goals



DRAFT – NOT YET APPROVED

Prioritized Board Directives for the 2022-23 SBCCD Budget

Attachment

GOAL 4: ENSURE FISCAL ACCOUNTABILITY/SUSTAINABILITY

Value Statement: *SBCCD is dedicated to excellence in operations as demonstrated by fiscal responsibility and the proactive identification and establishment of diverse revenue streams.*

Objective 4.1: Expand grants, unrestricted revenues, partnerships with regional employers, and philanthropic culture.

Objective 4.2: Continue to advocate for local, state, federal, and philanthropic funding to support SBCCD's mission.

Objective 4.3: Enhance innovation in our investments, space utilization, and growth to (1) remain at the vanguard of facilities development; (2) improve our ability to respond to variations in capital and operational budgets and; (3) setting aside funds for deferred maintenance.

Objective 4.4: Leverage resources to decrease student cost of attaining a high-quality education.

Proposed SBCCD Goals



DRAFT – NOT YET APPROVED