

**DISTRICT BUDGET COMMITTEE**  
**Meeting Minutes**  
**February 1, 2018**  
**3:00—5:00 p.m.**  
**EVC, Mishra Room**

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**Members Present:** Doug Smith, Peter Fitzsimmons, Jonathan Camacho, Carlos Marques, Eugenio Canoy, Faustino Villa, Yesenia Ramirez, Andrea Alexander, Maria Avalos, Robert Gutierrez

**Members Absent:** Maria Avalos, Sandra Gonzalez, Dan Hawkins, Jorge Escobar, Paul Fong, Eric Narveson, Jesus Covarrubias, Fabio Gonzalez

**Also Present:** Kim Garcia, Jennifer (Diep) Le, Owen Letcher, Mike Dziuba, Tom Morales, Linda Wilczewski, Carol Anderson (Recorder), Saloshni Chand, Jennifer Bills, Marilyn Morikang, Jack Baker

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- 1) Call to Order: – the meeting was called to order at 3:05 p.m.
- 2) Approval of Agenda: – M/S/P; Ayes – 11, Opposed –0, Abstentions – 0, Absent – 7, Motion was made by Jonathan Camacho; seconded by Dan Hawkins. Agenda was approved as presented.
- 3) Approval of November 16, 2017, meeting minutes: M/S/P; Ayes – 8, Opposed –0, Abstentions – 3, Absent –7, Motion was made by Peter Fitzsimmons; Seconded by Jonathan Camacho. Motion carries. The minutes were approved with the following change:  
  
Item #10 – strike “that” in the second line.
- 4) FY 2018-19 Budget Calendar: Mr. Fitzsimmons reviewed the budget calendar for FY 2018-19.
- 5) Governor’s Budget for California Community Colleges: Every January the Governor makes a statement regarding what the budget will look like for the following fiscal year, and it includes community colleges. As a basic aid district, our property tax is more than what the District FTES guarantees in apportionment from the State, which means the District is independent of many of these things. Included in the packet for reference were four different perspectives of the Governor’s proposal, including one created by Mr. Fitzsimmons.

Mr. Fitzsimmons notes that it is important to know that the Governor’s proposal and the May revise is just that, a proposal. There are still several months of negotiations with the legislature so it will likely change. Mr. Fitzsimmons reviewed the sheet he created regarding the proposal. One of the most radical changes is the Student Focused Funding Formula, which doesn’t impact us as a basic aid district. 50% will still come to districts in the form of FTES, 25% will come in the form of a supplemental grant which is based on the number of low income students, which is determined by the number of students that receive a BOG fee waiver or a Pell grant. The remaining 25% will come to districts in the form of a Student Success Initiative Grant. This is based on the number of certificates and degrees granted and the number of students completing them in three years. There will be a hold harmless clause for FY18/19.

The proposal will also create an on-line college, which will become the 115<sup>th</sup> Community College, which too is very radical. The District will have to see how this affects enrollment.

Another initiative that could be detrimental for basic aid districts pertains to fee waivers. Basically, the Governor is funding the state-wide promise and if an incoming student is a freshman coming in as a recent high school grad and you are full time, the first year fee is waived. The Governor will backfill those waived fees for apportionment districts, basic aid districts may not get backfilled.

Mr. Smith summarizes that this doesn't mean a whole lot to basic aid districts. It is going to take time for this to get off the ground.

- 6) Board Budget Study Session: Mr. Smith reviewed what will be included in the Board Budget Study Session. He will be presenting to the Board on February 13<sup>th</sup>. His hope is that the committee will have some sense of what he will be reviewing with the Trustees. The Board Principles are the crux of the meeting. Every year there is an attempt to sharpen the principles. There will be a vote to accept the recommended modifications at the February 13<sup>th</sup> meeting.
- 7) 2<sup>nd</sup> Quarter Budget Report: Mr. Fitzsimmons reviewed the 2<sup>nd</sup> quarter budget report and noted the following:
  - The District's new property tax point is 4.94% that was received in November and our next data point will be received in the next week or so.
  - The District won't be participating in SISC rates until FY19-20.
  - The Cadillac Tax has been deferred two years which explains why our financial picture has improved in the out years.
  - Mr. Fitzsimmons reviewed the budget assumptions with the committee.
  - Fund 11 (Parking) - The District has new parking machines and the campus police department is looking at how waived parking is being handled. Funds will need to be transferred from the general fund to Fund 11 as it currently has a deficit, however funds will hopefully increase given the effort mentioned.
  - Fund 14 (Student Success Enhancement Fund) supports the Promise. This fund is currently not very active but Mr. Fitzsimmons predicts that it will be when the land development project comes to fruition.
  - Fund 44 – the District needs to spend 85% out the door and encumber 15% by May 2019 to meet IRS guidelines.
  - Fund 45 - need a project list before the District can sell bonds.
- 8) Meeting adjourned at 4:51 PM.