

DISTRICT BUDGET COMMITTEE
Meeting Minutes
August 31, 2017
3:30 pm – 5:00 pm
SJCC, T-112

Members Present: Peter Fitzsimmons, Andrea Alexander, Jorge Escobar, Jonathan Camacho, Dan Hawkins, Kathy Tran, Doug Smith, Faustino Villa; Linda Wilczewski, Barbara Hanfling, Yesenia Ramirez, Maria Avalos, Fabio Gonzalez, Jesus Covarrubias

Members Absent: Eugenio Canoy, Eric Narveson, Carlos Marques, Fabio Gonzalez; Lauren McKee, Paul Fong, Sandra Gonzalez

Also Present: Jennifer Le, Carol Anderson (Recorder), Marilyn Morikang, Kim Garcia, Phil Crawford, Mike Dziuba, Byron Breland, Guillermo Castilla

- 1) Call to Order: – the meeting was called to order at 3:38 p.m.
- 2) Approval of Agenda: – M/S/P; Ayes – 13, Opposed –0, Abstentions – 1, Absent –7, Motion was made by Jonathan Camacho; Seconded by Dan Hawkins. Jesus Covarrubias abstained. Motion carries.
- 3) Approval of 05-25-17 Meeting Minutes: M/S/P; Ayes – 13, Opposed –0, Abstentions – 1, Absent –7, Motion was made by Barbara Hanfling; Seconded by Faustino Villa. Jesus Covarrubias abstained. Motion carries.
- 4) Review Stabilization Fund criteria: Mr. Smith reviewed the Stabilization Fund handout and pointed out #3 and #4. Ms. Hanfling suggested postponing this discussion to a future meeting in the interest of time. All agreed to carry the Stabilization Fund to a future meeting.
- 5) Review RAM Consultant Recommendation: The final RAM report and recommendation prepared by consultant Roy Stutzman was distributed to the committee. Mr. Crawford had a question as to Attachment V – current resource allocation model- which begins on page 62. The attachment shows a revision date of April 20, 2016. Mr. Crawford stated that the Academic Senates never approved a new allocation model in April 2016 and questions if this was done without knowledge of the senates? Mr. Smith explained that the revision was simply a layout and format change, the details of the model were not changed in anyway.

The committee also suggested tabling this discussion. Mr. Smith noted that he was simply asked by Chancellor Budd to distribute the report. His intent is to give all members a copy, not to discuss the details.

- 6) Adopted Budget Presentation: Mr. Smith reviewed the draft of his Adopted Budget Presentation that he will present to the Board of Trustees at the September 12th Board Meeting. The adopted budget is based on the 1st property tax data point, which is 2.92% for FY 2017-18.
 - a. Ms. Hanfling noted that with the District moving to a JPA for health benefits, the 15% increase for Blue Cross and the 5% increase for Kaiser needs to be revisited. Mr. Smith notes that we will be revisiting these costs and increases when the District has better information.

- b. Mr. Smith noted that the decline in Property Tax is most likely due to the reduction of turnover in home sales, which could also be associated with lack of housing inventory.
 - c. Property Taxes represent 83% of our operating budget.
- 7) Adopted Budget Detail: Mr. Fitzsimmons reviewed the adopted budget detail. The document is still being refined, Mr. Fitzsimmons will highlight those changes.
- a. FTES target for the colleges is 6500 FTES for EVC and 6000 FTES for SJCC. If the targets are met, that would be a 10.03% FTES increase. The target will be updated as we learn more about enrollment.
 - b. The next Property Tax data point is November 8th.
 - c. Lottery comes in two forms: restricted and unrestricted. Unrestricted goes to the general fund and restricted, which can only be spent on instructional supplies, goes to fund 17.
 - d. Assumptions for vacant positions does not include the 1.5% COLA increase for Faculty. Once the 1.5% is ratified, this will change.
 - e. Once we join SISC our Health and Welfare costs should go down, increasing our Fund Balance.
 - f. The adopted budget does not reflect the 1.5% COLA for faculty.
 - g. The discount factor is currently 1.78%.
 - h. Mr. Escobar noted that carryover is not an inefficiency but rather good, strategic financial management.
 - i. Workforce Institute does not play in fund 10 directly, indirectly there are 2.3 positions that fund 10 covers and transfers money to fund 16 to make WFI whole.
 - j. The budget for Milpitas is maturing as more unknowns become known. Peter was not given any direction to augment the budget for Milpitas beyond the \$750,000. As personnel costs increase it puts a squeeze on the discretionary.
 - k. Fund 17 currently looks like we are adopting a negative ending fund balance of \$900,000. Mr. Fitzsimmons corrected this and we are actually projecting a positive ending fund balance of \$400,000. This is what will go to the Board.
 - l. Fund 48 is still being reconciled and it will be done before the books are closed.
- 8) Membership update: Sandra Gonzalez and Maria Avalos are new CSEA members to DBC. Randy Pratt is now the AFT alternate and Paul Fong is an active AFT member. Need to ask Mark Gonzalez who is replacing Ms. McKee for MSC.
- 8) Meeting adjourned at 5:07 pm.