



## SJECCD DISTRICT BUDGET COMMITTEE MEETING MINUTES

January 30, 2020  
2:00-3:30 p.m.  
EVC, Library Mishra

### Committee Members Present:

Andrea Alexander  
Jonathan Camacho  
Eugenio Canoy  
Jesus Covarrubias  
Jorge Escobar  
Paul Fong  
Dan Hawkins  
Philip Hu  
Alejandro Lopez  
Joe Lugo, Jr.  
Carlos Marques  
Randy Pratt  
Lena Tran  
Brandon Yanari

### Committee Members Absent:

Chris Frazier  
Andrea Lopez  
Bianca Lopez  
Marilyn Morikang  
Breyana Parker

### Other Attendees:

Anthony Oum  
Deanna Herrera  
Jennifer Le  
Kathy Tran

Recorder:  
Joy Pace

### Call to Order

Mr. Jorge Escobar, Vice Chancellor, Administrative Services, Interim, called the meeting to order at 2:05 p.m. when a quorum of members was reached. He thanked the Academic Senates, faculty, Classified staff, MSC and the student member for joining the meeting. He stated the majority of the

meeting would be dedicated to reviewing the FY2019-20 2<sup>nd</sup> quarter budget, and the budget is something that engages most of our time.

#### Approval of the January 30, 2020, Meeting Agenda

M/S/C (Jonathan Camacho/Paul Fong) to approve the agenda as submitted.

#### Approval of the December 19, 2019, Meeting Minutes

M/S/C (Jonathan Camacho/Eugenio Canoy) to approve the meeting minutes as amended: Lena Tran was added to the attendees who were present at the meeting.

#### Organizational Updates

Mr. Escobar announced that he has now been with the DO Administrative Services department for a full year. He remembers that a week after he started, he had to present for his first District Budget Committee meeting. He now has experience going through the budget cycle and has great appreciation for the valuable knowledge we currently have in house. Everyone is trying their best to be transparent with the numbers, but we don't yet have in place systems to deal with budget transfers and adjustments and position controls. We have come to an understanding that it's in the best interest of everyone to have the information be transparent. We can't afford to have the District Office holding money for money that is contractual as that is a liability. The CBA states that we could have 10 faculty on sabbatical per year, and we need to have that money designated for that purpose. Mr. Escobar stated he has worked with his team to ensure the college presidents and VPs have these discussions and prepare for these scenarios.

Mr. Jesus Covarrubias, DO Academic Senate President, stated that when we have a faculty person at the highest level of the salary schedule and they leave the district, a new person will come in at a lower pay level. This gives the district a saving and should be taken into account to determine where this cost savings would go. Mr. Escobar agreed and stated that once the RAM is put in place, the decisions as to where this money would go would set a precedent for the district to follow.

Mr. Escobar reported on some Fiscal Services organizational updates. He stated that Linda Wilczewski has moved on to a promotion opportunity at Hartnell College. Her last day was January 22. The team has come together to have multiple conversations on how to move forward. Mr. Anthony Oum, Assistant Director, Fiscal Services, will take the budget responsibilities that Linda provided. He will present the Q2 budget report at this meeting. Years ago, Mr. Oum created the spreadsheets that have been used to compile the budget reports, which was an improvement from what was previously used. Mr. Escobar also reported that Mr. Jonathan Camacho, CEM Business Services Supervisor, will be helping us out while still providing support for CEM. This will help us consolidate the process. We will be communicating these changes to the campuses.

During the transition time, we are happy to have an experienced and qualified staff with expertise in the field. As we move through this transition, there will be opportunities for people to move into new roles. And as we simplify or eliminate certain processes, such as budget transfers, Board election forms (of which we process over 1,000 each semester,) and other back-office operations, we'll have more time to analyze the budget to find greater ways to support our students and values. There are other processes we could improve as well, such as travel approvals at the colleges could be kept at the college level and not submitted to the District for approvals. Ms. Wilczewski's ODS budget report has also eliminated a lot of work. Mr. Escobar thanked the Classified staff for all the work they've done to create the quarterly budget reports. There are many such changes we should review to lighten the load and support greater efficiencies to assist staff in the work they perform. He has shared some recommendations with the Chancellor's Cabinet.

### Innovation Funds

Mr. Escobar stated that he shared the flowchart for innovation funds last year. This FY, we have created a seed fund of \$125K for each college. The money is already at the colleges, and the presidents have already been informed. He's shared with the academic leaders some guidelines, and the ultimate authority and responsibility for using these funds will be at the college level.

### Promise Program

Mr. Escobar reported that the Promise Program is now in its third cohort. The Board recently received a report, which showed it's a successful program; and the district has provided \$250K to support it. eBay has also provided \$250K to support the Promise Program. Mr. Escobar stated he would provide another update soon.

### Review Q2 Budget Report

Mr. Escobar introduced Mr. Oum to provide the review of the Q2 budget report. Mr. Oum provided some highlights as follows:

- In reviewing the assumptions, expenditures for Step/Column are included but not the COLA.
- The Cadillac tax has been repealed, which is good news for us as this was an area of concern.
- Innovation funds and the Promise funds have been included in the Q-2 budget. Mr. Escobar stated we'll also be looking at student success as part of the Promise fund.
- The taxes on parking permits was repealed as taxable income. We already paid it to the IRS, and it will be refunded to us.
- Revenue from 2<sup>nd</sup> data point from the County is 7.14% property tax, which has been included in the assumptions.
- Ending fund balance for FY19-20 is projected at 17.33%; FY20-21 at 18.20% and FY21-22 at 20.31%.
- As of December 31, 2019 (end of 2<sup>nd</sup> quarter), the DO spent 41%, SJCC 50% and EVC almost 50%. Overall, the general fund expenditure is at 46%, which is within norms for the 2<sup>nd</sup> quarter and indicates no areas of concern.
- We have overspent on parking funds and this is an area we'll continue to monitor.
- Fund 17 report is very detailed and shows all the categorical programs. Overall, we're at 32% but are not concerned since we receive grant money at different times.
- For Measure X we spent 9.7% in six months, but this measure is just ramping up.

Mr. Randy Pratt, EVC Academic Senate President, stated we'll do a lot better with assumptions when we get the RAM in place. He inquired why it wasn't possible to include a projection of COLA increases. Mr. Escobar answered that if we build the RAM we could perhaps use the state COLA definition as a starting point.

Ms. Andrea Alexander, EVC Vice President of Administrative Services, stated there is the added cost of position reclassifications that also increases our expenditures. We should have something allocated for that assumption which is more than just step/column.

Mr. Escobar stressed that the data and information is included in this report. If and when we develop the systematic report, it will have the ability to drill down into the details. We will continue to add

transparency that way. He thanked the campuses for inputting the numbers and for the hard work done by the fiscal teams at both the DO and the colleges. We will present this information to the Board at the March 10 meeting.

Adjournment

The meeting adjourned at 3:04 p.m.