



SJECCD DISTRICT BUDGET COMMITTEE MEETING MINUTES

March 26, 2020
2:00-3:30 p.m.
Via Zoom

Committee Members Present:

Jonathan Camacho
Eugenio Canoy
Jesus Covarrubias
Jorge Escobar
Paul Fong
Chris Frazier
Dan Hawkins
Philip Hu
Alejandro Lopez
Andrea Lopez
Bianca Lopez
Joe Lugo, Jr.
Anthony Oum
Jose Luis Pacheco
Carlos Marques
Marilyn Morikang
Randy Pratt
Lena Tran
Brandon Yanari

Committee Members Absent:

Andrea Alexander
Breyana Parker

Other Attendees:

Justine Cheng
Deanna Herrera
Jennifer Le

Recorder:

Joy Pace

Call to Order

Mr. Jorge Escobar, Vice Chancellor, Administrative Services, Interim, called the meeting to order at 2:10 p.m. when a quorum of members was reached. He thanked everyone on behalf of the Chancellor

and Board of Trustees for their flexibility in working remotely and participating in these meetings via Zoom. It has been 10 days since everyone has been working remotely, and a tremendous amount of work has been done, especially with regards to the support of online education and also with the work of the District Office and colleges to meet payroll, pay bills and keep the operations of the district running smoothly. There is also a lot of work being done to ensure safety at the campuses and maintenance of our building facilities.

Mr. Joe Lugo Jr., CSEA President, introduced Mr. Jose Luis Pacheco as a new member representing CSEA for San José City College.

Approval of the March 26, 2020, Meeting Agenda

M/S/C (Dan Hawkins/Alex Lopez) to approve the agenda as submitted.

Approval of the February 27, 2020, Meeting Minutes

M/S/C (Dan Hawkins/Jonathan Camacho) to approve the meeting minutes as amended: Mr. Camacho amended the following sentence to read “silos” instead of “silence”: Mr. Escobar stated that, once again, we have to start breaking the silos. Mr. Brandon Yanari requested that Anthony Oum and Jonathan Camacho be added to the District Office staff he thanked for helping him with the grant.

Board Budget Principles

Mr. Escobar reported that, since the budget principles are Board approved, he first reviewed his suggested revisions to the Board at the March 10 meeting during the budget study session. His goal was to see if the Board supported changes to the principles prior to his reviewing them through the District’s constituency review process. The changes were well received by the Board and now they are ready for discussion and input with the District’s Budget Committee (DBC) before they are sent out for constituency group review. Mr. Escobar stated he would read out the new language for those principles he revised, and he asked DBC members to recommend wording changes, if necessary.

Mr. Escobar read the first budget principle he revised as follows:

Promise Program and Basic Needs Initiatives from auxiliary services and non-traditional sources of funding such as land leases, one-time RDA, or facility rentals.

Mr. Chris Frazier, SJCC Academic Senate member, inquired why input from the DBC is required for this principle. Mr. Escobar answered that it’s because of the impact to the colleges. Mr. Frazier stated he understood the need to align resources for the Promise Program for as long as it lasts or funding sources lapse. Mr. Escobar affirmed that is the case, and the district is open to new funding sources. The land lease is limited in scope. This year, the District used one-time RDA funding. Mr. Frazier stated there needs to be a timeline to this principle, i.e. “for the next three years” or some other timeline.

Ms. Kathy Tran, EVC Director, College Fiscal Services, stated that part of the conversation needs to be about the use of facility rentals. She recommended removing facility rentals from the principle. Ms. Marilyn Morikang, SJCC Interim Vice President, Administrative Services, agreed that we should hold off on facility rentals because this is a one-time, college-generated funding source that is being used at the colleges for different purposes. Having these funds included in a Board principle would need further discussions at the colleges. Also, the language used in the principle is so broad which leaves room for broader interpretations. We should define exactly where the funding source is coming from instead of just giving generalities. We need to have further discussions before including any funding source into a Board principle.

Mr. Alex Lopez, SJCC Academic Senate President, stated the Promise Program was initiated as a partnership with the City of San José. Now what we're hearing is that all the funding will come from facilities. Mr. Escobar answered that the Promise Program was in partnership with the City of San José through a two-year grant with seed money. They continue to be in partnership with us. The idea is to also create partnerships with private industry, such as the \$250K funding from eBay. At this point, there are no other permanent sources of funding for the Promise. Mr. Jesus Covarrubias, DO Academic Senate President, stated the need to get contributions from our partners and continue to do so. Mr. Frazier stated that he didn't see this scenario as a principle since it is a hopeful situation on our part. It's also asking the colleges to absorb some of that cost. It's not a principle, but a budget line item. Mr. Escobar agreed but added that we had that in place for the past three years. One of the things we did first to be able to give funding for students in this program without it being considered a gift of funds was to have the Board approve a resolution allowing the District to provide these services through various funding sources. Mr. Frazier provided a rewording to state something along the lines of: Basic Needs Initiatives and specific needs for the students should be made available through various sources. He stated it's not about a specific program; but our students have needs, and we have a desire for those needs to be met without garnering the gifting of public funds. This is more in line with the principle we are talking about here. Mr. Camacho stated the principle should include language that we just seed the Promise. When you seed something, it's appropriate to support the Program in the future. This is also the case for all the Basic Needs Initiatives. Mr. Pacheco also noted that the Foundation was involved in raising funds for the Promise program but was unsuccessful.

Mr. Escobar added that the Promise Program and Basic Needs Initiatives are supported by the Board through Board resolution and Board ends policies so it's appropriate for funds to be earmarked for that purpose without being considered a gifting of funds. He recommended something along the lines of: The Promise Program and Basic Needs Initiatives for the district shall earmark funding through alternative sources so that they can be used to provide for those needs without constituting a gifting of public funds. Mr. Escobar stated he would create needed verbiage for this principle.

Seek efficiencies and revenue opportunities that are financially self-sustainable and aligned with the mission and strategic objectives of the Colleges and District.

DBC members requested clarification as to what was considered "self-sustainable." Mr. Escobar used the Promise Program as an example. We used seed money through a grant; and now, when the grant funding is over, we need to find other sources to fund the program. Mr. Frazier inquired if this principle is about the total cost of ownership question. Mr. Escobar answered yes. Ms. Morikang stated she liked the new language and the way it is stated. Mr. Randy Pratt, EVC Academic Senate President, agreed that the language looks good and clarifies the total cost of ownership.

Develop systems and practices to use data to inform decision making and to measure the impact of all investments to ensure the best and highest use of funds.

Mr. Covarrubias requested clarification as to what kind of data is being inferred. Mr. Escobar used the example that many of the international students are requesting their money back due to the coronavirus; but, before we make a yes decision, we need to do an analysis of how many students, how many units have they completed, what does the educational plan say, etc. We need to do a data analysis. Mr. Brandon Yanari, SJCC CSEA representative, inquired what is meant by "best use of funds." Mr. Escobar answered that during this current virus, it would be nice for everyone to have laptops. This could be considered a best use of funds. Mr. Pacheco recommended that "cost effective" may be a better term. Mr. Frazier stated that we're still concerned about equity. This language sounds as if we're catering to individuals. What we're really talking about is the highest use of funds through an equity lens. He recommended an edit to the language as follows "...best use of funds including the highest use through an equity lens." Ms. Lena Tran, SJCC MSC representative, stated she is thinking about equitable outcomes. Mr. Covarrubias recommended "...ensure the best and most equitable use of funds."

Follow a “student-centered” approach to ensure our values of opportunity, equity, and social justice are represented in the allocation of resources.

DBC members really liked the wording of this principle. Mr. Escobar recommended moving it as the first principle.

Distinguish between on-going vs. one-time resources and expenses so as not to create long-term liabilities unless funding sources are permanent.

Mr. Escobar acknowledged there were a lot of questions from Trustees about this principle. One of the reasons we are using one-time RDA funds is because we have earmarked them as one-time funds. Since those funds would be a one-time resource, we cannot fund long-term employees with those funds. Mr. Frazier inquired if this principle contradicted the first one regarding the Promise Program. Mr. Escobar answered that we will not be funding the Promise Program permanently unless there is funding from all the other resources. Mr. Pratt recommended changing the word “permanent” to “stable.”

Implement a Resource Allocation Model “RAM” reflective of the Basic Aid status of the District to:

- ***Maximize equitable student access and opportunity and the achievement of student success metrics***
- ***Measure the impact of resources allocated to each entity***
- ***Set clear business rules***
- ***Provide definition of metrics and indicators***
- ***Be comprehensive and automated, yet simple to use***

Mr. Escobar stated the purpose of the wording for this principle is to link resources to outcomes. Mr. Covarrubias recommended adding something to state, perhaps in the first sentence, that the RAM will be implemented through the shared governance process or shared governance principles/participation. Mr. Escobar agreed to add at the end of the first sentence: “and shared governance practices.” Ms. Morikang recommended adding to the 4th bullet something about fairness, equity and transparency through an open and consultative manner with the district’s constituency groups. Mr. Escobar stated he would look into the other principles to see if some of these statements are covered. Ms. Morikang recommended adding to the last bullet “simple and easy to administer.” Mr. Pratt recommended adding “efficient” to the last bullet; something like “simple and efficient to use.”

Mr. Escobar added he just reviewed the other principles and found nothing related to transparency. We could add another bullet to this principle or create a new principle on transparency. Mr. Pacheco recommended creating a new principle for transparency.

Mr. Escobar stated this review of the budget principles is at the core of what will be happening in the next few months. The goal is for this group to review wording that could be sent out to the constituency groups for their input. He’ll be discussing with the District Council how to move these forward along with the RAM. Mr. Frazier stated the appropriateness of moving this forward to the senates for their review and input, especially since this is a key 10+1 area. Mr. Escobar agreed and stated this review is just the beginning of the review process, and we expect feedback from the senates as well as other constituency groups. Mr. Pratt announced the next senate meeting is on April 7 and perhaps this could be placed on that agenda for a first reading. The senate meeting after that is on April 21, which would allow the senate representatives to come to the May DBC meeting and provide the senate’s feedback. Mr. Escobar stated the goal is to have a decision sometime in May.

Q3 Report Timeline

Mr. Anthony Oum provided an overview of the Q3 budget report timeline and process. He reported that journal entries and budget transfers will be completed on Monday, April 13 and inputted in the system on Tuesday, April 14 and Wednesday, April 15. The Q-3 budget report will be generated and available in ODS on April 15. At the DBC meeting on April 23, we will review the Q-3 budget report. Mr. Escobar stated that throughout this process the teams will be in collaboration with the colleges making adjustments. The Q-3 budget report will be critical, especially as we move into end-of-the year planning.

Covid-19 Response

Mr. Escobar stated this crisis is very real and has impacted how we are continuing to serve our students. He gave kudos to all those assisting with moving students to the new systems. He thanked the CTS team for their support of faculty and students. The colleges have also been distributing food to students. Everyone has contributed. Mr. Escobar shared some potential liabilities for the district. We have difficult situations with vendors. Fresh & Natural, for example, is almost out of business; and they have about fifteen employees that work at EVC and SJCC. When we get back to on-site work, it will take a couple of months to ramp up and get ready for business. He also discussed the amount of purchases of laptops for students and other services we're trying to provide while being shut down.

Ms. Morikang discussed how focused SJCC is on meeting the needs of students. She thanked Ms. Lena Tran for assisting in the distribution of food to students. The concern is they already have over 250 students on wait-lists, and enrollments always rise during job losses and economic downturns.

Mr. Oum reminded everyone that the District warehouse is closing and that any orders or deliveries should be routed to specific individuals at the colleges. We can specify on the P.O. who should receive the delivery.

DBC members encouraged one another to find some normalcy during this time and to stay healthy and connected.

Adjournment

The meeting adjourned at 3:29 p.m.