

DISTRICT BUDGET COMMITTEE
MEETING MINUTES

Thursday, November 17, 2022 · 1:30 – 3:00 PM

SJECED District Office
40 S. Market St., CR112
San Jose, CA 95113

[Zoom Link](#)

DISTRICT BUDGET COMMITTEE MEMBERS

ADMINISTRATORS

CHAIR

Jorge Escobar

BUSINESS OFFICERS (4)

Andrea Alexander, EVC
Christopher Hawken, SJCC
Joseph Chesmore, DO
Vacant, DO
Jonathan Camacho

MSC (2)

J. Edward Stevenson SJCC
Victoria Menzies, SJCC

STUDENTS (2)

Ayan Dalmar, EVC
Leif Benson, SJCC

FACULTY

ACADEMIC SENATE – EVC (2)

Lisa Hays
Garry Johnson

ACADEMIC SENATE – SJCC (2)

Fabio Gonzalez
Judith Bell

ACADEMIC SENATE – DISTRICT (1)

Emily (Phuong) Banh

AFT 6157 (2)

Steven Mentor
Philip Hu

CLASSIFIED

CSEA 363 (4)

Dan Hawkins
Joe Lugo, Jr.
José Luis Pacheco

CLASSIFIED SENATE - SJCC (2)

Yesenia Ramirez
Angela Gullerud

CLASSIFIED SENATE – EVC (2)

Sarai Minjares
Abeer Abdel Halim

GUESTS

Amber Machamer
Jennifer Le Diep
Hong Yang
Shana Carter (recorder)

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| 1.) 1:30PM | Call to Order
Executive Director Joseph Chesmore called the meeting to order. | ACTION |
| 2.) 1:30-1:35 | Approval of November 17, 2022 Meeting Agenda
M/S/C (Camacho/Stevenson) to approve the November 17, 2022 Meeting Agenda. | ACTION |
| 3.) 1:35-1:40 | Approval of October 27, 2022 Meeting Minutes
M/S/C (Ramirez/Camacho) to approve the October 27, 2022 Meeting Minutes.

Abstention: Fabio Gonzalez | ACTION |
| 4.) 1:40-1:45 | Chapter 6 BP/AP Update
Chapter 6 will be presented to District Council today.

ED Chesmore explained the plan is for Chapter 6 to go to the Board of Trustees in January.

VP Hawken asked about the suggestion he submitted via email from the Facilities and Safety Committee regarding building naming. The emailed response, per VC Escobar, was that topic is a larger conversation VC Escobar with the Foundation and District Facilities. The AP in question could be changed in 2023. VP Hawken also has requested a fee schedule increase for facility | INFORMATION |

rentals. ED Chesmore responded they would like to keep the language broad in the APs to avoid continuous updates. VP Hawken referenced the Civic Center Act and stated their current fee schedule is below recouping their cost. Dan Hawkins suggested VP Hawken add this as an action item on a Board of Trustees meeting agenda.

Dean J Edward Stevenson asked if the District Budget Committee (DBC) has approved this draft. ED Chesmore clarified many drafts have been presented. The latest version of Chapter 6 will be presented for approval to District Council today. Mr. Hawkins pointed out Administrative Procedures can be changed by an action of the Chancellor at any time.

Shana Carter clarified the most recent version was in last month's DBC packet, along with Chapter 6 having been on the agenda several times in 2022. The review of Chapter 6 started in December 2020 and has been ongoing.

Emily Banh expressed her concern in getting input from faculty. She noted there were not edits in purple, the color assigned to faculty. The edits are predominantly in green because they were received from Fiscal Services. ED Chesmore pointed out he could make a critical or urgent change immediately if necessary, and it is never too late to suggest an edit.

5.) 1:45-1:50	Tax Data Point Released 11/4/2022 Joseph shared the current property tax data point is 6.04%, which is a \$6.7M dollar difference from the prior year.	INFORMATION
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6.) 1:50-2:15	SJECCD Governance Handbook Amber Machamer reviewed the <u>SJECCD Governance Handbook Fall 2022</u> . This will be updated twice a year. Each page's footer has a live link to email questions and comments.	INFORMATION
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Ms. Banh publicly commended Ms. Machamer for her great work. She finds the document impressive.

ED Chesmore echoed Ms. Banh's comments. He requested this item be added to the agenda in February.

7.) 2:15-2:25	Q1 Budget Report Presented at BOT Meeting, 11/15/2022 ED Chesmore reviewed the Q1 Actuals, and stated there is no projection for Q2 yet.	INFORMATION
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Jonathan Camacho asked if there would have been a deficit if there were no HEERF funds. ED Chesmore would need to investigate that and we cannot make a conclusion.

Fabio Gonzalez in chat: Do we know how much money is still available at each college now per HEERF funds?

ED Chesmore responded, in the last report available to him, SJCC's HEERF balance is \$5M. EVC's HEERF balance is \$13.3M. These amounts change daily, and noted that the balances need to be spent by June 30. VP Hawken stated they plan to close out their HEERF funds by February.

- 8.) 2:25-2:30 Updated FY 2022-2023 Chart of Accounts INFORMATION
ED Chesmore shared the updated FY 2022-23 Chart of Accounts. Hard copies will be delivered and it is on the website.

He informed the DBC that the Foundation is moving from QuickBooks to Colleague, and Fund 83 is included in the updated draft along with other new funds.

Dean Stevenson asked for clarification on page 9 regarding revenue and contract education funds. ED Chesmore responded that Fund 16 is mainly Adult Education, Contract Education, and fees for services. Dean Stevenson suggested there needs to be clarity regarding Fund 16 in the Chart of Accounts.

Email any edit suggestions directly to ED Chesmore.

- 9.) 2:30-2:55 Continue Free Tuition DISCUSSION

VP Hawken stated both campuses have made tremendous effort to provide access to all students in our communities, and enrollment is stabilizing. He is concerned the impact abruptly ending free tuition will have on students. Once HEERF ends, how will we continue offering students free tuition and emergency grants? How do we maintain enrollment stability? He is hoping this group could make a recommendation up the ladder to continue free tuition across the district with certain parameters. Students are required to apply for financial aid before HEERF funds are used. It may be \$1M across the district per year.

VP Alexander commented EVC has more financial aid students. They are looking at 325-400 per semester. They have surveyed students and findings are that free tuition does not matter because they qualify for financial aid, but paying for textbooks is what impacts them. She will share the studies she is mentioning once she receives them from ASG.

VP Hawken stated data supports that free tuition has increased enrollment.

Fabio Gonzalez supported what VP Alexander said and stated the message of free tuition is confusing, misleading, and frustrating to staff helping the students. He emphasized forcing students to apply for financial aid is wrong; it sends them in a circle. It is especially taxing on foster youth. He suggested funds should be used to zero out their accounts.

Dean Stevenson suggested the DBC put a notice motion on the floor to expand this conversation to each campus. The notice

motion states: ***The District Budget Committee recommends to District Council to continue free tuition with the existing parameters for the 2023-24 academic year.***

This would be brought back as an action item in the future.

ED Chesmore suggested an amended motion: *Bring this topic of free tuition to the next meeting as an action item along with supporting data.*

VP Hawken stated that data should not be part of the motion, but should support the discussion. Yesenia Ramirez requested data be shared two weeks prior to taking action.

Mr. Gonzalez seconded the notice motion. This topic will be taken to the campuses for recommendations to be brought back.

Mr. Gonzalez in chat: As long as you can close the balance of every student who owes fees, I will agree with that motion.

Motion carried unanimously.

ED Chesmore encouraged all to bring more data to the next DBC meeting, prior to making a motion.

Mr. Hawkins commented the concept is good, but the textbook fees are what the students have trouble with.

Ms. Ramirez asked how many students have a balance. If there is a balance then tuition is not actually free. ED Chesmore responded he could provide the data on balances.

VP Hawken stated, at SJCC, they provide debt relief in the first round of HEERF funds. An option for the existing HEERF funds is student debt relief.

Ms. Banh commented that VP Alexander raised a valid point. She just returned from the plenary, which had a series of resolutions in regards to zero cost for students, along with resolutions for Open Educational Resources (OEI). She supports the motion on the table.

VP Alexander shared that this started as a bad debt relief program in fall 2021. They paid students' prior debt so they could come back to school, but they still had to pay fall tuition because free tuition had not started yet. Legally, they cannot go back to those who were not impacted by COVID (prior to March 2020) and provide debt relief. Free tuition started spring 2022. She will provide data to this committee.

Ms. Machamer pointed out that equal does not necessarily mean equitable. She suggested targeting the free tuition to students who

cannot get financial aid. She would like to have this conversation and keep with our values of social justice.

Ms. Ramirez asked to resend a notice to address future agenda item: a.) *Foundation: the structure, function, fund structure, supporting evidence (Yesenia Ramirez)*

- *Chancellor would need to discuss this.*

She stated she brought up this topic in May and would like it addressed as a courtesy. She would like to understand the Foundation's role.

Dean Stevenson recommended a request for a presentation on the Foundation be elevated to District Council.

Mr. Hawkins stated hearing the Foundation is moving into Colleague sends up red flags, as the Foundation is a subsidiary outside of the District. Now it is being brought into the public sector and this is treading into legal territory. He stated concern with having an employee paid out of Fund 10 working with the Foundation, and the murky lines this creates. We should contact the Foundation for Community Colleges for advice on whether this is appropriate.

Ms. Ramirez asked how the Foundation got into the updated Chart of Accounts without her requests being addressed. VP Hawken pointed out there is a similar issue with ASG being moved into regular funds.

ED Chesmore clarified the Foundation is an auxiliary of the district and they can use the ERP system as long as it is managed by the Executive Director.

Mr. Hawkins voiced concern with the access to Foundation accounts in Colleague, specifically at the executive level, with our current security structure.

ED Chesmore suggested the committee entertain a motion for this item to be carried in District Council.

Mr. Gonzalez agreed with his colleagues. He stated the Board may not have been informed on what they voted on regarding establishing Fund 83. This DBC is now asked to be responsible for the Foundation account. The explanation is it is just used for tracking purposes. He suggested if questions are not welcome to be answered regarding the Foundation, then the DBC is being misled and lied to. He suggested the alternative would be to remove it from the District, as it should be its own identity. This looks like the commingling of funds, which is illegal. We cannot pay the Director from Fund 10, and the Foundation Director cannot be an employee of the District. He restated this is misleading and we are being lied to.

VP Hawken added according to his recollection, the Foundation is in the negative, and he shared concerned that debt is being carried to the responsibility to this group. ED Chesmore confirmed the Foundation debt is over \$1M.

Dean Stevenson suggested each constituency group represented in this meeting should be notified of the conversation taking place today, and the concerns should be advanced. There needs to be a formal notice from this group to the District Council regarding this item.

Ms. Banh asked for clarification on how the Foundation came into this debt.

VP Hawken offered background on hearing the status of the Foundation account at a DBC meeting last year. He stated we should be able to request a presentation especially now that it has been brought into the Chart of Accounts.

Ms. Ramirez stated this item should have been answered before it was put into the Chart of Accounts. This item has been ignored.

Ms. Ramirez recommended the acting DBC Chair take this request on behalf of the committee, stating the originator of this request is feeling completely ignored. Mr. Hawkins added, and therefore the entire committee is now making this request.

Mr. Gonzalez made a motion that no money is allocated to the new Foundation account, Fund 83 approved at the Board of Trustees meeting on 11/15/22, until there is clarification on the role of the Foundation and funding.

Mr. Hawkins seconded the motion.
Motion carried unanimously.

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| 10.) 2:55-2:59 | <p>Future Agenda Items</p> <p>a) Foundation: the role, function, fund structure, supporting evidence (Yesenia Ramirez)</p> <ul style="list-style-type: none"> • Chancellor would need to discuss this. <p>b) SJECCD Governance Handbook further discussion (Joseph Chesmore)</p> <p>c) Notice motion: <i>Recommend to District Council to continue free tuition with the existing parameters for the 2023-24 academic year.</i>
(J Edward Stevenson)</p> | INFORMATION |
| 11.) 3:00PM | <p>Adjournment</p> <p>The meeting adjourned at 3:05pm.</p> | ACTION |