



Resource Allocation Model Taskforce

Meeting Minutes

February 10, 2017 – EVC, VPA-115

Present: Doug Smith, Andrea Alexander, Jorge Escobar, Peter Fitzsimmons, Eric Narveson, Danny Hawkins, Yesenia Ramirez, Barbara Hanfling, Eugenio Canoy, Chris Frazier, Mark Newton, Guillermo Castilla

Absent: Fabio Gonzalez, Jesus Covarrubias, Lauren McKee, Keiko Kimura, Phil Crawford, Paul Fong

Also Present: Sherri Brusseau, Jonathan Camacho, Linda Wilczewski, Kathy Tran, Debbie Budd

- 1) Call to Order – 1:10 p.m.
- 2) Approval of Agenda – M/S/P; Ayes- 12, Opposed-0, Abstentions-0, Absent- 6, a Motion to approve was made by Chris Frazier; Seconded by Barbara Hanfling. The agenda was approved as submitted.
- 3) Approval of 01/26/17 Minutes- M/S/P; Ayes- 10, Opposed-0, Abstentions-2, absent-6, A motion to approve was made by Eric Narveson; seconded by Dan Hawkins.
 - a) Amendment to add Mark Newton as present. The minutes were approved as amended.
- 4) Future Meeting Schedule:
 - a) The Committee reviewed the tentative list of meeting dates and agreed on the following dates, times, and locations:

02/24/17	1:00 - 4:00	SJCC, Rm. T-112
03/03/17	1:00 - 4:00	EVC, VPA-115
03/10/17	1:00 - 4:00	EVC, VPA-115
03/30/17	12:30 - 3:00	SJCC, Rm. T-112
04/07/17	1:00 - 4:00	EVC, VPA-115
04/28/17	2:30 - 5:00	SJCC, Rm. T-112
05/05/17	1:00 - 4:00	SJCC, Rm. T-112
05/12/17	1:00 - 4:00	EVC, VPA-115

5) Review of Simulations

- a) Mr. Stutzman briefly reviews the SB 361 simulation provided during the 01/26/2017 meeting, noting that this is a very transparent model where the District assumes a growth-rate of 3.5%.
 - i) The Committee questioned how the 3.5% is voted upon, and what the 10-year average is.
 - (1) Mr. Smith clarifies that the 3.5% is a Board of Trustee established Budget Principle.
- b) Mr. Stutzman also notes to the committee that if certain costs to the colleges are viewed to be more of a District-wide expense, the committee should keep in mind that the percentage allocated to DW/DS will grow to accommodate those additional costs.
- c) Mr. Frazier notes that the model for the Colleges is set, whereas the model for the District is not, however if the Colleges require more services, they are then required to pay for those services. Mr. Frazier continues that the cost of District Services should be budgeted within the Colleges expenditures.
 - i) Mr. Stutzman recommends that the colleges establish a specific expenditure percentage.
- d) Mr. Stutzman distributes Simulations #1-#5
 - i) Mr. Stutzman points out the addition of a new line at the bottom of these simulations, "expenditures per FTES".
 - (1) Simulation #1 does not include the discount factor and assumes all expenditures will be spent.
 - (2) Simulation #2 assumes DS/DW costs are less.
 - (3) Simulations #3 & #4 take the Faculty and Adjunct cost off the top (before revenue is allocated to the colleges). This is based on actual Faculty, enrollment goals, and productivity goals.
 - (4) Simulation #5 uses a 3-year rolling average.
- e) In closing, Mr. Stutzman notes that these types of models put more responsibility in the hands of the colleges as the decisions become more localized. Mr. Stutzman reminds the committee that the colleges are also responsible for covering any deficits that may be incurred.
- f) Mr. Smith poses the question, with knowing we won't know the final property tax data point until May, do we augment along the way with each new data point, or do we set the final four data points aside, and deal with it in another way?

6) District-wide/District Services/2016-17 Expenditure Budget Review

- a) Mr. Fitzsimmons walks the committee through the FY16-17 District Services Fund 10 Adopted Budget document.
 - i) The Committee requests clarification around "High Impact Program". Mr. Smith notes that the high impact programs fund included Student Success, Redesign, etc. and was established by the Board during Chancellor Cepeda's tenure, however until recently, those funds had not been assigned to any specific programs. Since FY2016-17, those funds have been dispersed to each of the Colleges for Open Educational Resource use (150k/College).
- b) Mr. Fitzsimmons reviews both FY 2016/17 District Services Adopted Budget Documents with the group.
 - i) The Committee questions what "other" refers to in the document.
 - ii) For clarification, Mr. Fitzsimmons directs the Committee to the larger document which lists the specific costs included in "other".
 - iii) The committee questioned the accuracy of the benefits costs of an employee being equal to, or sometimes more than the cost of an employee's salary.
 - (1) Mr. Fitzsimmons confirms that benefits can and will continue to increase.
 - (2) The Committee notes that it would be helpful for the campuses to understand the full degree of cost for a new/replacement employee.

iv) The committee questions if there is a way that we can view the discount factor data over the last 10 years?

(a) Mr. Smith clarifies for the group that the Discount Factor is established from an average of a set past number of years, and includes hundreds of line expenditure items are allocated, but not every line item is spent. Statistically, 1%-2% is unspent.

7) District Wide / District Services Comparative Districts

a) Mr. Stutzman distributes the Comparative District Budgeted Expenditures 2016/17 District Services and District Wide Expense Document.

i) Mr. Stutzman notes that this comparison is difficult to compare equally as every district is organized differently for example some are partially District Centralized, and others are not. Secondly, Districts tend to characterize their expenditures in different ways such as utilities being central vs. decentralized.

ii) All information was taken from each districts published FY2016-17 budget reports and information.

8) EVC & SJCC CTE Program Enrollment and Cost

a) Mr. Stutzman distributes the CTE Program Enrollment and Cost document with a request to the committee to review before the next RAM meeting on 02/24/17.

b) The next step will be to analyze what this means in terms of allocation, and if there are material differences between the colleges that would justify providing additional dollars to one college over the other.

The meeting was adjourned at 4:15 PM