



Special Planning & Budget Committee (PBC) Minutes

September 17, 2021 9:30 a.m.

Special Meeting

Recorder: Dawn Renee Neideffer

Note: 10 members required to meet quorum

Attendance:

Chairs (3)	Classified Senate (3)	Julia Dozier	Dave Fouquet
<input checked="" type="checkbox"/> Jonah Nicholas (DO) non-voting	Noell Adams (CC)	Bruce Griffin	
<input checked="" type="checkbox"/> Noell Adams (CC)	<input checked="" type="checkbox"/> David Rodriguez (LPC)	Heather Hernandez	
<input checked="" type="checkbox"/> Sarah Thompson <i>Interim</i> (LPC)	<input checked="" type="checkbox"/> Chasity Whiteside	Dr. Teri Anderson	
Administration (5)	Classified Union (3)	Walt Blevins	
<input checked="" type="checkbox"/> Dr. Theresa Fleischer Rowland (DO)	<input checked="" type="checkbox"/> Virginia Criswell (CC)	Angela Castellanos	
<input checked="" type="checkbox"/> Dale Wagoner (CC)	<input type="checkbox"/> Stephany Chavez (LPC)	Kirti Ready	
<input checked="" type="checkbox"/> Anette Raichbart (LPC)	Cathy Gould (DO)	Linda Pine Schoomaker	
<input checked="" type="checkbox"/> Rajinder Samra (LPC)	Student Senate (2)	Tamica Ward	
<input type="checkbox"/> Vacant (CC)	<input type="checkbox"/> Michelle Diaz-Nava (LPC)	Danita Romero	
Faculty Association (2)	<input type="checkbox"/> Stacy Harris (CC)	Rosalie Roque	
<input checked="" type="checkbox"/> Jeff Drouin (CC)	Guests:	Christine Herrera	
<input checked="" type="checkbox"/> Thomas Orf (LPC)	Billy delos Santos	Bruce Griffin	
Academic Senate (4)	Daniela Baliff	Jennifer Lange	
<input checked="" type="checkbox"/> Miguel Colon (CC)	Betty Castaño	Mujeeb Dadgar	
<input checked="" type="checkbox"/> Tina Inzerilla (LPC)	Rachel Ugale	Heike Gecox	
<input checked="" type="checkbox"/> Dr. Patricia Shannon (CC)	Ashley Young	Dr. Kristina Whalen	
Sarah Thompson (LPC)	Sui Song	Dr. Dyrell Foster	

Meeting commenced 9:35 a.m.

Agenda Item	Information/Discussion	Action
1.	<p>Welcome Guests and Quorum Check <i>For information</i></p> <p>All welcomed. Quorum met with 12 voting members, excluding VC Nicholas.</p>	None
2.	<p>Approve Today's Agenda <i>For action</i></p> <p>Agenda reviewed, no discussion had. VC Nicholas asked for a motion to approve, Dale Wagoner moved and Anette Raichbart seconded. <u>Agenda approved, unanimously.</u></p>	September 17, 2021 agenda approved
3.	<p>Approve Previous Special and Regular Meeting Minutes <i>For action</i></p> <p>August 6 2021 and August 20, 2021 minutes were reviewed. Dale Wagoner to approve, Noell Adams seconded. <u>Minutes approved, unanimously.</u></p>	June 17, 2021 minutes approved
4.	<p>Adopted Budget/Budget Book Update <i>For discussion</i></p> <p>The adopted budget for FY 2021-22 was approved by the Board of Trustees. No discussion had.</p>	None
5.	<p>DEMC Recommendation <i>For discussion/possible action</i></p> <p>VC Nicholas reviewed the recommendation. David Rodriguez suggested adding "help identify and remove barriers and/or system bottlenecks" at the end of the recommendation. VC F. Rowland supported and approved the language. VC Nicholas asked for a motion to approve. Thomas Orf moved to approve and Dr. Patricia Shannon seconded the motion. <u>With the added language, the motion passed unanimously.</u></p>	Recommendation to the Chancellor approved unanimously
6.	<p>Review of Revised Ground Rules <i>For information</i></p>	None

	<p>The scope and ground rules are a living document and standing item for PBC special meetings. The purpose is to establish accountability to each other as the committee continues to proceed in this work. This is a living document and at any time, members are encouraged to offer revisions, additions or comments to the group.</p>	
7.	<p>BAM: How Will District and M&O Be Funded? <i>For discussion</i></p> <p>VC Nicholas presented a potential budget-model-simulation (model) that shows how the District and M&O could be funded. The model flows into the revenue side first, then expenses, concluding with a comparison summary. The supplemental allocations are determined by the actuals at the colleges. In the success metric, assumptions have to be made; a 65/35 percentage has been discussed in this committee. The apportionment revenue gained by the Student-Centered Funding Formula (SCFF) is added up to show the District as a whole; including the 3 different metrics and the base FTES. Based on the assumption being used, the hold-harmless funding is \$11M. When the same formula is used for the two colleges, what is being generated based upon the SCFF is more clearly seen. The \$108-109M being generated through SCFF is essentially a 60/40 split, based upon the assumptions. The lottery and mandated cost block grant numbers are taken directly from the adopted budget. To the greatest extent possible, the figures in this model are taken from the adopted budget. Also, full-time faculty hiring dollars are built into the revenue-side of the model.</p> <p>The expenditures side of the model is largely taken from step 3A (3A items are off the top expenditures). Two differences in this simulation are:</p> <ol style="list-style-type: none"> 1. Election expenses for the Board of Trustees and voter approval bonds 2. Contributions to the retiree health benefit reserve, which is a committed obligation <p>The marketing expense shown in the model is separate from the director’s salaries. The maintenance and operations expense is based on the total cost of ownership (TCO), as recommended to the chancellor by the PBC in 2018. The potential new funding model sums up all the revenue sources, subtracts the respective college allocations (basic funding), subtracts the contractual regulatory and committed obligations and subtracts the total cost of ownership cost for maintenance and operations, leaving approximately the remainder to distribute. The potential flow could be to look at college-specific allocations to distribute the basic funding first, then full-time faculty funding, other specific college allocations, DEMC targeted funds and other specific college allocations (e.g. student-centric funds as recommended to the chancellor in 2018).</p> <p>Not represented in this model-simulation year is the possibility of the District being on stability funding, in which case the FTES in the SCFF could be less than what DEMC is recommending. VC Nicholas noted the need to improve</p>	None

	<p>the linkage between DEMC and PBC and the funding of the sites; and the need to improve the connection between targets, FTEF and the budgetary process.</p> <p>The model-simulation shows, prior to any distributions to the District Offices, \$11.6-11.7M given directly to the colleges. In the model the District is pegged with the base allocation from FY 2020-21 plus COLA. To socialize the cost between the colleges for committed contractual and regulatory obligations, as well as M&O if funded by TCO, that way the District shares in those increases if committed contractual regulatory amounts go up year after year. Remaining SCFF revenue will be distributed to the colleges. VC Nicholas does not recommend putting the hold-harmless funds (rollback revenue) through the budget allocation model (BAM) since it may not be an ongoing revenue source; therefore, there's a space in the model for "internal adjustments outside the BAM".</p> <p>Blevins noted that TCO is important for M&O because it does not correlate to FTES since classrooms are in full use via community services. TCO is calculated by pegging it at the allocation from the old model, and then total square footage was then going to determine the shifts in that number from that point moving forward. A significant impact in the first several years is expected due to the amount of building happening at the campuses. VC Nicholas asked the committee to look beyond the numbers and determine if this potential funding model seems fair, is student-centric, and makes sense mechanically. Lively discussion ensued.</p>	
8.	<p>Future Agenda Items <i>For discussion</i></p> <p>1. New budget allocation model-simulation</p>	None

Meeting adjourned 11:00 a.m.