



District Budget Committee (DBC)

Members Present: *Celia Huston, Jose Torres, Scott Stark, Rania Hamdy, Larry Strong, Jeremy Sims, Yendis Battle, Rosemarie Hansen, Mark McConnell, Girija Raghavan, Diana Rodriguez, Audre Levy, Naomi Lara, Mike Strong*

Members Absent: *Shari Blackwell, Richard Galope, Meridyth McLaren, Steve Sutorus, Denise Allen-Hoyt, Kristina Hannon*

Guests: *Tenille Alexander, Keith Wurtz*

Meeting Minutes – 8/16/2018, 2 pm, PDC 104

1. Welcome & Introductions

Jose Torres convened the meeting at 2:06 pm. Self-introductions were made for the benefit of new members.

2. Approval of Minutes

Rania Hamdy made a motion to approve the minutes of the 6/21/2018 meeting, which Mike Strong seconded. The minutes were approved.

3. Current Business

A. New Student Centered Funding Formula

Jose began by discussing the new student centered funding formula. DBC members followed along using the handouts as well as the State Chancellor's Excel simulation spreadsheet, which was projected during the meeting. The funding is centered more on student success (performance) rather than FTES. He advised that the first tab on the spreadsheet was developed by SBCCD staff and summarizes what the District is expected to receive in 2018-19.

Components of the new formula are Base, Supplemental and Student Success. This year the ratio for allocation based on these components is 70-20-10. Next fiscal year it will be 65-20-15. The year after that it will be 60-20-20, which will be the percentage going forward.

The base component has the same basic allocation as in years past – a small size and a medium size college. Mike pointed out that the basic allocations had gone up due to a COLA increase. Committee members reviewed several spreadsheet tabs and discussed areas of opportunity for SBCCD going forward.

Jose highlighted the Data Dictionary tab which explains where data and calculations are coming from. Keith Wurtz voiced his concerns about data reporting; if SBCCD's MIS submissions are incorrect, it could affect funding. Jose agreed with Keith and will be working with Jeremiah Gilbert on this.

The State's simulations are based on four data sources – Apportionment, 320, MIS, and a report referred to as the *Special Run*. Currently the State has not released its Special Run data and SBCCD does not have numbers broken down by campus. Several committee members expressed the need for data by college. Keith said the best option is for the state to disaggregate it by college and suggested SBCCD advocate by for this.

Jose reviewed the numbers used to develop the 2018-19 funding figures, which area an average of 2016-17, 2017-18 at P2, and a projection for 2018-19. Jose mentioned that there also a hold harmless clause. Scott Stark clarified with Jose that SBCCD will not have any unfunded FTES.

Jose went over the supplemental funding component and reviewed the points associated with the different metrics. There was concern about the ability to track students and collect data on the category of *Regional Living Wage*. It is unclear when payment would be earned on this incentive. Mike pointed out that the data would be based on prior year students. Many students will work for non-public entities and/or move out of state. Members were dissatisfied with this criterion and felt SBCCD should appeal to the State to move this point to another category. Jose was of the opinion that the State will not be altering its formula any further this year.

Jose also mentioned that the State recently advised that they are now expecting a revenue shortfall this year which means SBCCD will not be receiving its entire apportionment amount.

B. 2018-19 Draft Final Budget & Resource Allocation Model (RAM) Revision

Given the new funding formula, it is important that the RAM be revised and that the DBC discuss such revisions. Jose advised, however, that there is insufficient time to accomplish this task prior to submitting the 2018-19 budget for board approval on September 13.

Larry Strong asked DBC members to refer to the RAM, which had been distributed at the start of the meeting. The format has been altered to match the new funding formula. Larry illustrated this, tying the numbers back to the simulation spreadsheet data. Line 25 is the base amount; Line 20 is student success; and Line 17 is supplemental.

Committee members were concerned that revenues were not shown by campus. Jose reiterated that the data is currently not available from the State. There was discussion about whether or not SBCCD could somehow develop the data during in the coming week but ultimately it was decided that the effort would not be feasible given the current time constraint. Diana advised that she would be comfortable with presenting a budget for SBCCD not broken down by institution because the bottom line isn't going to change. Later, however, it will need to be broken out by college. Keith added that in the meantime SBCCD should seek to put pressure on the State to provide these figures.

Larry highlighted the declining fund balance and deficit spending through 2023 down to about 10%. This is due to SBCCD's implementation of the February 2018 salary study. Scott pointed out that these figures do not include operational inflation or any additional faculty and/or staff.

Diana made a motion that the DBC support Fiscal Services in preparing a board item that reflects the entire budget for the District but not as a Resource Allocation Model. Scott seconded the motion which was unanimously approved.

4. Updates

No updates were made.

5. Future Business

No future business was discussed.

6. Adjournment

The meeting adjourned. The next meeting is scheduled for 9/20/2018, 2 pm, in PDC 104.