



SANTA ROSA JUNIOR COLLEGE

BUDGET ADVISORY COMMITTEE

Minutes

Tuesday, February 27, 2018

Library Room 4245

The meeting was called to order by Doug Roberts (Co-Chair).

Members present: Jackie De Lap, Junior N. Diarrassouba, Michael Henry, Cathy Prince, Doug Roberts, Kevin Sea, Eric Thompson, Julie Thompson, Michael Traina

Also present: Pedro Avila, Li Collier, Robert Ethington, Susan St. Clair

1. Approval of Minutes

After a motion by Eric Thompson, and a second by Junior N. Diarrassouba, the committee unanimously approved the minutes from the January 23, 2018 meeting.

2. and 3. Charge of the Budget Advisory Committee and Budget Calendar

Doug Roberts had been asked to research SRJC's sister districts' budget committees. Of those districts, Long Beach was the only one with a comprehensive budget committee charge. The committee reviewed the handout.

During a discussion about whether SRJC's Budget Advisory Committee is accomplishing its charge, Jackie De Lap said that the committee gets the preliminary budget, but by the time the State issues the final budget, much of it has changed. Jackie said that she reports to Classified Senate the information presented at BAC meetings, as well as sharing the information with her colleagues.

Kevin Sea thought there would be more formal and systematic communication.

Some of the committee members expressed interest in having some input during the categorical budgeting process, seeing where those funds are being allocated, and giving feedback and recommendations. There should be ways to coordinate between the categorical programs to avoid potential duplication.

Doug Roberts said that he presents “Where Does the Money Go?” to inform the committee members of the parameters we operate under so that the committee understands how we can use the money.

There was a discussion regarding BAC’s role in the Budget Calendar. Michael Traina asked where in the Budget Calendar does the Budget Advisory Committee give budgetary advice. Doug Roberts replied that it is in the form of the Planning and Budget Framework document.

Kevin Sea would like to see it made explicit when the committee is supposed to give feedback. He sees the committee as a workgroup.

Jackie De Lap said she has served on the Budget Advisory Committee since 2010 and she thinks BAC members have always been able to give feedback. She feels that currently, committee members are coming in with their own agendas.

Cathy Prince encouraged committee members to review the committee’s November minutes when there was an extensive presentation regarding the budget process at the state level, and at the community colleges level.

When Michael Traina said he does not know how he is supposed to contribute, Cathy Prince replied that a BAC committee member is supposed to take the information back to the group the member is representing, and bring back any feedback to the committee.

Some committee members thought there should be more discussion on the charge of the Budget Advisory Committee.

There was some conversation regarding detail vs. a “10,000 foot” context.

Talking about a workgroup format, Kevin Sea thought it would involve more detail, for instance, “We have a \$5 million problem, and what are we going to do about it?” Jackie De Lap said she thought the same thing, but she has realized she is not qualified to give budgetary recommendations to that detail.

A few years ago, BAC conducted a district-wide survey, inviting employees to make suggestions on revenue enhancement and expenditure reductions. BAC held extensive discussions regarding the survey results. Some of the resulting suggestions were not logistically possible, or were union/negotiations related, but several of the suggestions were implemented.

4. Budget Update/Proposed New Funding Formula

Doug Roberts gave the committee a budget update regarding the Governor’s January Budget for 2018/19. The system will receive \$780 million in new funding, and another \$175 million in “continued” one-time funding.

\$396.2 million would be received as on-going Unrestricted General Funds; \$131.5 million would be received as on-going Restricted General Funds; and \$427.8 million would be received as one-time funding. It is a lot of money, but most of it is earmarked.

Of the \$131.5 million in Restricted Funding, \$46 million is to implement the College Promise Program (to qualify for such funds, a district must have implemented Guided Pathways); \$32.9 million is to combine Full-time Student Success and Completion Programs; \$20.5 million is for COLA for the Adult Ed Block Grant Program; \$17.8 million is to increase the reimbursement rate for Apprenticeship; \$7.3 million is for a 2.51% COLA for EOP&S, DSP&S, and CalWorks; \$5 million is to develop a unified dataset for Adult Ed; and \$2 million is to fill vacant positions at the State Chancellor's Office. Other than \$120,000 for the programs receiving COLA, it is unknown what the other increases will mean to the District's funding.

Of the \$427.8 million in one-time funding, the majority, \$275.2 million, is for physical plant and instructional equipment (PP&IE); \$100 million is to establish a state-wide, on-line college; \$30.6 million is to fund prior year shortfalls in Apprenticeship funding; \$20 million is for Innovation Awards Program; and \$2 million is to increase certified nursing assistants through Strong Workforce. Although it is not known at this time what the last three items might mean to the District's funding, the District's share of the state-wide PP&IE funding should be between \$3.5 and \$4 million.

Of the \$396.2 million in Unrestricted Funding, \$175 million is to support the system transition to a new funding formula; \$161.2 million is for 2.51% COLA; and \$60 million is for 1% growth on the new funding formula which the District will not be able to access.

Under the old funding formula, the District could expect about \$2.6 million in COLA funding and \$1 million in growth funding (assuming the District would grow in 2018/19); however, the elements used in the new "Student-Centered Funding Formula" are not favorable to SRJC. And early application of the new formula indicates that SRJC would lose funding under the new formula. Fortunately, the new funding formula has a one-year hold harmless provision that guarantees that SRJC would not receive any less in 2018/19 than it did for 2017/18, but that would be 2017/18 funding **without the benefit of 2018/19 COLA.**

Doug Roberts reviewed the new Student-Centered Funding Formula and said total apportionment revenue will be 50% from a Base Grant which uses the old funding model and its elements; and 25% will be from a Supplemental Grant involving the number of Pell awards and "Promise" students served. The remaining 25% will be from a "Student Success Incentive Grant" involving the number of "Chancellor-Office-approved" degrees, certificates and awards by the District; the number of students who complete a degree certificate, or transfer, in three years or less; and the number associate degrees for transfer granted by the District.

In a later (suggested) simulation of the funding model, "non-Chancellor-approved" certificates were included which improved funding for the District by \$900K. But that is still less than the \$2.6 million for COLA.

Although the details are still being worked out at the State, Doug reviewed the 2018/19 apportionment calculation for the District. The total computational revenue under the new formula would be \$97.9

million. The total computational revenue under the old funding formula would have been \$108.2. The District is projected to receive \$10 million less under the new funding formula.

Based on the new Student-Centered Funding Formula, it appears that the District will see no State revenue increases in the Unrestricted General Fund for 2018/19. And because 2017/18 revenues included \$1.9 million in one-time transfers, and \$0.7 million in one-time revenue, there will actually be a 2.6 million revenue reduction.

For 2018/19, the District is projecting \$3.2 million in expenditure increases consisting of \$1.7 million in step increases; \$0.59 million in management and SEIU increases; \$1.14 million in STRS and PERS increases; and \$0.22 million in garbage removal and minimum wage increases.

The result is that, for 2018/19, the District is initially projecting a \$5.62 million budget hurdle. It is difficult to tell at this point, and the District might increase PELL awards, and "Promise" students served.

The Governor's January budget is just the first move in the State's budgetary process. And the Chancellor's Advisory Workgroup on Fiscal Affairs is already working on suggested amendments to the new funding formula in hopes of being responsive to the needs of local and regional communities.

Doug said he will continue to monitor any changes coming from Sacramento regarding the budget and/or funding formula to determine and disseminate the impacts and effects on the District.

5. Budgetary Recommendations

The committee agreed to continue this item to the next meeting.

6. SSSP and Student Equity Presentation

Pedro Avila, Li Collier, and Robert Ethington were in attendance to give a presentation on SSSP and Student Equity.

Under the old Matriculation Program, the funding was a lump sum. Under the new SSSP funding formula, the funding is based on our numbers, and SRJC is competing with other districts for the "pot" of money.

The purpose and allowable expenditures under SSSP include orientation, assessment, counseling, education planning, follow-up with at-risk students, research, professional development, and program coordination.

The 2017/18 allocation and budget plan consists of \$358K for orientation, \$480K for assessment, \$1.4 million for counseling/ed planning, \$331K for follow-up, and \$336K for coordination, research, and professional development, for a total of \$2.9 million.

Li Collier reviewed SSSP personnel expenditures which include 9.5 FTE Counseling faculty (previously funded by Matriculation and expanded by SSSP); 12.65 FTE Classified staff (previously funded by

Matriculation and expanded by SSSP); 0.5 FTE educational administrator (previously funded by Matriculation); and 1.15 FTE Classified managers.

Student Equity funds are to be used in reducing achievement gaps for disproportionately impacted student populations identified through research including current and former foster youth, students with disabilities, low income students, veterans, homeless students, LGBT students, and students who are American Indian or Alaska native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian/Pacific Islander; White, some other race, or more than one race.

Funding factors for Student Equity funds include FTES, number of students receiving Pell Grant, educational attainment, participation rate, foster youth enrollment, poverty rate, and unemployment rate.

the 2017/18 Student Equity allocation and budget plan includes \$635K for instructional programs, \$673K for student services, \$118K for direct student support, and 620K for program coordination.

About 60% of Student Equity expenditures are on permanent personnel supporting various programs across the District including 0.5 FTE Counseling faculty, 10.2 FTE Classified staff, and 1 FTE Classified manager.

During a discussion about the different sizes of course completion gaps among the various student populations, Cathy Prince expressed interest in examining the method by which the funding is allocated per gap.

Cathy Prince is also interested in setting a standard for reassigned time among the learning communities. Pedro Avila said it is driven by the commitment of faculty members which differs. Julie Thompson said compensation for faculty needs to be negotiated.

During a discussion about the State and the Community College System budgeting, Julie Thompson said the budget does change and adjustments are made before it becomes finalized, and that there are lobbying groups. Michael Traina said instructors should be lobbying and writing letters to legislative representatives.

The meeting adjourned at 4:47 p.m.