



SJECCD DISTRICT BUDGET COMMITTEE MEETING MINUTES
January 28, 2021
1:30-3:00 p.m.
Via Zoom

Committee Members Present:

Andrea Alexander
Jessica Breheny
Jonathan Camacho
Joseph Chesmore
Jorge Escobar
Frank Espinoza
Fabio Gonzalez
Chris Hawken
Dan Hawkins
Lisa Hays
Deanna Herrera
Philip Hu
Alejandro Lopez
Andrea Lopez
Bianca Lopez
Joe Lugo, Jr.
Carlos Marques
Jose Luis Pacheco
Steve Mentor
Randy Pratt
Edina Rutland
Lena Tran
Brandon Yanari

Committee Members Absent:

Garry Johnson

Other Attendees:

Justine Huynh-Cheng
Jennifer Le
Manuela Kolpin
Amber Machamer
Marilyn Morikang
Sergio Oklander
Kathy Tran
Mark Tuck/Laura Hanson – Ferrilli Group

Recorder:

Joy Pace

Call to Order

Mr. Jorge Escobar, Vice Chancellor, Administrative Services, called the meeting to order at 1:38 p.m. when a quorum of members was reached. He recognized Lisa Hayes and other new members of the committee. He stated the committee goal of looking to maximize the resources to the best use and be compliant.

Ms. Hayes introduced herself as an instructor in the EVC Biology Department. She's trying to keep up with the information and asked the committee to please share with her any tips or tricks they may have. Mr. Joseph Chesmore stated he provided his introduction at the last meeting, but gave a brief summary of his prior employment. Ms. Edina Rutland, SJCC Director of Student Accessibility Services, introduced herself to the committee and stated the difficulty of looking at the numbers and seeing the interpreters at the same time. Mr. Escobar stated he is committed to providing the support she may need to fully participate. Ms. Victoria Menzies introduced herself as the Interim Fiscal Director at SJCC, and stated she's had 20 years' experience working in higher education.

Mr. Escobar stated this year will be extremely busy as we'll be dealing with the RAM and compliance areas.

Mr. Joe Lugo, CSEA, inquired about the membership CSEA membership listed at the end of the agenda. He stated that Carlos and Brandon were appointed by CSEA but are listed under the Classified Senates. Ms. Pace will contact Mr. Lugo after the meeting to correct the listed membership. Mr. Lugo will discuss with Mr. Escobar during their monthly meeting.

Approval of the January 28, 2021, Meeting Agenda

M/S/C (Deanna Herrera/Andrea Lopez) to approve the agenda as submitted.

The committee unanimously approved the meeting agenda as submitted.

Mr. Escobar encouraged committee members to send him any items they would like to add to the agenda.

Approval of the December 17, 2020, Meeting Minutes

M/S/C (José Luis Pacheco/Fabio Gonzalez) to approve the meeting minutes as submitted.

The committee unanimously approved the meeting minutes as submitted.

Update on PowerBI/Self Service

Mr. Escobar stated he has been discussing with the committee process improvements and other areas that we are including aiming to simplify, enhance and automate. We want to be data driven and make information available to everybody for the purpose of achieving transparency.

Mr. Mark Tuck, Ferrilli Group, reviewed some finance reporting documents. He showed the PowerBI reporting and began with the quarterly budget report. The district started using PowerBI with Q1 budget report, and we needed to understand what is needed and also develop a baseline for the reports. In Q2 we've added automation to that report and added access to new sources; and the budget stream in Colleague is now being added to the report. Looking ahead to Q3 we want to start building in all the assumptions. Additionally, we're adding data from custom data forms and Analytic. The goal is to get all the manual data flowing through the data systems. A budget summary with estimates was linked.

These are interactive reports as anyone can make adjustments and drill down. He demonstrated how the budget adjustments are made with the filters.

Ms. Laura Hanson, Ferrilli Group, displayed the PowerBI site. She's been working with Jennifer Le and Deanna Herrera and taking the information from the Excel spreadsheets they've provided and copying them across the various sections. By putting the report in PowerBI one of the key features is how easy it is to change the filter, which will affect the change across all the pages, such as all the system data for one month, etc. If they want to take a different slice of time, it's easy to apply a new filter and the system data and other data will change. She demonstrated as an example how to check the academic salaries by hovering over or clicking on a field.

Ms. Andrea Lopez noticed how the report shows academic and classified salaries, but inquired where the MSC group is captured on the report. Mr. Escobar stated all the classifications are included, but we can work to break it down by employee group.

Mr. Tuck stated they are working on Self Service that will replace some web adviser services, which will be going away in the next year or so. Budget to actual reporting is available to all fiscal managers. They've also been working on the employee area of Self Service, which include earning statements, stipend history, address changes, etc. They are working with a pilot group now as this includes payroll information. They're also working on online timesheets with HR and Payroll staff. This will have some nice functionality. They'll also be doing more work with the finance team.

Mr. Escobar stated we should start making sense and making decisions. He thanked Joseph Chesmore, Deanna Herrera and the college vice presidents for working with the Ferrilli Group on these reports. He thanked everyone for the progress and asked the committee to also provide feedback, especially since they represent their constituency groups. If there are any charts you need, please let him know.

Dr. Fabio Gonzalez, Academic Senate, stated that similar to what Andrea said regarding the breakdown on salaries, we need to include those that are missing (administrators' salaries). When something as complex as this becomes available, it's good to see that it's being automated and becomes transparent. Dr. Gonzalez gave kudos to the whole district team for making the budget automated by using the Ferrilli group.

Mr. Frank Espinoza inquired if there is any ability for constituency group leaders to have access to PowerBI. Is that a possibility? Mr. Escobar answered that this is a reality. We are an open book as you would just need to put in a public request. For the most part, everything is available. The fiscal officers have access as they are working with these numbers. Mr. Espinoza thanked Mr. Escobar for this access. Mr. Escobar stated that prior the access to the data was very complex.

Ms. Deanna Herrera stated that none of the data is missing, such as the MSC group. We can provide in the Adopted and Tentative Budget that detailed line item. Ms. Amber inquired how staff would get access. Mr. Tuck stated it is web-based. Dr. Amber Machamer, Executive Director, Institutional Effectiveness and Student Success, suggested developing a brand so that it would be easily available.

Q-2 Draft Budget Report

Mr. Escobar stated in March he would be presenting a budget study session to the Board of Trustees.

Mr. Chesmore, Executive Director, Fiscal Services, provided an analysis of Fund 10. Revenue was increased; secured and supplemental taxes and expenses were decreased in Q2 compared to last year's Q2 due to the pandemic. There is no activity for Fund 12 as the budget to be transferred will take place at the end of the year. For Fund 14 there was \$25K due to marketplace retail activity. For the next report, he'll provide a PowerPoint presentation of the highlights to make it easier for people to review

the highlights. For facilities, we don't have many tenants; and we'll be seeing a lot of lost revenue. Yet we still have on-going maintenance expenses. We have to look at whether or not we'll be doing partnerships on a short-term basis. Fund 16 compared to revenues, last quarter was \$1/2 million; hopefully, we'll find out how to navigate. The Fund 17 CARES Act district portion went to faculty salaries, and the student portion went to a good amount of stipends. Mr. José Luis Pacheco inquired if stipends were given to any Classified staff. Ms. Alexander stated several Classified staff received cell phone stipends that were charged to the CARES Act. Mr. Frank Espinoza stated stipends is not what faculty use, but it's a non-instructional assignment and per CBA they're paid a certain rate for that work. Mr. Chesmore reported that the use of Hot Spots also was charged to CARES funding. Mr. Escobar stated the laptops were primarily purchased through the bond. He's working with VPs Alexander and Hawken to complete a list of all the assets that were acquired from last March. When we have the Board budget study session in March, we'll have a detailed list of expenses; and this will be reflected in the Q3 budget report. The colleges have also done great work in reporting what was charged to the CARES Act and that is located on the websites. Fund 18 shows a large expenditure of salaries both for EVC and SJCC.

Mr. Chesmore reviewed the bond reports. We just had a very clean audit. There wasn't much activity in capital outlay, but in Q3 and Q4 we'll see more movement. We haven't had a partnership with third parties for the childcare development center. Hopefully, we'll have that soon. For cafeteria expense, we've been in deficits for years. Mr. Escobar stated the subsidized portion from the state. Not every institution has these grants. VP Hawken and his colleagues continue to think about the child care facilities. He reported that the contracts with Fresh & Natural have ended. We have credited some of the commission because it was paid at the beginning of their contract. They have laid off every employee they have. We are still looking into who will provide those services in the future and also reviewing the Bookstore. Mr. Chesmore reported that Fund 48 is where student CARES Act funding is distributed. Scholarship funds \$160K for SJCC and \$90K for student aid for EVC. Compared to last year, we're over 50%. Mr. Chesmore reviewed other funds, including OPEB. Mr. Escobar stated it was a visionary decision by the Board to use the OPEB for funding our retirement liability. Mr. Chesmore ended with a brief review of the Appendices. He stated that no changes were made to Assumptions. There has been a decrease in terms of tax revenue from past years. We're seeing a decrease in terms of enrollment due to Covid.

Mr. Pacheco inquired when we'll get the next data point. Mr. Escobar stated the County will report it on February 19.

Mr. Randy Pratt, EVC Academic Senate President, questioned the FTES slide. What is the district revenue related to FTES? What does the district gain per FTE? To what degree is that effected? Mr. Chesmore stated we are driven by tax revenue, but it's something to look into because our enrollment is down. It is a trickle down affect in how our faculty and resources are impacted. Mr. Pratt inquired about the historical record of FTES slide, when our FTES was comparable to where it is now, what was the district budget say relative to FY2016-17. Our whole point is to serve our students, and that's where our money should show up. Mr. Chesmore stated he would provide an answer in the next committee meeting.

Mr. Escobar stated the critical metric is cost per student. Ours is the second highest in the Bay Area.

Mr. Chesmore stated the reports for Q2 were generated by PowerBI. These reports are not perfect, but we're working on improving the reports.

Mr. Escobar appreciated everyone's input, especially from the colleges where all this activity takes place. We are here because there are students and the faculty and Classified staff provide the support.

An inquiry was made about which formula was used in 2007 for cost per student. Mr. Escobar stated it's the total budget divided by FTES, and right now it's \$13K per student. But that doesn't include what

funds we have in categorical programs. Therefore, the cost for FTES is about \$16K. Mr. Chesmore stated he is now working on non-resident students, which is due soon.

DBC Self-Evaluation Review/Outline of 3 Goals

Mr. Escobar stated that Dr. Machamer has helped the committee in getting this evaluation done. The survey was provided to the committee in May. One point brought up was lack of communication and the feeling that people couldn't represent their constituents in this group. Faculty that are represented here will also be presenting their understanding of this meeting at the colleges. Is there something you need that would assist in passing on the information in a better way? An example is how Lisa is trying to figure out how to present to her colleagues what Joseph just reported. It was overwhelming to her. Mr. Chesmore stated that moving forward he'll provide a PowerPoint presentation to provide the budget details. Ms. Hayes also stated she would like a Q2 presentation. Mr. Escobar announced he would be doing the Q2 presentation at the February 9 board meeting. That presentation is made after all the numbers are validated.

Mr. Pratt thanked Mr. Escobar for the work he's doing to provide access to the data and presenting the material in a way that could be understood.

Mr. Escobar reviewed the following three goals that were discussed at the last meeting. We need to review in May as to whether or not we moved forward on these goals.

RAM: Be active participants in the implementation of the Resource Allocation Model

CONCUR: Monitor and provide direction in improving fiscal processes, reporting and expense management system (Concur)

BP/AP: Assist and review modifications to Board policies and Administrative procedures primarily related to Chapter 6

Ms. Machamer encouraged the group to define what "active participant" means under the RAM. Also, she recommended the committee may want to document activities it did to achieve these goals.

Mr. Espinoza inquired about Concur if it's the same as PowerBI. Mr. Escobar stated that, no, Concur is an expense management system. He stated the goal is to make our processes simple by getting rid of the sense of bureaucracy and start focusing on the ends policies of the Board of Trustees. Mr. Chesmore stated the goal is to simplify the process for when employees go to conferences, and they will be able to submit via workflow and approval. Our BP/APs will mirror that process.

Dr. Gonzalez stated that we have approximately \$54.5 million in revenues, and it looks like expenses are down from this time last year (41%). For the last three years, property taxes have been at about 7.9% average (8.86%, 5.87%, 9.26%, respectively). It looks like we are doing great for FY 2020-2021 since expenses are significantly down. While there is a projection to reach 25% reserves by 2023-2024, it looks like we are right on track on meeting that goal earlier. Dr. Gonzalez attended a statewide meeting earlier today; our district might be receiving additional funds from Federal Government Biden's Stimulus package. Governor Newsom will be allocating millions for Financial Aid towards community colleges. It looks like SJECCD will be in a healthy economic status come 2021-2022. Dr. Gonzalez does not mind receiving the 100 pages document listing all accounts instead of just a PowerPoint presentation.

Mr. Escobar thanked Dr. Gonzalez for his excellent review of the financials. At the same time over and over again the Board keeps bringing up how we plan to fund the ends policies. This can be a research project and so that it's data driven. We haven't yet made a co-relation between the money we invest to

student success. Who got the laptops or the hot spots? We need to start reviewing the effectiveness of how we're spending the funds.

Mr. Escobar inquired if the three goals are appropriate as high-level goals. Mr. Espinoza stated yes. Mr. Pratt also approved.

RAM Update from Committee Co-Chairs

Mr. Escobar stated the holiday made it hard for the group to meet.

Ms. Andrea Alexander, co-chair, stated that because we're trying to implement the RAM for the next fiscal year, we decided to create a sub-committee for the fiscal officers. We're trying to understand all the budget procedures from when we started the process four years ago. We had 28 different things to address, and we're discussing how to bring this to the bigger RAM group to determine how we will implement the RAM. Every Friday, beginning tomorrow, there will be subcommittee meetings at 11:00 a.m.

Mr. Hawken, co-chair, stated the larger group did a walk-through of what the budget looks like. All the members are reporting to their constituent groups; and we, hopefully, made sure everyone who wants to be part of the groups are receiving invitations to the meetings. We're starting to put together a town hall. He'll be dropping into various constituency group meetings. Everyone is working collaboratively forward.

Mr. Pacheco, co-chair, stated the sub-committee meeting is very good and very technical. He's learning.

Ms. Andrea Lopez, co-chair, didn't have a chance to attend the Friday sub-group meetings. Hopefully, we can set up a committee chair meeting as to what to report to the full group.

Mr. Espinoza commented that Mr. Hawken stated there is communication getting out to constituency groups; and as a part of the larger RAM committee, he's not seeing that. Mr. Hawken answered that he thought everyone was on the list for reviewing the meeting invitations. Mr. Espinoza stated he is glad everyone is receiving the invitations, but he's not sure of when the larger RAM committee meeting will be held. Ms. Alexander stated that tomorrow we can state what we want to report out, and they'll start putting the meetings together for the larger group.

Adjournment

The meeting adjourned at 3:17 p.m.