

DISTRICT BUDGET COMMITTEE  
MEETING MINUTES

Thursday, April 28, 2022  
1:30 – 3:00 PM

Evergreen Valley College  
3095 Yerba Buena Road, Mishra Community Room  
San Jose, CA 95135

Zoom option: <https://sjeccd-edu.zoom.us/j/92560928495>

Roll Call (attendance in color):

**ADMINISTRATORS**

**CHAIR**

Jorge Escobar

**BUSINESS OFFICERS (4)**

Christopher Hawken, SJCC

Andrea Alexander, EVC

Joseph Chesmore, DO

Vacant, DO

Alternate: Jonathan Camacho

**MSC (2)**

Edina Rutland, SJCC

Maniphone Dickerson, EVC

**STUDENTS (2)**

Vacant, EVC

Vacant, SJCC

**GUEST ATTENDEES**

Kathy Tran

Angela Gullerud

**FACULTY**

**ACADEMIC SENATE – EVC (2)**

Lisa Hays

Garry Johnson

**ACADEMIC SENATE – SJCC (2)**

Fabio Gonzalez

Judith Bell

**ACADEMIC SENATE – DISTRICT (1)**

Alejandro Lopez

**AFT 6157 (2)**

Steven Mentor

Philip Hu

**CLASSIFIED**

**CSEA 363 (4)**

Dan Hawkins

Joe Lugo, Jr.

José Luis Pacheco

Brandon Yanari

**CLASSIFIED SENATE - SJCC (2)**

Andrea Lopez

Yesenia Ramirez

**CLASSIFIED SENATE – EVC (2)**

Sarai Minjares

Abeer Abdel Halim

1) Call to Order

Executive Director of Fiscal Services, Joseph Chesmore called the meeting to order at 1:32pm.

2) Approval of March 24, 2022 Meeting Minutes

**M/S/C (Chesmore/Lugo) to approve the March 24, 2022 Meeting Minutes.**

3) Approval of April 28, 2022 Meeting Agenda

Jose Luis Pacheco requested the addition of the discussion item: RAM. This will become item 6.

Additionally, he requested the addition of the discussion item: CalPERS employer contribution. (Due to time, this item is added to Future Agenda Items.)

**M/S/C (Pacheco/Dickerson) to approve the amended April 28, 2022 Meeting Agenda.**

4) FY2021-22 Q3 Budget Report

[Q3 2021-22 Budget Report-Updated](#)

Joseph Chesmore and Jonathan Camacho reviewed the FY2021-22 Q3 Budget Report, beginning on page 107. (See attachment.)

Page 106 Tax Data Point: Director Chesmore reviewed the projections. VP Alexander asked if there is a projection for the next tax data point. Director Chesmore indicated there is not a projection for that amount at this time.

Page 105 outlines district activity as of April 2.

Page 103 is a comparison to what we would be getting if we were not a basic aid district. This section includes projection on incoming EPA, taxes, and student enrollment fees estimated about \$120M, which is a conservative amount.

Page 102 Foundation Statement of Net Assets: Net assets without donor restrictions is (\$995,837). Director Chesmore stated there is a question in regards to how this deficit will be covered.

Jose Luis Pacheco voiced concern on covering the Foundation's expenses through fund 10, as fund 10 is used for salary and benefits. He asked what the plan of the district is moving forward, and if the district will bail them out. Director Chesmore responded this would be the decision of the Foundation Executive Director in collaboration with both campuses. This negative balance will potentially carry over to the next fiscal year.

Mr. Pacheco pointed out part of the Foundation Director's salary comes from fund 10. Director Chesmore clarified the breakdown of the referenced director's salary, stating, 80% is consumed by the general fund and 20% is the Foundation's.

VP Alexander asked for clarification of this item. Director Chesmore clarified this discussion on page 102 is solely in reference to the Foundation, a 501(c)(3), and not in reference to CEM.

Andrea Lopez asked what the current proposals are to solve this, other than using fund 10. She also asked for clarification on the assets listed. Director Chesmore clarified the assets list are restricted funds, such as grant funds, scholarships, etc. There currently is not a request for this committee to offer a solution; the solution will be the decision of the current or incoming Foundation Executive Director.

Ms. Lopez asked if the Foundation will be localized to the colleges, as she has heard in conversation. She would like to understand why this conversation is taking place here regarding the Foundation's deficit when they do not have access to the solution. Director Chesmore emphasized he is responding to the questions asked and is relaying the numbers in the report.

Yesenia Ramirez requested to add this Foundation item to the next agenda, including the structure, operations, fund structure, and supporting evidence.

Jose Luis Pacheco proposed to invite the Foundation Executive Director to review this item further and explain the deficit. He emphasized resources should not be allocated to the Foundation if it means not having the opportunity to fill needed district positions.

Page 99 Districtwide Legal: Kathy Tran asked why it doubled in cost from last year to this year. Director Chesmore will look into this and report back to the DBC. Mr. Pacheco suggested it may be due to the Republic property legal case, which has been ongoing in closed session. Director Chesmore stated, due to confidentiality, the explanation received might be generic in nature.

Page 98 320 FTES Attendance Report: 44% SJCC/56% EVC  
Allocation may impact how RAM distributes funds. VP Alexander clarified the RAM will be a three-year average.

Page 85 Budget Assumptions: Mr. Pacheco shared last week they passed the schools' employer contribution numbers, which have increased. He will share those details during the CalPERS member contribution item, along with information regarding classic versus PEPRAs members. He confirmed the assumptions would not change in the next fiscal year.

Page 80 OPEB: Jonathan Camacho reviewed OPEB (Other Post-Employment Benefits) related funds. The investment appears to have gone down. Mr. Pacheco asked what the funding status is. Director Chesmore responded this is currently overfunded by about \$12M. VP Alexander suggested adding the actuals page to this report moving forward. VP Hawken suggested training this group on OPEB. Director Chesmore responded that anyone can attend the OPEB committee. VP Alexander suggested a 15-minute explanation, not necessarily a full training, would be beneficial to familiarize the members with OPEB. Mr. Pacheco pointed out, to his understanding; the OPEB funds are restricted to benefits only and have never been part of the RAM discussion. VP Alexander clarified the contribution made to OPEB is part of their budget; therefore it is a district-wide expense which is on the discussion table for RAM. VP Hawken stated we are fortunate to be fully funded, however, if the times come where we are not, there may be potential costs down the road.

Page 75 Fund 48 Financial Aid: Ms. Lopez asked why Federal Work Study is not listed here. Director Chesmore responded it is recorded in fund 17.

Page 68 Financial Aid: Ms. Lopez asked for clarification on the FY 2021 YTD actuals. The federal government allowed an extension for an additional year to spend the HEERF money. It will be carried forward to next fiscal year.

Page 63 Fund 72 Child Development: Ms. Lopez and Ms. Ramirez asked for clarification on how there are expenses if there is not a child development center. VP Hawken responded there are no expenses. They do not get the money if they do not spend it. Director Chesmore pointed out the revised budget heading and clarified if services are not performed they cannot bill.

Page 62 Fund 70 Cafeteria: There appears to be a strikethrough on the Employee Benefits line item, which is a typo and will be corrected. Ms. Lopez asked for clarification on expenses under Classified Salaries and Supplies and Materials when cafeteria services were not offered. VP Hawken responded there are salary lines assigned to personnel who take care of the cafeteria, including custodial. VP Alexander concurred. Ms. Lopez asked for clarification on salaries when the cafeteria fund is coming from a third party vendor. Without a cafeteria, due to COVID, she asked if the added expense goes straight into fund 10. VP Alexander clarified they would make sure the revenues received are paid to college employees' salaries. When COVID hit and there was no cafeteria, EVC absorbed the portion to continue to pay employees, including custodial staff. VP Hawken agreed that is the same at SJCC and may include such items that rely on external revenues, such as parking and facility rentals.

Mr. Pacheco mentioned how food services would be handled was previously discussed, and he would like to bring that topic back and inquire on the status. This item will be added as a future agenda item.

Page 52 Fund 18 Health Fees: Director Chesmore credited VP Alexander and VP Hawken with not increasing the health fees from last year to this year.

Page 46 Fund 17 Grants & Categoricals: VP Alexander pointed out for categoricals, all money has to be recognized up front, even when only paying for the current year. Director Chesmore clarified the budget is recognized, not the revenue or expenses.

Page 41 Fund 16 Center for Economic Mobility: Jonathan Camacho reviewed this page. This is named Center for Economic Mobility, but is consolidated. It is divided out into different locations. Fund 16 was historically dedicated to the Workforce Institute (now, CEM). Two years ago, the colleges started using fund 16. VP Alexander suggested changing this name. Maniphone Dickerson asked how this deficit is covered. Mr. Camacho responded it has been covered by fund 10 in the past.

Page 8: This page is a summary of fund 10, broken down by fiscal year with a three-year forecast. Director Chesmore reviewed the revenues and expenditures. He shared it is estimated we will end FY 2021-22 at 20.62% ending fund balance, which is reasonable due to the three-year bargaining agreement salary increases. VP Alexander emphasized these salary percentage increases are compounded. VP Hawken pointed out there are additional steps based on the tax data point.

5) BP/AP Chapter 6: Revisions Accepted and Applied  
[Chapter 6 Revisions-Updated](#)

The BP/AP Chapter 6 revisions were discussed in the last DBC meeting. Input was received from members and the feedback has been reflected in the report. Andrea Lopez suggested the equity statement in BP6340 be added to BP6380.

The District commits to achieving diversity, equity, and inclusion with regard to its vendors. The Board delegates to the District Chancellor the authority to create a Vendor Diversity Plan to increase diversity, equity, and inclusion in the District's vendors.

6) RAM Discussion

Jose Luis Pacheco shared his understanding is that \$1,000,000 will be distributed to each college from the general fund. He asked for clarification on the carryover funds and their use in salary negotiations. He pointed out that CalPERS employers' contributions have increased. He would like to propose to the VPs to draft hypothetical scenarios to provide an understanding of how this would all play out. This would provide more actionable information to the constituency groups.

Director Chesmore asked the college vice presidents if this is a reasonable request. They responded they did not understand the request and have not heard of the colleges receiving \$1M each.

Director Chesmore commented in the last meeting it was decided that each campus would be capped at a half million dollars. This is Mr. Pacheco's understanding as well. This topic causes concern with having less money for CSEA and AFT negotiations. Director Chesmore pointed out the tentative budget needs to be finalized immediately, so if there is any alteration to the half a million dollars, that information needs to be released immediately.

VP Alexander emphasized that carryover funds are previously allocated to the colleges and have nothing to do with money available for negotiations.

Steven Mentor stated he has the same understanding and concern as Mr. Pacheco. He suggested clarifying this in the near future.

Director Chesmore stated last year's carryover was \$425,000. Any excess of the half million-dollar cap will go to the general fund balance.

Ms. Lopez suggested this is a topic for the RAM discussion scheduled for Monday. She was under the impression, from the last RAM discussion, there was no cap set yet, and they had just agreed to have this fund for the colleges.

7) Adjournment

The meeting adjourned at 3:00pm.

Future Agenda Items:

- a) CalPERS employer contribution

- b) Foundation: the structure, fund structure, supporting evidence
- c) OPEB (training)
- d) Tentative budget
- e) Status on campus food services

Request of Data

- 1) Legal breakdown