

DISTRICT BUDGET COMMITTEE
MEETING MINUTES

Thursday, August 31, 2023 · 1:30 – 3:00 PM

SJECED District Office
40 S. Market St., CR112
San Jose, CA 95113

[Zoom Link](#)

***Please state your name for accurate recording of the minutes.**

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|---------------|--|---|---------------|
| 1.) 1:30PM | Call to Order
Interim VCAS Stoppenbrink called the meeting to order at 1:30pm. | Ken Stoppenbrink | ACTION |
| 2.) 1:30-1:35 | Approval of August 31, 2023 Meeting Agenda
M/S/C the August 31, 2023 Meeting agenda is approved. | Ken Stoppenbrink | ACTION |
| 3.) 1:35-1:40 | Approval of May 18, 2023 Meeting Minutes
M/S/C (Johnson/Ramirez) to approve the May 18, 2023 Meeting Minutes. | Ken Stoppenbrink | ACTION |
| 4.) 1:40-2:20 | General & Fiscal Updates:
<ul style="list-style-type: none"> a) EVC b) SJCC c) DS/DW <ul style="list-style-type: none"> o SJECED Measure X Cash Flow o Accounting Advisory – Spending Flexibility and Reductions to PPIS and REO <p>ED Chesmore provided a State update. The current deficit is \$32 billion and there has been a cut to Physical Plant.</p> <p>Referring to the \$400 million shortfall, Mr. Johnson requested when reporting to be specific instead of speaking in over-generalization, and clarify how the budget impacts us.</p> | Andrea Alexander
Chris Hawken
Joseph Chesmore | INFORMATION |
| 5.) 2:20-2:30 | Foundation Update
<ul style="list-style-type: none"> • Q4 Budget Report <p>Executive Director Ledesma shared the Foundation budget report.</p> <p>Ms. Ramirez requested timely budget reports. She stated she requested the Q3 report in May.</p> <p>ED Ledesma indicated a report on staffing would be on the next quarterly report.</p> <p>The Foundation is working on initiatives and fund-raising campaigns at both colleges.</p> | Rosalie Ledesma | INFORMATION |



6.) 2:40-2:55

FY 2023-24 Adopted Budget – September 12

Interim VC Stoppenbrink reviewed the General Fund 10 balance changes since the Tentative Budget (June '23).

Property tax revenue increased from \$110M to \$120M (8.56%). Dean Stevenson asked if we should expect an additional \$10M in our ending fund balance. ED Chesmore indicated RDA is not represented in this number, but is included in the budget summary.

Mr. Johnson asked for clarification on the salary slide presented. He asked for confirmation about the change in expenses in Academic salaries, about the cut in Classified salaries, and why management salaries are not included in this slide.

ED Chesmore clarified there are changes in expenses when an employee leaves and the position resets to step 1. Some positions were transferred to other funds, such as categorical.

There is currently no separate line item for MSC. Management falls into one of the categories: Academic or Classified per how it is coded. MSC is under Classified salaries.

Ms. Lopez pointed out that during a presentation, they are not referring to coding. She suggested adding a footer for clarification. ED Chesmore will revise the presentation to include a separate line item for management salaries.

Mr. Johnson asked for clarification between this presentation and the presentation at EVC's PDD. VP Alexander shared at PPD, EVC showed their school budget. This presentation at DBC is the district's budget.

ED Chesmore indicated district services and districtwide expenses are combined. The district does not decentralize expenses to campuses. Campuses do not pay utilities, licenses, etc. ED Chesmore will separate district services and districtwide finances.

The General Fund is paying for four Foundation positions. Funds were transferred to Fund 13.

ED Chesmore and the Fiscal Services team reviewed the Adopted Budget report.

Discussion included:

- There was a request to provide consistent language all the way through budget reports and presentations.
- How does the Nonresident fee translate to revenue? VP Alexander responded they have not been collecting much in revenue. ED Chesmore will provide the specific data.
- \$1,250,000 will be transferred over the next three years to Fund 19 for ESJE.
- CEM is being dismantled; current contracts are ending 06/2024.
- There is a request to retitle Fund 16. ED Chesmore responded that change would be reflected in the FY 2024-25 budget.
- Fund 14 Student Success – ED Chesmore will provide a report for the next DBC. The request is to have it one week prior to the DBC meeting.
- The transfer of funds to Fund 13 and Fund 19 are Board-directed to target student success.
 - Enrollment numbers are up 20% at both campuses. Will there be deliverables attached to the fund transfers?
- The Foundation is aligning their strategic plan based on colleges' priorities/goals.
- Fund 12 - Rainy Day fund. When is a rainy day? What is the plan to use this fund? Use of this fund has to be Board directed. Two months of expenses is required, which we are currently barely in compliance with.
- The Board approved a dollar amount for salary negotiations, which was put into the Adopted Budget even though negotiations have not been finalized. This was not added into the Tentative Budget.
 - \$4M is a placeholder and will be adjusted.
- Associated faculty benefits of \$2.5M refers to part-time health insurance and is not reflected in the \$4M.
- Other operating expenditures and services – the noted discrepancy is due to the insurance cost going up. The Ellucian license and utilities are included. Doubtful allowance is in Other Outgo.
- The goal is to have a structurally balanced operating budget so that all dollars are fully accounted for. They need to do a better job at forecasting to allow for flexibility in the budget.
- The discount factor is budgeted unfilled positions.
- Tutoring – move the funds from Fund 15 to Fund 10 at a later point. It is a continued conversation.

Dean Stevenson complimented the local campus teams on the preparation of the Adopted Budget. ED Chesmore echoed the comment, thanked Angela, Priscilla, Justine and Tu, included the district teams, and thanked the district staff for their help.

Mr. Johnson stated this is a recommending body/ participatory governance and recommends they endorse the Adopted Budget. Mr. Hawkins pointed out this report is in preliminary form and following committee structure, a recommendation would go to the District Council, which does not meet until after this Adopted Budget report is due to the state. There was discussion around this being brought back as a retroactive agenda item for approval.

ED Chesmore emphasized he will take all of the suggestions and make edits to the Adopted Budget report.

(The meeting was extended to 3:30pm.)

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| 7.) 2:55-2:59 | Future Agenda Items | All | INFORMATION |
| 8.) 3:00PM | Adjournment
The meeting adjourned at 3:42pm. | Ken Stoppenbrink | ACTION |

DISTRICT BUDGET COMMITTEE MEMBERS

ADMINISTRATORS

CHAIR

Ken Stoppenbrink

BUSINESS OFFICERS (4)

Andrea Alexander, EVC
Christopher Hawken, SJCC
Joseph Chesmore, DO
Deanna Herrera, DO

MSC (2)

Ebonnie Berry, EVC
J. Edward Stevenson, SJCC

STUDENTS (2)

vacant, EVC
vacant, SJCC

FACULTY

ACADEMIC SENATE – EVC (2)

Lisa Hays
Garry Johnson

ACADEMIC SENATE – SJCC (2)

Fabio Gonzalez
Judith Bell

ACADEMIC SENATE – DISTRICT (1)

Heidi Kozlowski

AFT 6157 (2)

Steven Mentor
Philip Hu

Guests:

Joyce Lui
Michael Wong
Corrine Gonzales
Jennifer L Diep
Edwin Chandrasekar
Hong Yang
Amber Machamer
Rosalie Ledesma
Kathy Tran

CLASSIFIED

CSEA 363 (4)

Abeer AbdelHalim
Andrea Lopez
Dan Hawkins
Vacant

CLASSIFIED SENATE - SJCC (2)

Yesenia Ramirez
Angela Gullerud

CLASSIFIED SENATE – EVC (2)

Vicki Brewster
Bianca Lopez

Recorder: Shana Carter