

DISTRICT BUDGET COMMITTEE  
MEETING MINUTES

Thursday, October 27, 2022 · 1:30 – 3:00 PM

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

[Zoom Link](#)

**DISTRICT BUDGET COMMITTEE MEMBERS**

**ADMINISTRATORS**

**CHAIR**

Jorge Escobar

**BUSINESS OFFICERS (4)**

Andrea Alexander, EVC  
Kathy Tran (delegate)  
Christopher Hawken, SJCC  
Joseph Chesmore, DO  
Vacant, DO  
Jonathan Camacho

**MSC (2)**

J. Edward Stevenson SJCC  
Victoria Menzies, SJCC

**STUDENTS (2)**

Ayan Dalmar, EVC  
Leif Benson, SJCC

**FACULTY**

**ACADEMIC SENATE – EVC (2)**

Lisa Hays  
Garry Johnson

**ACADEMIC SENATE – SJCC (2)**

Fabio Gonzalez  
Judith Bell

**ACADEMIC SENATE – DISTRICT (1)**

Emily (Phuong) Banh

**AFT 6157 (2)**

Steven Mentor  
Philip Hu

Attendance in color.

**CLASSIFIED**

**CSEA 363 (4)**

Dan Hawkins  
Joe Lugo, Jr.  
José Luis Pacheco

**CLASSIFIED SENATE - SJCC (2)**

Yesenia Ramirez  
Angela Gullerud

**CLASSIFIED SENATE – EVC (2)**

Sarai Minjares  
Abeer Abdel Halim

Guests:

Mark Hua  
Priscilla Louangrath  
Jennifer Le Diep  
Hong Yang  
Claudia Amador

- |               |   |                 |                    |
|---------------|---|-----------------|--------------------|
| 1.) 1:30PM    | Call to Order<br>VC Escobar called the meeting to order at 1:31PM.  | Jorge Escobar   | <b>ACTION</b>      |
| 2.) 1:30-1:35 | Approval of October 27, 2022 Meeting Agenda<br>M/S/C (Stevenson/Hawkins) to approve the October 27, 2022 Meeting Agenda.  | Jorge Escobar   | <b>ACTION</b>      |
| 3.) 1:35-1:40 | Approval of September 22, 2022 Meeting Minutes<br>M/S/C (Camacho/Hawken) to approve the September 22, 2022 Meeting Minutes.   | Jorge Escobar   | <b>ACTION</b>      |
| 4.) 1:40-1:45 | Draft Budget Manual<br>VC Escobar shared the Budget Manual that has been developed over the past six months. This is the first draft for review and consideration. This will be reviewed again in late November, and published for FY 2023-24. ED Chesmore asked that edits be emailed to him using track changes. He will compile all suggestions into the | Joseph Chesmore | <b>INFORMATION</b> |

next draft. VC Escobar suggested using a shared file in OneDrive.

The Budget Manual is intended to document internal controls to help ensure compliance.

Dean Stevenson asked who the intended audience is. VC Escobar responded District Fiscal Services and College Business Services use these practices daily. Each division (dean) should understand the principle of districtwide fiscal affairs.

ED Chesmore pointed out that everyone will benefit from having templates in place.

VP Hawken agreed this would filter down to all divisions. Those who only do it occasionally will have it to reference.

Director Tran commented this is a good refresher and resource.

Director Menzies commented the manual is consistent and she has no edits. This will help people understand the intent of each policy.

VC Escobar emphasized the need to automate and standardize district processes.

Yesenia Ramirez asked if this final document could be made virtual for future updates. Executive Director responded this will be housed on the website and revised each year.

5.) 1:45-1:50

**Updated Chapter 6 - BP/AP Review**

VC Escobar shared Chapter 6 went through a full review in 2019. The suggestion originally was to embed text for the RAM and equity regarding fiscal matters. The chancellor is hiring a company to develop equity language for all of the BP/AP.

Jorge Escobar

INFORMATION

This is an updated version of Chapter 6 BP/AP; things have changed from state guidelines or CCLC recommendations. We want to eliminate, simplify and make sure the content is all relevant.

VP Hawken recommended creating an AP regarding bringing animals onto campus. He would like signage placed on campus that supports policy. Language regarding service animals would be included in HR policies.

Yesenia Ramirez asked for clarification on the discussion of Board policies as opposed to district budget. VC Escobar clarified this is part of Chapter 6, which encompasses fiscal policies and procedures.

We currently have a set of BP/APs that have been vetted, and there is a separate process for new APs. For now, we will focus on Chapter 6 as it is.

Director Menzies asked if the language of AP 6250 would be changed. This refers to money not spent goes back to the district general fund. VC Escobar explained the process and said we may need to create limits moving forward to help navigate the budget process at the end of the year.

Director Menzies pointed out the budget manual and AP 6250 do not align regarding revenue. ED Chesmore explained the budget manual does not match the revised BP/APs at this time. It will be updated to align.

VC Escobar clarified this discussion is not about reserves, but about unrestricted general fund. The district owns everything at the end of the day. At the end of the year, the money that was allocated goes back to the district unrestricted general fund. Reserves is a savings account. Reserves and unrestricted general fund can be understood differently.

Director Tran suggested revisiting and updating the budget principles. VC Escobar reminded the Board Budget Principles are at the discretion of the Board of Trustees.

Dean Stevenson asked for clarification on there being a single district reserve. This was confirmed. There is a practice of access to carry forward, but this is not reflected in the documents.

VC Escobar stated a fiduciary question. What would it be that they need but have not already purchased? If this is identified, the planning can be executed.

Director Menzies emphasized addressing all expenditures, including items that are not budgeted. (i.e. release time)

VC Escobar stated we have been blessed as a basic aid district for 10 years. Now is the opportunity to think about this long term. The district does not have the same money it had. We got used to revenues going faster than expenses and many years of surplus. There was lots of

flexibility. Property taxes are not increasing fast enough to catch up with the long-term liabilities we are creating. Certain budgets will be overspent.

He is also looking at categoricals. This year we had record amounts, including HEERF. The bond budget has been high. 90% will be gone by 2025.

VP Hawken emphasized when you institutionalize something, it becomes expected. What happens when that goes away? Long-term plans need to be put into place.

Dean Stevenson asked if the DBC would be receptive to a conversation on top strategies as funds are sun setting. He asked how we could empower personnel.

Dan Hawkins suggested creating an appendix for certain items.

ED Chesmore agreed to add common practices into the budget manual.

VC Escobar emphasized budget transparency.

6.) 1:50-2:00

**OPEB Overview**

Dan Hawkins is the elected Chair of the Retirement Board of Authority (RBOA). He provided the definition and process of Other Post-Employment Benefits (OPEB), which relates to the district's obligation to provide lifetime medical. These funds free up the retiree medical benefits. There is additional RBOA information on the SJECCD website.

Dan  
Hawkins

INFORMATION

VP Hawken clarified his understanding that we are fully funded. This was a huge collaborative decision. Our district was the first in the state. Every other year there is an actuarial study of the trust. Drops are not as worrying for long term investments as they would be in short term. The prior short-term account was eliminated due to the economy.

VC Escobar commented that Dan Hawkins shares this with passion. \$2.5M is part of districtwide expenses.

Actuarial reports are available.

7.) 2:00-2:55

**FY 2022-23, Quarter 1 Budget Report**

ED Chesmore reviewed Fund 10 in the Q1 budget report.

Joseph  
Chesmore

INFORMATION

The first property tax data point was 4.67%. The next tax data point will be released on 11/4.

VC Escobar pointed out the numbers could be misleading if they are funds from HEERF. 85% of expenditures was salaries. 14% was discretionary. VP Hawken appreciated this point of clarification.

Director Menzies asked for clarification on the difference between the Adopted balance and the Ending balance.

The transmittal memo of the Q1 report final draft will include all percentages.

Supervisor Camacho pointed out when adopted budget was presented it was the number at that time.

Jennifer Le Diep commented on column 3 that the numbers stated were at the time the report was run.

Director Tran asked if the column order could be changed – switch columns 4 and 5.

Dan Hawkins asked if the percentage could be listed on the summary, along with the letter.

VC Escobar shared one of the colleges is applying for a grant (Sobrato); many of these asks could be purchased with HEERF funds. We need to be smart about leveraging the funds we have. He thanked both college presidents. The plan is to release \$4M of institutional funds for districtwide relief.

VP Hawken asked to get all HEERF reporting done by March. VC Escobar stated they will have it all by December. ED Chesmore stated that his team continuously is in compliance with HEERF. All expenditures are sent to the campuses to be compiled for the quarterly and annual reports.

Director Menzies suggested adjusting calendars back to begin closing out funds earlier.

VP Hawken emphasized the supply chain issues and the college still being responsible to purchase upon delivery.

ED Chesmore proposed changing the date for final orders to April 29. Director Tran responded she needs to work with her campus because this will affect all operations. Business services gives themselves cushion to send to the

district office. Campuses will communicate back from the executive level.  
VP Hawken asked if the DBC could recommend continuing free tuition once HEERF funds end. This will be added as a future agenda item.

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|---------------|--|---------------|---------------|
| 8.) 2:55-2:59 | <p>Future Agenda Items</p> <p>a) Foundation: the structure, fund structure, supporting evidence (Yesenia Ramirez)</p> <p style="padding-left: 40px;">a. VC Escobar suggested the Chancellor would be the best person to discuss this.</p> <p><del>b) OPEB: orientation/training (VP Hawken, VP Alexander)</del></p> <p>c) Continue free tuition after HEERF funds. (VP Hawken)</p> | All           | INFORMATION   |
| 9.) 3:00PM    | <p>Adjournment</p> <p>The meeting adjourned at 3:07PM.</p>   | Jorge Escobar | <b>ACTION</b> |