



SJECED DISTRICT BUDGET COMMITTEE MEETING MINUTES

September 24, 2020

2:00-3:30 p.m.

Via Zoom

Committee Members Present:

Andrea Alexander  
Jonathan Camacho  
Eugenio Canoy  
Jesus Covarrubias  
Jorge Escobar  
Frank Espinoza  
Chris Hawken  
Dan Hawkins  
Deanna Herrera  
Philip Hu  
Garry Johnson  
Alejandro Lopez  
Andrea Lopez  
Bianca Lopez  
Joe Lugo, Jr.  
Jose Luis Pacheco  
Carlos Marques  
Steve Mentor  
Randy Pratt  
Lena Tran  
Brandon Yanari

Committee Members Absent:

None

Other Attendees:

Mahogany Alexander (ASG, VP Finance)  
Saloshni Chand  
Fabio Gonzalez  
Laura Hanson/Mark Tuck (Ferrilli Group)  
Lisa Hays  
Manuela Kolpin  
Jennifer Le  
Hoa Pham  
Marilyn Morikang  
Margarita Savageau  
Kathy Tran  
Kishan Vujjeni

Recorder:

Joy Pace

## Call to Order

Mr. Jorge Escobar, Vice Chancellor, Administrative Services, called the meeting to order at 2:05 p.m. when a quorum of members was reached. He thanked everyone for their virtual attendance at the first District Budget Committee meeting of the year.

## Approval of the September 24, 2020, Meeting Agenda

M/S/C (Jose Pacheco/Jonathan Camacho) to approve the agenda as submitted. The committee unanimously approved the agenda as submitted.

Mr. Dan Hawkins, CSEA representative, inquired where the August data point would be discussed. Mr. Escobar stated it would happen during the budget meeting discussion.

## Approval of the May 14, 2020, Meeting Minutes

M/S/C (Randy Pratt/Dan Hawkins) to approve the meeting minutes as submitted.

All voted yes, with the exception of Frank Espinoza, who abstained as he is new to the committee.

## Committee Membership & Objectives

Mr. Escobar recognized the District Academic Senate President Frank Espinoza and stated that he is a welcomed addition to the committee. He also welcomed Christopher Hawken, Vice President of Administrative Services at SJCC and Mr. Fabio Gonzalez, faculty representative, also a new addition to the group.

Mr. Escobar stated the participants of the committee are highlighted at the bottom of the agenda. We have also have been looking for student representation. He thanked Briana Parker for her participation in the meeting. Ms. Mahogany Alexander reported that she is the new ASG Finance Director. She is participating as a guest and wouldn't mind joining the committee. Marilyn stated Alex is part of the Finance Committee and suggested she join the committee. Mr. Escobar agreed that she would be an excellent student voice at the committee.

Mr. Randy Pratt stated there are two Academic Senate representatives for each college. Ms. Pace gave an update on the committee membership. Jorge confirmed there is one Academic Senate representative from each college, and since the District Academic Senate President is from EVC, the other participant would come from SJCC. Mr. Espinoza stated the bottom of the agenda needs to be fixed as it lists two from each college plus the District representative. Randy stated that last year SJCC did have Mr. Jesus Covarrubias, Chris Frazier and Alex Lopez.

Mr. Escobar stated we'll update the representatives on the agenda.

Mr. Hawkins stated the Classified Professional representatives include the two Classified Senate Presidents at EVC and SJCC plus two appointed representatives and four representatives from the CSEA. He stated that the Chancellor changed the composition of the District Council and that change would be the same for the District Budget Committee. Ms. Pace will work with Mr. Hawkins and Ms. Lopez on the composition of the committee.

Mr. Escobar stated the importance of having an end goal for the committee as we move forward. He proposed three areas of focus:

1. Implementation of the RAM fully. We have the right leadership at the colleges with two presidents devoted to social justice. We are ready and eager.
2. The pandemic has triggered a new environment for all of us. We need to set the right recommendations and tone for the rest of the organization. Whatever we used to do before March 13, 2020, is not coming back, especially in the area of technology. We can move the district forward.
3. Implementation of the right technological environment so that we can be effective in the new normal.

Mr. José Luis Pacheco, CSEA representative, stated he concurred with Mr. Escobar regarding technology. A lot of things have changed. He's been tasked to create a new mail system so that people are not required to come back to the office to review their mail. They now scan the letters to see if people need to come to the office to review them. Mr. Escobar stated this is an example of how Reprographics will be changed.

Mr. Randy Pratt, EVC Academic Senate President, agreed on the many opportunities Covid has provided us to do things differently. We can look differently at how we perform our processes.

Mr. Escobar stated that Ms. Pace has provided the charge of the committee, but he also wanted us to focus on the three topics he proposed. We will take the best out of the Covid-19 changes and prepare for the future.

#### Chapter 6 BP/AP

Mr. Escobar stated that Ms. Pace has assisted him in updating the Chapter 6 Administrative Services policies and administrative procedures. The previous leadership kept the administrative procedures very heavy. We have moved to using standard operating procedures as training for staff. For example, the AP for mileage includes all the tables, yet the IRS table will change. The IRS rate will now be tracked through the standard operating procedure.

Ms. Pace announced the good news that most of the BP/APs for Chapter Six have been approved by the District Policy Committee and Academic Senates so they'll be ready for approval at the next District Council meeting.

Ms. Escobar stated they will also be working on how to do version controls. He stated the importance of this project as it assists in moving the organization forward.

#### District Financial Reporting - demo

Mr. Escobar stated the quarterly reports were over 100 pages, and it was necessary to keep it that way for transparency. However, for the past few months, we have invested time and effort for these reports to be extracted in Colleague. He invited Mark Tuck, consultant with Ferrilli, to show a demo of the work being done to streamline our processes.

Mr. Tuck did a walkthrough and provided a status update on various functions. He discussed Self Service, which is a downstream replacement for MyWeb. There will be changes moving forward, and Ellucian will implement this in the next year or two. There will be a modernization of the platform and some nice functionalities added. For budget and actuals there will be real time data, and these can be seen through different views. It will have the ability to filter among FYs and also input information into Excel. He displayed the export filter, and the ability to drill down to individual journal entries or purchase orders. We have moved into production on on-line budget adjustments. You will have the ability to enter budget adjustments through Self Service. We've been working with the finance team on budget transfer approvals. We're checking that the process aligns with the technology. You can see a nice running

history and display. The main goal is to get away from using ODS or an Excel spreadsheet and upload to a place where people can get to these reports. There are a lot of options for people to filter items on your own. Total expenditures by vendor is an example where you can see them by type. In terms of the budget book, they have started building out the report and working with the finance team so that what we're pulling out of Colleague will make sense.

Mr. Escobar stated the information would become available to everyone so that it will be an open book; and we use an actual book right now, but we'll be moving to a technological solution. It will help us clarify the questions we need to ask. It takes time and leadership to make this change. Today's budget report that will be provided by Deanna Herrera is an example of how we can simplify these reports. It will help all Classified Professionals who do this work by making things easier for them. Any time Self Service is used, there will be budget versus actual and real-time information. There is too much manual work being done. He thanked Laura and Mark, Sergio and Kathy and everyone else who've been engaged in these efforts.

Ms. Bianca Lopez inquired if these budget adjustments are actually budget transfers because we need to do this work manually. We can also use this for people who have different departments. We have to manually get things from MyWeb. Mr. Tuck stated that Self Service would help in that area and WebBI reports has the capability to do so as well. Mr. Escobar stated that over 10,000 budget transfers are taking place over a year from all the different departments and this will help simplify that process.

Ms. Deanna Herrera, Fiscal Controller, stated that right now the budget transfers go through the Business Services departments. She reported that we'll be testing this in the Business Services departments to ensure everything is flowing correctly from those offices to the District Office. After that, we'll be working on training of the administrative assistants.

Mr. Escobar thanked Ms. Hanson for her consultant work on this project.

#### RAM – Implementation

Mr. Escobar stated we have already made a lot of progress on the RAM. This is the right time to move this forward. We're in a good financial position, have the right leadership, composition of this team, and the right ideas. He looks forward to working with everyone at the DBC on the successful RAM implementation. We have agreed on the flowchart and just need to work on the details, such as the required definition of business rules, procedures, and system implementation. Mr. Escobar shared his screen and showed the latest version. We respect and understand the role of the District Council. The RAM group includes 12 people; and in case of a tie the Chancellor has a vote. Mr. Escobar doesn't have a vote. We just need to confirm the names of the participants of this group. Ideally, we want to go through the business rules, accountability, and ongoing expense management. All this will become a guidance book that we want to get in place in FY2021-22.

DBC members announced the RAM composition as follows:

#### Academic Senates

Randy Pratt/Garry Johnson (alternate)  
Frank Espinoza – DO  
Alex Lopez/Fabio Gonzalez (alternate)

#### AFT

Jessica Breheny/Steve Mentor (alternate)

#### Vice Presidents of Administrative Services

VP at SJCC – Chris Hawken

VP at EVC – Andrea Alexander

CSEA

José Luis Pacheco  
Dan Hawkins

Classified Professional Senate

Andrea Lopez  
Bianca Lopez

Students – should be appointed by ASG at both colleges

Jorge Escobar – ex officio non-voting member  
Deanna Herrera – ex officio non-voting member

Mr. Escobar stated that this group has the responsibility to communicate with their constituents and serve as liaisons with the finance committees at the colleges.

Mr. Joe Lugo, CSEA representative, stated the importance of having proxies. Jorge stated there can be proxies to have voting rights if the member is absent, but they will need to be kept up to speed on what is being discussed that day.

Mr. Escobar stated we already have some materials and the report from the consultant. It will be a very delicate process, and we want to get it right the first time.

FY2019-20 Closing & FY2020-21 Adopted Budget

Mr. Escobar stated that in reference to Mr. Hawkins's question, when he gets the data point from the County, he sends that to the district via email. Mr. Hawkins clarified that he was looking for the August 2020 data point, which is the first data point of the new FY and not the from last year. Mr. Escobar stated he will follow up with Mr. Hawkins offline. He reminded the DBC that he had sent the projections of the data point last week.

Mr. Escobar introduced Ms. Deanna Herrera, who is the Fiscal Controller in the District Office. She's been at the DO around three weeks. He stated that this report is the one we want to make electronic.

We are privileged to be a community funded district. We work in an environment that is special and many people envy the good, solid financial place we are in. The commitment of this DBC is that we invest money for the best value and purpose. In FY19-20 three-quarters of the year were already spent in accordance with our budget principles. In January 2020 the tax assessor already had the assessment for the property, and it didn't go down. The real estate market is solid. We are hoping that for this next year property taxes will be strong. We were told to be optimistic but cautious. We want to invest the money we have to serve more students.

Mr. Escobar stated that FY19-20 was a good year. We were able to save money throughout the district, mostly due to no travel and food consumption. We were able to use the CARES Act and the bond program. We were able to have negotiations throughout the year. We had a positive year in FY19-20, which includes the additional one-time funds from RDA. Both colleges have been fiscally responsible. We are committed to sustaining our employment levels, and haven't delayed any payments to vendors. So many people are working behind the scenes and are still coming to the office.

Ms. Herrera stated that FY20-21 we have \$131 million revenue projections. Operating expenses are on target from prior years. We anticipate a total of \$135K in expenditures and an ending fund balance of \$35 million. It is lower because the RDA funding was not carried for this year. The colleges have sufficient funding to work out the level that they have. The action we see is around the categorical programs.

Ms. Herrera reviewed the consolidated revenue by location. Mr. Escobar reviewed the business expenditures. He stated that we are presenting a balanced budget to the Board. He reviewed Fund 10 and the \$40 million in categorical programs (Fund 17). The bond is also included in the report. We have plenty of resources to serve our students.

Ms. Mahogany Alexander expressed concerned about the inability to contact professors for tutoring and how that would impact enrollment. She recommended adding more tutors at the colleges. Mr. Escobar stated that enrollment is down across the state; we are down 10% and other districts have lost many more students. Normally, when the economy is down, enrollment is increased. This time around everyone is trying to stay safe. Ms. Mahogany stated that students have seen a decline in faculty, especially during the fires in Santa Cruz as faculty were impacted.

Mr. Espinoza appreciated Ms. Alexander's comments and will share that information with the leadership at the colleges. Ms. Lisa Hays, faculty member at EVC, stated only one student visited her during her one-hour Zoom tutoring session. There are also tutoring materials on the web. She offered her services to Ms. Alexander even in the evening hours.

Mr. Hawkins asked to see the discount factor and STRS and PERS. Mr. Escobar displayed the assumptions page and stated this page gets updated from Human Resources.

Mr. Escobar reviewed the parking fund and reported that we reimbursed 50%. Since we expect to be online for the remainder of this FY, the balance will be zero. We will continue to pay parking for staff and will reimburse that account. Student enhancement fund continues to be funded. Both colleges have done an extraordinarily amount of work in this area. The CEM is one area we are paying close attention to as the grant that was funding this unit is now over. Dr. Alex Duran is helping this unit to bring new grants to the table, and two were recently announced. The team has had leadership transition as well; and very good work is happening, but this area continues to need support. In the Student Health Services, we have fortified it with personnel. We want to ensure we have proper services in this area.

Mr. Escobar reviewed the bond and capital funds. He discussed the work of AVC Terrance DeGray. He showed the enrollment figures and ending fund balance and reported that the district numbers remain strong.

Mr. Escobar stated we'll do some adjustments to the report, but these are the final numbers we're reporting.

### Adjournment

The meeting adjourned at 3:08 p.m.