



SJECED DISTRICT BUDGET COMMITTEE MEETING MINUTES

October 22, 2020

1:30-3:00 p.m.

Via Zoom

Committee Members Present:

Andrea Alexander
Jonathan Camacho
Eugenio Canoy
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.
Jose Luis Pacheco
Steve Mentor
Randy Pratt
Lena Tran
Brandon Yanari

Committee Members Absent:

Garry Johnson
Carlos Marques

Other Attendees:

Mahogany Alexander (ASG, VP Finance)
Beatriz Chaidez
Laura Hanson/Mark Tuck (Ferrilli Group)
Sergio Oklander
Kathy Tran

Recorder:

Joy Pace

Call to Order

Mr. Jorge Escobar, Vice Chancellor, Administrative Services, called the meeting to order at 1:32 p.m. when a quorum of members was reached.

Approval of the October 22, 2020, Meeting Agenda

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

Approval of the September 24, 2020, Meeting Minutes

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

The committee unanimously approved the meeting minutes as submitted.

FY2020-2021 1st Quarter Preliminary Information

Mr. Escobar reported that we just got the Board to adopt the budget and now the 1st quarter is already ending. The speed of the work of the organization has not slowed down. He thanked the faculty for teaching students on line and Classified professional staff for their work as well. He stated that based on the initial purview of the budget, everything looks good.

Ms. Deanna Herrera, District Fiscal Controller, stated that she will be showing the Q1 budget in a new format, which everyone will see in a demo in the next item. All the entities are still making adjustments to Q1. Some will change by the time it is submitted to the Board. We are still very close to what we expensed last year. She reviewed the Fund 10 Consolidated, including all revenues and expenses for Fund 10. The percentages on the side are actual to budget. Our expenses are at 25%, same as last year. Revenue is very similar to last year's Q1. Expenses by location this time year should be 25%. The district is high in expenses as we haven't done all of our closing out of expenses to vendors. Compared to last year, everything is still status quo. Fund 16 is for the Center for Economic Mobility, although EVC has some grants that are included in that fund. It is a lot lower compared to last year because we had positions that were removed from it. We're only at 12%. Mr. Escobar stated that contract education has a different funding model. Ms. Herrera reviewed Fund 17 for SJCC, EVC and DO, which is at 13, 12 & 18 percent respectively. She reviewed bond measure G and has an inquiry out to the bond team. She reviewed the Bond Measure X sorted by project. SJCC is at 0% but that's only because it's much lower than what we budgeted out for the quarter.

Mr. Alex Lopez, SJCC Academic Senate President, inquired if Fund 16 is still subsidized by the district. Mr. Escobar stated there has been a transition of leadership as of June of last year. The district supplements any vacancies they have. Contract education has decreased amounts, and the grants supporting one of the greatest efforts has come to an end. Mr. Lopez inquired what has been done to ensure that CEM is self-sufficient. Mr. Escobar stated there are plans that have been proposed; and that group is now reporting to the Chancellor. They are trying to get contracts with the City of San Jose, and they have also applied to two or three grants. Mr. Escobar stated he doesn't have all the answers regarding CEM, and he'll take this issue to the Chancellor. The Board does feel this unit is producing some good efforts with the district community. Mr. Frank Espinoza, District Academic Senate President, inquired if there was ever a time the district hasn't subsidized any version of its naming. Mr. Dan Hawkins, CSEA representative, stated this question has been asked for a long time now. That particular feature might be a discussion at the District Council meeting. Mr. Escobar stated this is a good time for that discussion. The CEM budget has been based on forecasting. Again, he will take it up as a follow-up item with the Chancellor.

Ms. Andrea Lopez, SJCC Classified Professional Staff President, stated this is becoming a problem, and we may not notice it because the district is now basic aid. They are not self-sustaining and a lot of Classified were bumped out of their jobs and bumped out as staff at the colleges. The fact that the district is still supporting the CEM, with her RAM hat, this subject will affect those discussions.

Ms. Herrera reviewed Fund 17 to show the CARES Act amounts, which were close to \$600K last year. The allocation was 40% for each college and 20% to the District Office. The amounts have already been encumbered. The remaining balances for the DO is not showing up. Fund 48 is the student portion of the CARES funds. Right now, SJCC has over-expended. We'll have to do some adjustment entries. Mr. Chris Hawken, SJCC Vice President of Administrative Services, inquired if we're still receiving the state funds. Ms. Herrera stated we've not yet received those funds. Ms. Andrea Alexander, EVC Vice President of Administrative Services, stated that EVC is paying stipends, cell phones and faculty training with those funds and \$1.9K went to student aid. We've already overspent what the CARES has given us so we'll need to use our own funds. They're just waiting for some of the billing to come in.

Mr. Randy Pratt, EVC Academic Senate President, inquired about the distribution of CARES funding for the two colleges. Why is there such a difference? Mr. Escobar shared the summaries at the high level; it came from the federal government regarding financial aid. EVC has a greater number of students receiving financial aid. Mr. Joe Lugo, CSEA President, inquired about why the faculty was getting so much, and what about the Classified Professional staff? Mr. Escobar answered that the Classified Professional Staff received an MOU for stipends for telecommunications expenses. Faculty have been training for on-line instruction since the spring, and that's why those amounts are so high.

Mr. Lopez inquired about the adult education expenses. Mr. Jonathan Camacho, Business Services Supervisor, reviewed the Adult Education consortium funding, which decided the allocation. It is not included in Fund 16; it's in Fund 17. Mr. Escobar stated he would be happy to provide a detailed itemization of where that money went.

Ms. Herrera briefly reviewed Fund 48 and the financial aid portion. Mr. Morikang, SJCC Director of College Fiscal Services, reported that they didn't input the Fund 48 portion yet, and as of today \$1.1 million in financial aid and \$160K dollars have been expended. It didn't show up on this report because it was spent last year.

Mr. Escobar reported that CARES funds crosses two fiscal years, and the college teams have worked very hard at making the necessary adjustments. The end goal is to provide more aid to students. He encouraged the team to feel free to share reports.

Mr. Herrera reported that we're down in distributing the scholarships.

Mr. Escobar gave kudos to the team for their work in providing this information in a more effective manner.

Fiscal Reports Demo

Mr. Escobar introduced the Ferrilli group and thanked Sergio Oklander for the work he has done on this project. We are coming to an end to all the manual work we're currently doing.

Mr. Mark Tuck reported that they've been putting a lot of effort into the PowerBI. He showed the work they've done in identifying data sources and compiling that information into the PowerBI workbook and moving this to the web. The next set of initiatives will be concerning adding access to the workbooks. He showed the Colleague budget to actuals, and the information that's extracted from excel. Ms. Laura Hanson reviewed the work that was done with Deanna Herrera and Jennifer Le to identify data sources. She showed the data source extracted from Excel. She showed an example page of how the report will update every quarter automatically. It can take images from other sources and copy it into PowerBI. The goal is to get all the data sources into it and create new and powerful images so that the information can be analyzed.

Mr. Escobar stated that although this sounds like a simple change; it takes a lot of work, especially from our Fiscal Services teams. This information can be accessed through the web or PowerBI and anybody can just go into these reports. We are simplifying, eliminating and enhancing transparency. This won't just reside in the hands of the Fiscal Teams. This is directly related to Colleague, and that data will be reflected in PowerBI and you'll see the district's transactions. We are basically replicating the paper version and putting it on line. Eventually, you'll be able to compare expenses with the adopted budget.

Marilyn inquired about projections and how that will be entered. It's helpful to our constituents. How will this be incorporated into the system? Most times the revised budget is not about how we will end the year. Mr. Escobar stated the tentative budget is completely changed for the adopted budget. Last year we had over 12,000 transactions modifying it. That takes away accountability for the budget. That's why some organizations work off of a zero-based budget. Expenses usually align with the budget. As we move forward, we are measuring the benchmark. We will continue having discussions with the colleges and fiscal teams. This area requires a lot of work.

Mr. Escobar is hoping for Q2 electronic reports.

Update on Concur Implementation

Mr. Escobar reported the Concur system will allow all travel and expense reimbursements to be done electronically. The slides he showed at this meeting will be included as part of the meeting minutes. It's in our interest to automate processes. He thanked the ongoing support of the campuses and for Andrea and Bianca Lopez for getting the support of Classified Professional staff. Everything was done manually for travel and required five or six signatures. We have made a lot of integration with GL account information. We have configured a tentative site where we can see and work with the system itself. This will require training of Classified Professional staff and the users. Once we start using it, it will save us from excessive time in the travel approval and expense process.

Ms. Alexander thanked everyone for allowing us to be part of this process and she encouraged a robust training process to get this going.

Update from RAM Operational Taskforce/Co-Chairs

Mr. Escobar reported that RAM has been ongoing. We are in the final stage and sometimes we need the final push. He thanked the Academic Senates. There was a kick off session to get the working groups in place. He thanked the co-chairs and the participants. Andrea Lopez, Jose Luis Pacheco and VPs Hawken and Alexander are the co-chairs. The goal for the group is to come up with an implementation plan for rolling out a budget plan for FY21-22. He thanked Mr. Pacheco for creating the site for the group to share documents, and he moved every item he had since he worked at SJCC as part of that information site.

Mr. Pacheco reviewed the RAM site in Microsoft Teams. There are several channels and district files from 2016 on. He reviewed the folder that includes Mr. Escobar's old files since he was at SJCC. There may be some duplications, but all the information is included in these files.

Ms. Andrea Lopez stated the co-chairs met last Thursday and reviewed what was discussed at the last group meeting. The co-chairs will be meeting once a month, and a draft of the next meeting agenda is already posted. They discussed meeting more frequently. They're looking at goals and priorities for the committee. They reviewed the flowchart to understand what everything means and why things are the way they are. They also looked at the budget principles and think the budget principles contradict the flowchart.

Ms. Alexander stated it was a very good meeting, and there are some concerns with the budget principles. Mr. Hawken stated it was good for him to hear the history and understanding what had already transpired with the RAM. The idea is to not pit one college against another or the district, but to move forward in reaching our timelines.

Mr. Escobar stated the level of energy and commitment are there. The timing of this project is very important. If we did it a year ago, it would have been very difficult without the college leadership being in place. He's trying to change the culture of service at the District Office. The history is water under the bridge, and we want to be the model organization as to how this should work.

Budget Principles

Mr. Escobar stated the draft budget principles have been circulating since the beginning of this year. He appreciates the co-chairs comments on this, but this ties into the RAM. The principles are Board Budget Principles, they are not his principles. They are a guide for the Board. So we want to put this to rest with this group.

Review of Fiscal Calendar

Ms. Herrera shared the comprehensive fiscal calendar that was put together. Mr. Escobar stated this document contains all the work and deadlines required, such as quarterly reports and when things need to be sent to the state. We need to begin enhancing this with the colleges' deadlines. We have to integrate this information so that we can plan, and we'll be happy to share this information with you.

Adjournment

Mr. Escobar stated we had the Retirement Board meeting prior to this meeting.

Mr. Hawkins, Chair of the Retirement Board, shared how Keenan and the investment consultant have complimented us that we were in the right place at the right time in managing the OPEB fund. We are overfunded. This fund covers medical benefits for those participating in the bridge program. We've saved over \$3 million for the next few years with Fund 10, but it would be a lot higher if we didn't participate in the OPEB.

Mr. Escobar stated today he received information on the bond refinancing. We were able to place them with great demand and saved about \$5 million. There is a lot of work with financial advisers behind the scenes.

The meeting adjourned at 3:03 p.m.



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COMMUNITY COLLEGE DISTRICT

INSTITUTIONAL TRANSFORMATION EXPENSE MANAGEMENT AUTOMATION PROJECT STATUS UPDATE

Jorge L. Escobar
October 22, 2020

BACKGROUND

- ▶ **Reason:** with the Covid-19 emergency we confirmed that the existing practices to process expenses are manually intensive and require a large amount of effort to process.
- ▶ **Purpose:** to enhance the workflows by creating efficiencies through electronic processing of expenses.
- ▶ **In scope:**
 - ▶ Regular accounts payable
 - ▶ Travel approval and reimbursement
 - ▶ Mileage reimbursements
 - ▶ Credit cards
 - ▶ Request for checks

PROJECT GOALS

- ▶ Digitize the SJECCD financial systems to eliminate an inefficient and cumbersome manual paper-based system
- ▶ Simplify, enhance or automate financial processing and workflows
- ▶ Automate validation of data to reduce errors
- ▶ Reduce employee workload and promote efficiency by eliminating redundancy
- ▶ Integrate Concur modules with existing Colleague system

IMPLEMENTATION TIMELINE

Milestones Timeline

Getting Started: Gathering GL data and site requirements

✓ COMPLETE

Configuration and Site Delivery: Concur builds site and delivers to us

✓ COMPLETE

Concur Knowledge Transfer

October and November, 2020

50% COMPLETE

4. Data Sourcing and Integration.

- a. Validation Checklists Due Jan 29, 2021
- b. File Transfers Due Feb 3, 2021
- c. Final Site Validation Due March 5, 2021

DEPLOYMENT AND TRANSITION

SPRING 2021

