



Regular Planning & Budget Committee (PBC) Minutes, Approved 11/6/2020 October 2, 2020 12:30 p.m.

Minutes Prepared by: Dawn Renee Neideffer

Note: 10 members required to meet quorum

Attendance:

Chairs (3)	Classified Senate (3)	Sheila Warbasse	Dr. Susan Sperling
<input checked="" type="checkbox"/> Ron Gerhard (DO) non-voting	<input checked="" type="checkbox"/> Noell Adams (CC)	Kathy Blackwood	Dr. Stacy L. Thompson
<input checked="" type="checkbox"/> Cathy Gould (DO)	<input checked="" type="checkbox"/> David Rodriguez (LPC)	Rosalie Roque	Nijla Abrao
<input checked="" type="checkbox"/> Rajeev Chopra (LPC)	<input type="checkbox"/> Pedro Ruiz de Castilla	Guisselle Nuñez	Walt Blevins
Administration (5)	Classified Union (3)	Christine Herrera	
<input checked="" type="checkbox"/> Dr. Theresa Fleischer Rowland (DO)	<input checked="" type="checkbox"/> Virginia Criswell (CC)	Kathleen Stanley	
<input checked="" type="checkbox"/> Dale Wagoner (CC)	<input type="checkbox"/> Stephany Chavez (LPC)	Heather Hernandez	
<input checked="" type="checkbox"/> Anette Raischbart (LPC)	Cathy Gould (DO)	Kirti Reddy	
<input checked="" type="checkbox"/> Rajinder Samra (LPC)	Student Senate (2)	Chasity Whiteside	
<input type="checkbox"/> Vacant (CC)	<input type="checkbox"/> Michelle Diaz-Nava (LPC)	Tamica Ward	
Faculty Association (2)	<input checked="" type="checkbox"/> Stacy Harris (CC)	Nathanial Rice	
<input checked="" type="checkbox"/> Jeff Drouin (CC)	Guests:	Terri Anderson	
<input checked="" type="checkbox"/> Thomas Orf (LPC)	Dr. Kristina Whalen	Arnold Paguio	
Academic Senate (4)	Dr. Dyrell Foster	Rachel Ugale	
<input checked="" type="checkbox"/> Miguel Colon (CC)	Sui Song	Ashley Young	
<input checked="" type="checkbox"/> Sarah Thompson (LPC)	Paulette Lino	Dave Fouquet	
<input checked="" type="checkbox"/> Dr. Patricia Shannon (CC)	Jennifer Lange	Dr. Cynthia Gordon da Cruz	
Rajeev Chopra (LPC)	Betty Castaño	Bobby Nakamoto	

Meeting commenced 12:31 p.m.

Agenda Item	Information/Discussion	Action
1.	<p>Welcome Guests and Quorum Check <i>For information</i></p> <p>All welcomed. Quorum met with 15 voting members, excluding Ron.</p>	None
2.	<p>Approve Today's Agenda <i>For action</i></p> <p>Agenda reviewed, no discussion had. Ron asked for a motion to approve, Miguel moved and Stacy Harris seconded; <u>agenda approved, unanimously.</u></p>	Oct. 2, 2020 agenda approved
3.	<p>Approve Previous Minutes from September 4, 2020 <i>For action</i></p> <p>Minutes reviewed. Ron asked for a motion to approve, Noell moved, David seconded. No discussion had. Minutes approved unanimously.</p>	Sept. 4, 2020 minutes approved.
4.	<p>Review of Adopted Budget <i>For discussion</i></p> <p>Ron reviewed the templates for the adopted budget. Total revenue expected from the State is \$127.8M with the assumption of remaining on hold-harmless funding, which keep funding at FY18-19/19-20 levels. Other State revenue is about \$290K. The FY19-20 actuals compared to this year's adopted budget shows a \$5.5M difference because at the beginning of the last fiscal year, Governor Newsom agreed to pay down our STRS payment by about \$5.4M, meaning the District did not have to make that payment directly. Under general accounting practices/standards, the payment made by the State has to be recognized even though it did not come out of the District's budget. This is why there is a \$5.5M entry in the FY19-20 actuals which was not in the FY19-20 adopted budget. A breakout of transfers-in was requested; Kathy Blackwood suggested separating the STRS payments made on-behalf of the District to its own line item.</p>	None

	<p>Under definition by the State, EDCE is an enterprise fund. Last year EDCE’s accounts were separated from the District’s unrestricted general fund. Having the accounts combined misrepresented the District’s unrestricted general fund; due to this separation of funds, the District Services’ fund has a different look this year. As a result of the shelter-in-place ordinance enacted in spring 2020, the EDCE account shows a deficit because they were not able to conduct OSHA classes. Presently, there is no recommended reserve for EDCE, but there is an allocation of their net revenue to designated areas.</p> <p>Ron reviewed the adopted budget categories for Chabot, Las Positas, M&O and District Services. Discussion ensued. The adopted budget does not include a \$10M deficit as projected in past presentations. Moving forward, a footnote/separate line item will be added to the template to show transfers-in and transfers-out of payments made by the State on behalf of the District. FY19-20 has heavily impacted budgets districtwide due to COVID-19 and the shelter-in-place ordinance.</p> <p>In looking at the unrestricted general fund, especially this last year, the rollback revenue continues to provide a cushion of about \$8M, making things more flexible now. Hold-harmless funding until FY24-25 is also a positive factor. In the next academic year, we are likely to have \$10M in cuts, as anticipated at the May revise, but the rollback revenue combined with hold-harmless funding, allows time to plan. In the college budgets, we continue to see the stress in our schedules, and the stress of funding these schedules, districtwide. Conversations have begun about realigning our actual enrollment with FTES targets, which would put stress on academic salaries. In terms of the adopted budget, adjustments to the adjunct budget will happen in budgetary planning for the future.</p>	
5.	<p>Multi-year Planning & Budget Assumptions <i>For discussion</i></p> <p>Ron reviewed multiple years of planning and budget assumptions, spanning FY20-21 through FY22-23. For FY20-21, some of the revenue assumptions are no-anticipated cuts and to plan for the budgetary effect of the deferrals to our cash flow. A 1% deficit factor is built into the revenue assumptions because the State does not expect to receive all money needed to fund prop 98. No COLA adjustment for the District. No growth funding; as recommended and supported by DEMC last spring, (pre-COVID) we are keeping FTES targets the same for this fiscal year. Earlier today, DEMC approved lowering their recommendation for FY21-22, which will produce savings of about \$3M in salaries and benefits.</p> <p>Some expenditure assumptions are that the District will pay all contractual obligations and current vacant and funded positions will remain vacant to respond to cuts/reductions from the State. Step and column increases are about \$1.5M each year. Our unrestricted general fund does not have the operating ability to subsidize other programs.</p>	None

	<p>Ron moved to the budget and planning assumptions for FY21-22. These assumptions will be the foundation to run budget simulations in PBC; these simulations will help project our response to State cuts.</p> <p>The May revise had significant cuts (15%) to Strong Workforce and student achievement programs. There is a debate going on at the State level about where to make cuts and it is unknown if cuts will come out of K-12 or from the community colleges. Discussion of cuts and other funding sources to categorical and non-categorical funding ensued. In regard to productivity, multiple scenarios will be done using various numbers from DEMC to determine the impact to direct instructional cost. Supplemental and success allocation do not yet play into budget assumptions under hold-harmless funding, but Ron is hopeful this conversation will happen with revisions to the new BAM.</p>	
6.	<p>Course/Workload Reductions for Spring 2021 <i>For discussion</i></p> <p>This item is tabled until the next regular planning and budget meeting on November 6, 2020.</p>	None
7.	<p>Future Agenda Items <i>For discussion</i></p> <ol style="list-style-type: none"> 1. Course/workload reductions for spring 2021 	None

Meeting adjourned 11:35 a.m.