



Special Planning & Budget Committee (PBC) Minutes

January 21, 2022 9:30 a.m.

Special Meeting

Recorder: Dawn Renee Neideffer

Note: 10 members required to meet quorum

Attendance:

Chairs (3)	Classified Senate (3)	Joanne Bishop-Wilbur	
<input checked="" type="checkbox"/> Jonah Nicholas (DO) non-voting	Noell Adams (CC)	Bruce Griffin	
<input checked="" type="checkbox"/> Noell Adams (CC)	<input checked="" type="checkbox"/> David Rodriguez (LPC)	Heather Hernandez	
<input checked="" type="checkbox"/> Sarah Thompson (LPC)	<input checked="" type="checkbox"/> Chasity Whiteside	Dr. Cynthia Gordon da Cruz	
Administration (5)	Classified Union (3)	Ron Gerhard	
<input checked="" type="checkbox"/> Dr. Theresa Fleischer Rowland (DO)	<input checked="" type="checkbox"/> Virginia Criswell (CC)	Angela Castellanos	
<input checked="" type="checkbox"/> Dale Wagoner (CC)	<input checked="" type="checkbox"/> Stephany Chavez (LPC)	Kirti Ready	
<input checked="" type="checkbox"/> Anette Raichbart (LPC)	<input checked="" type="checkbox"/> Cathy Gould (DO)	Tom deWit	
<input checked="" type="checkbox"/> Rajinder Samra (LPC)	Student Senate (2)	Heike Gecox	
<input checked="" type="checkbox"/> Nathaniel Rice (CC)	<input checked="" type="checkbox"/> Thomas Blakely (LPC)	Danita Romero	
Faculty Association (2)	<input type="checkbox"/> Stacy Harris (CC)	Rosalie Roque	
<input checked="" type="checkbox"/> Jeff Drouin (CC)	Guests:	Christine Herrera	
<input checked="" type="checkbox"/> Thomas Orf (LPC)	Billy delos Santos	Dr. Kristina Whalen	
Academic Senate (4)	Daniela Baliff	Dr. Dyrell Foster	
<input checked="" type="checkbox"/> Miguel Colon (CC)	Tracey Coleman	Dave Fouquet	
<input type="checkbox"/> Tina Inzerilla (LPC)	Jamal Cooks		
<input checked="" type="checkbox"/> Dr. Patricia Shannon (CC)	Kathy Medina		
Sarah Thompson (LPC)	Sui Song		

Meeting commenced 9:33 a.m.

Agenda Item	Information/Discussion	Action
1.	<p>Welcome Guests and Quorum Check <i>For information</i></p> <p>All welcomed. Quorum met with 17 voting members, excluding Jonah Nicholas.</p>	None
2.	<p>Approve Today's Agenda <i>For action</i></p> <p>Agenda reviewed. Jonah Nicholas asked for a motion to approve, Theresa F. Rowland moved and Anette Raichbart seconded. <u>The agenda was approved, unanimously.</u></p>	January 21, 2022 agenda approved
3.	<p>Approve Previous Meeting Minutes <i>For action</i></p> <p>The revised minutes from December 3rd were reviewed. Jonah Nicholas asked for a motion to approve the minutes with the amendments to item 6. Chasity Whiteside moved to approve, Cathy Gould seconded the motion. <u>The minutes were approved with the amendments, unanimously.</u></p>	December 3, 2021 minutes approved
4.	<p>Budget Status Reports <i>For information</i></p> <p>The budget for all sites is on track.</p>	None
5.	<p>Governor's Budget <i>For information and discussion</i></p> <p><u>Governor's Budget Proposal</u></p> <ul style="list-style-type: none"> ○ Overall <ul style="list-style-type: none"> ▪ The state budget proposal has \$286 billion in spending, a 9% increase over current fiscal year. General fund spending increases by \$3 billion, to \$213 billion overall. ○ Proposition 98 Funding 	None

	<ul style="list-style-type: none"> ▪ Estimated at \$102 billion, the highest funding level in history and \$8.2 billion more than 2021 funding act. ○ Non-Proposition 98 <ul style="list-style-type: none"> ▪ Funding Continued support to buy down CalSTRS and CalPERS employer rates (unspecified amount). <p>The Community College System</p> <ul style="list-style-type: none"> ○ 5.33% COLA <ul style="list-style-type: none"> ▪ Approximately \$6.3M in additional, ongoing revenue for the District ○ 0.5% Growth <ul style="list-style-type: none"> ▪ The District will almost certainly be unable to access any growth funding ○ Significant one-time funds <ul style="list-style-type: none"> ▪ Deferred maintenance and funds to support retention and enrollment strategies are slated to receive large one-time enhancements that could provide greater than \$5 million ○ \$100M to augment Student Success Completion Grants <ul style="list-style-type: none"> ▪ Will expand Cal Grant eligibility ○ Other Items <ul style="list-style-type: none"> ▪ Augment Part-Time Faculty Health Insurance Program ▪ Increase support for financial aid administration ▪ Modernize CCC technology and protect sensitive data <p>Hold Harmless</p> <ul style="list-style-type: none"> ○ Hold Harmless provision will continue through FY 2024-25 ○ The Governor’s Budget proposes to extend the revenue protections in a modified form to avoid creating sharp fiscal declines in 2025-26. Under the proposal, a district’s 2024-25 funding would represent its new “floor,” below which it could not drop. ○ Under this proposal, districts would not receive cumulative COLAs beginning in FY 2025-26 if their SCFF calculation was less than their new revenue “floor”. COLA’s would essentially become “one-time” in nature ○ Under this proposal, the next three fiscal years provide financial stability to the District. ○ The SCFF “Cliff”, which could have resulted in greater than \$10 million in revenue losses beginning in FY 2025-26, is now largely mitigated. ○ Advocacy to include COLAs in FY 2025-26 and beyond for districts still negatively impacted by SCFF will continue. 	
6.	<p>SCFF Legislative Update <i>For information</i></p>	

	<p>Sarah Thompson gave a report-out of ideas floating around the state in regard to modifying the student-centered funding formula (SCFF) and/or how funds are allocated to college districts. Following are the four components to the SCFF and the proposed modifications.</p> <ul style="list-style-type: none"> ○ Base allocation, determined by college size <ul style="list-style-type: none"> ▪ Lower the college thresholds ▪ Increase base funding for centers ▪ Keep hold harmless funding as the base ○ FTES allocation, which is 70% over the base allocation <ul style="list-style-type: none"> ▪ Increase FTES dollar amount (match K-12) ▪ Reduce FTE to 9 units ○ Supplemental allocation, intended for low-income/marginalized students, calculated by PELL/California Promise grants <ul style="list-style-type: none"> ▪ Cost of living metric ○ Success allocation metric, performance based <ul style="list-style-type: none"> ▪ Remove the cap ▪ Eliminate performance-based allocation ○ CalBright <ul style="list-style-type: none"> ▪ Eliminate CalBright and use the funds for remote/hi flex education <p>The SCFF Equity Coalition is still advocating at the state-level. There has been a decrease in enrollment statewide, but the overhead costs have remained the same. The proposed modifications align with what the State Chancellor is discussing, which will help bring these modifications forward with less conflict. Discussion ensued.</p>	
7.	<p>Rollback Fund Analysis <i>For information and discussion</i></p> <p>FY 2017-18 is the year by which the District measures subsequent funding and compares allocations with the projected SCFF funding. In FY 2017-18 the District rolled back the FTES and generated about \$8.6M in additional revenue by artificially increasing our base FTES. Jonah Nicholas reviewed years of past fiscal year reports to show what these funds have accomplished financially for the District as a whole. In FY 2019-20 the rollback dollars were not distributed through the budget allocation model (BAM). The majority of the hold harmless stability money was put into a District fund referred to as the “SCFF reserve”. In FY 2019-20, and based on the recalculation, there was about \$10.4M in hold harmless stability/SCFF reserve money, with about \$1.6M being allocated through the BAM. By FY 2021-22, about \$4M of the hold harmless stability funding was going through the BAM. In answering the</p>	

	<p>question of where the District currently stands with the SCFF reserve money, following is a breakdown of the current balances and reserves:</p> <ul style="list-style-type: none"> ○ Total Hold Harmless Stability Funding Received \$62,460,022 ○ Average Annual Hold Harmless Stability Funding Received \$10,410,004 ○ Projected District Ending Unrestricted Fund Balance (FY2021-22, all sites) \$25,456,207 ○ Projected District Ending Unrestricted Fund Balance (FY2021-22, districtwide only) \$37,957,419 ○ Difference (negative fund balances at the sites) -\$12,501,203 <p>Discussion was previously had in this committee about using the additional SCFF reserves to zero-out the negative fund balances at the sites. It's important to note, the reserve showing \$38M, does not consider the negative fund balances at the sites. Jonah Nicholas suggested this information be used when building the new BAM. Also, worth discussing at a future meeting, is how the committee wants to categorize the approximate \$10M that is not running through the model. The current budget book does not show all of the fund balances as presented here. The SCFF Projects from 2019 were run through the BAM. Discussion ensued.</p>	
.8.	<p>Future Agenda Items <i>For discussion</i></p> <ol style="list-style-type: none"> 1. White Paper Data Review (Rajinder) 2. How to categorize the SCFF Reserve (Jonah) 	None

Meeting adjourned 11:01 a.m.