



District Committee on Budget & Finance

March 19, 2019

District Board Room, 2 – 4 p.m.

Attendees: Bernata Slater, Eloisa Briones, Mary Chries Concha Thia, Sam Haun, Judy Hutchison, Pearl Ibeanusi, Nick Kapp, Steven Lehigh, Vincent Li, Graciano Mendoza, Martin Partlan, Ludmila Prisecar, Tamarik Rabb, and Jan Roecks

Absent: John Burrigh and Tony Burrola

Guests: Paul Cassidy, Peter Fitzsimmons, and Karrie Mitchell

Called to order at 2:05 p.m.

1. Scholars Promise Program Update

Mitchell referenced the handout provided to the committee, which was the staff report provided to the Board of Trustees at their retreat of Saturday, March 16, 2019 and can be found on the agenda for the retreat. Mitchell reminded the committee that the initiative is intended to replicate City College of NY ASAP program and that there is a difference between the District's Scholar's Promise Program and the California Promise Grant (formerly known as the BOG Fee Waiver). The local program addresses fees, textbooks, transportation, and wrap around services. The program goal is to support 2,000 students for the three years. The cost estimates found on Page 3 use the fall 2018 cohort as the basis. A key point of the program is a counselor to student ratio of 1:150. Mitchell reviewed the eligibility requirements with the committee. Mitchell also reviewed the individual cohort sizes to support 2,000 students. Roecks asked Mitchell if the goal is still 750 students at CSM, 750 students at Skyline, and 500 students at Canada to which Mitchell responded in the affirmative. Hutchinson asked if 2,000 is the total over the three years to which Mitchell responded in the affirmative and went on to state that ideally 750 would enroll and 750 would graduate. Hutchinson reiterated in theory that the colleges could only accept the same number as those that leave the program once the 2,000 is reached. Ibeanusi asked if the District recruits students outside of the county for the program. Mitchell advised that the District has feeder schools and programs that assist in the recruitment effort and a few programs are in the City and County of San Francisco given Skyline's proximity. Ibeanusi reminded that committee that City College of San Francisco provides free tuition and San Mateo County Community College District's program provides more than just free tuition and opined that this incentive is more attractive. Mitchell stated that the District would allow any student to apply and that 2,000 students is not a large number considering the District's student headcount. Ibeanusi reiterated that the District's program provides transportation to these students and asked if it was possible to expand this service to students outside of the program. Mitchell stated that each month the students in the program have a number of requirements to fulfill. If they fulfill their requirement they are eligible for a clipper card or a gas card (\$50). Ibeanusi requested that the District entertain the idea and if there was a way for the District to support transportation in between the three colleges for those students who take classes at more than one college. Mitchell replied that one of the initiatives that the District is working on is Guided Pathways and a component of this initiative involves course sequencing with the goal of providing classes at one college, which may remove the barrier of having to find transportation to go to other colleges to meet their educational goals. Slater interjected that the CRM may also assist with this sequencing. Lehigh clarified that there is no overlap in services (e.g., BOG Fee Waiver or other

financial aid). Slater confirmed that the funding from the program is the “last dollar” and that students have to apply for other financial aid and the promise will handle any remaining costs after all other financial aid is applied. Lehigh asked for confirmation that this was factored into the cost projections to which Slater responded in the affirmative. Mitchell discussed that the organization is still working on streamlining the wrap around services (e.g., how does the student know to go to the promise counselor instead of the EOPS counselor if the student is in both programs). Hutchinson stated if the goal is to graduate 90% what happened to the remaining 10%. Mitchell stated that these students likely become ineligible largely due to becoming part-time. The District is hopeful that the wrap around services will serve to minimize students reducing their units; however, sometime circumstances happen that cause a student to go from full-time to part-time. Slater added that not all students will require three years; however, the third-year funding is critical for those students that need additional time. Lehigh advised that full-time for the AB705 initiative is 12 units. Mitchell educated the committee briefly on the AB705 initiative and stated that the organization is working with the counselors in an attempt to get students to take 15 units, which is oftentimes just one additional class.

2. CRM Initiative

Mitchell referenced the handout provided to the committee, which was the staff report provided to the Board of Trustees at their retreat of Saturday, March 16, 2019 and can be found on the agenda for the retreat. Mitchell reminded the committee that the initiative addresses managing relationships with students. The initiative looks at everything from the point of inquiry, through the admissions process, through the matriculation process, and all the way through graduation. There is also a marketing component. For example, if a student meets the requirement to become a promise student (see Item #1), the CRM can initiate that conversation automatically. Studies have found that completion and retention have increased through this utilization of this tool. Mitchell highlighted the process the district went through to bring the initiative to fruition. She also highlighted the partners and what they are contracted to do and that the organization can integrate the CRM with existing systems such as Degree Works. Mitchell highlighted the costs of the initiative as noted in the handout including the four technology positions that are needed to bring the initiative to fruition and maintain the endeavor on an on-going basis. Prisecar asked how long to implement. Mitchell advised that this week discovery documents are being sent to the partners and by the end of fall 2019 the organization will begin to see results; however, it will likely will be 1.5 years before the initiative is robust. Prisecar inquired if this initiative will require a lot of data clean up to which Mitchell stated that the District is in the process of cleaning the data now. Ibeanusi confirmed that the District is hiring additional technology staff to which Mitchell reaffirmed and encouraged qualified personnel to apply as the recruitment is currently underway. Kapp confirmed that the contract is with Salesforce and inquired if others were considered. Mitchell stated that there were 7 proposals received via the RFP process to which Salesforce was selected.

3. FY19-20 Board Budget Priorities

Slater referenced the handout provided to the committee, which supported the staff report provided to the Board of Trustees at their retreat of Saturday, March 16, 2019. Slater walked the committee through the summary of estimated future financial needs to support strategic initiatives. The Board of Trustees outlined their priorities at this retreat. Two of the main priorities were the Scholar’s Promise Program and the CRM. There were a few others discussed (e.g., bond transition, inflation to costs, instructional equipment, and public safety).

Slater reminded the committee that the FY18-19 budget assumed \$2m for the Scholar’s Promise Program with \$1m from Fund 1 and \$1m from other sources. To increase the number of students

from 1,300 to 2,000 and extending the program from two years to three years, additional financial support is needed as indicated on the handout. Food insecurity remains a big unknown at this point. It is currently estimated at \$2m. Slater stated that the numbers will continue to be refined as more data becomes available. The additional staffing costs is currently beyond the identified resources. Overall the organization may need up to \$4.3m to provide all the services within the program in an on-going way. Prisecar asked if housing was included in this number to which Slater responded in the negative. Prisecar asked if the numbers are inclusive or exclusive of the \$2m from FY18-19. Slater clarified that the numbers are exclusive of the \$2m. Roecks inquired as to the staffing plan. Slater responded that currently these costs are absorbed by the colleges; however, the organization will need to analyze this and the associated costs further. Roecks stated that the colleges were struggling with the growth of the program and the staffing required and asked how to find the needed resources. Slater stated that the organization is aware of the needs as illustrated in the handout. Briones inquired about the direct resources to students. Slater stated that the two reports (summary of estimated future financial needs to support strategic initiatives and the scholars promise program staff report) are slightly different and she would reconcile the details and review with the VPAs. The reports are formatted differently (e.g., the staff report is isolated by year and the summary is illustrates additional dollars needed year-over-year) which is the cause of the difference. Mendoza inquired if the incremental increase in costs is coming from the District to the colleges. Slater responded that the current estimate for staffing came from the colleges and the summary identifies the variance between the years. She went on to briefly talk about the funding sources which are not all Fund 1 from the District. Lehigh inquired if the direct resources were included in the summary. Slater stated that the fee waiver, which is a direct resource; however, not a direct cost does convolute the presentation and will bring additional details at the next meeting in an attempt to clarify. Lehigh asked if the colleges were given the additional resource need for program operations. Slater responded that the initial costs were absorbed primarily from AB19 and other grants such as the Innovation Grant. The budget for next year may require an augmentation once the numbers are vetted. Lehigh opined that the colleges have expended dollars without additional funds in support of the program. Slater stated that additional resources will be required to replicate the model. Roecks concurred with Lehigh who stated that it is a philosophical choice to burden the colleges with the additional costs. Slater opined that the colleges have current resources as noted above and acknowledged that grants expire and a more holistic evaluation will need to be made. Roecks reminded the committee that each college came up with the initial resources to implement the program and now the program exceeds college resources. Slater stated that there are only so much resource available. Hutchinson inquired that with regards to the grants expiring something will need to replace the on-going costs and asked if the organization can truly afford the 1:150 student ratio. Lehigh reiterated that it is unfair to make the colleges take on this additional burden and asked why the organization is expanding the program if resources haven't been identified. Slater reminded the committee that Fund 1 is a zero-sum and that if the decision is to add funds to the program then the funds will need to come from somewhere within Fund 1 and reminded the committee that much these numbers are estimates at this point and noted that the District is working with the Foundation to provide additional resources. Slater understood the importance of additional resources needed to support the program. The discussion of staffing needs still needs to be identified from a funding resource perspective. Rabb inquired if the cost estimates are considering the expiration of the grants to which Slater responded in the affirmative and noted that the grants cannot pay for all of the program costs. Kapp opined that food insecurity is a big issue and the organization should be seeking grants for this problem. He inquired if the organization have grant writers or do the colleges seek these funds individually. Prisecar stated that the Innovation Grant was sought by the District and that CSM doesn't have a grant writer. The typical practice is that a program manager becomes aware of an opportunity and collaborates to apply. Briones stated that Skyline hires external grant writers. Kapp stated that it would behoove the District to apply as one district and food insecurity and transportation

would be good candidates for this approach so that the organization has increased buying power and the colleges don't inadvertently compete against each other to which Slater agreed.

Slater went on to highlight the cost estimates associated with the CRM. The District will need \$5.4m and has identified resources from one-time resources. This is only sustainable for so long (using one-time resources for on-going costs). Concha Thia asked where the one-time resource is coming from. Slater advised that the District is cobbling together its one-time resources.

4. FY19-20 Preliminary Resource Allocation

Slater reminded that the committee that Blackwood had reviewed the methodology with the committee in December 2018 and that the model has not changed; however, there have been some refining and teasing out of certain items – in essence, a reorganization of certain information in an effort to be more transparent. Fitzsimmons reviewed the handouts with the committee illustrating the five year revenue and expense assumptions (FY17-18 through FY20-21) with a focus on the FY19-20 column. He noted that the current property tax projection is 5.95% and is updated frequently when new data is available from the County while noting that 80% of the property tax increase is allocated to total compensation (displayed as salary commitments). Fitzsimmons talked about the differences from FY18-19 and FY19-20 with regards to Central Services and noted that many of these numbers are ultimately moved to the colleges. Fitzsimmons explained that the salary commitment year-over-year increases are due to the fact that each year is additive to the prior because the allocation has not yet been distributed to the sites. For example, FY20-21 reflects the FY20-21 allocation PLUS the FY19-20 allocation. The committee requested an analysis on the adopted budget versus the year-end revised budget to see how much of the budget moves across sites. Fitzsimmons reviewed the eight steps that lead to the site allocations in detail. Slater informed the committee that no site is getting less money than the prior year and that there is a likelihood that the site allocations and salary commitments will continue to increase as additional data points are received from the County regarding assessed valuation. Slater stated that last year assessed valuation was 6.1% at this point in the fiscal year and ended at 8.03% and that today the assessed valuation is at 5.95% and given that the housing market has softened the District is hopeful for an increase of another 1% in the coming months to end around 7%.

5. Future Agenda Items

None requested other than those noted above. Slater reminded the group that the committee had agreed to cancel the May meeting due to scheduling conflicts and that the FY19-20 Tentative Budget would be emailed to the committee.

6. Public Comment

7. Next Meeting: April 16, 2019

Meeting adjourned at 3:55 p.m.