



District Committee on Budget & Finance

May 19, 2020

Zoom, 2 – 4 p.m.

Attendees: Bernata Slater, Eloisa Briones, Tony Burolla, Mary Chries Concha Thia, Judy Hutchinson, Nick Kapp, Steven Lehigh, Vincent Li, Graciano Mendoza, Micaela Ochoa, Martin Partlan, Ludmila Prisecar, and ChunWai (Mark) Wong

Absent: Sam Haun, Katrina Salas, and Htet Htet Win Pyone Ei

Guests: Arlene Calibo, Paul Cassidy, Edgar Coronel, Peter Fitzsimmons, Daman Grewal, Jose Nunez, and Chris Strugar-Fritsch

Called to order at 2:05 p.m.

1. Introductions

Attendees and guests introduced themselves.

2. Future Technology Needs

Grewal shared with the committee future technology needs, which can be found at:

<https://www.dropbox.com/s/dfvje0z9e263fcp/DCBF%20Meeting%20Notes..docx?dl=0>

Topics of discussion were:

- Firewall Upgrade Project
 - \$1.2m in 20-21 and 21-22 and \$.2m on-going
 - Currently \$1.4m funded
- AV Tech Position
 - Partially funded by special events / facility rentals
- Measure H Employee Phase-In
 - Department will manage via DO's site allocation
- Laptop Procurement to Support Remote Work
 - 150+ new laptops @ approximately \$1,500 each
 - Hope that the campuses will fund
 - Instructional Equipment Funds a possibility
 - Measure H Funds a possibility
- Virtual Labs to Support Students
 - Solid Works
 - AutoCAD
 - Hope that the campuses will fund
- DropBox
 - Providing to faculty and staff
 - 300+ licenses
 - \$100k per year

- Currently funded via Central Services Allocation
- Zoom (including transcription and closed captioning)
 - \$50k per year
 - All students have an account
 - Currently funded via Central Services Allocation
- VPN & MFA to Support Remote Work
 - Additional license for employees to work from home
 - \$50k per year
 - Currently funded via Central Services Allocation
- Cloud Computing / Migration (Azure/Oracle)
 - \$120k per year to back up critical software in the Cloud
 - Business continuity in case of emergencies
 - Funding not yet identified
- On Premises Server Upgrade
 - Hardware – Measure H
 - \$100k needed for software
 - Funding not yet identified

3. Future Facilities Capital and Financial Needs

Nunez provided a presentation to the committee members, which was emailed to the committee members by Fitzsimmons.

Briones asked if there are new expenses associated with B-12 at Skyline. Nunez responded that these expenses were already incorporated into Facilities' budget.

Slater opined that the State will not have resources in the next several years to support scheduled maintenance so the organization will need to identify one-time resources to fund these critical needs.

Slater confirmed that many of the items contained within the presentation are budgeted while others not (i.e., the presentation contained both funded and un-funded needs.) Slater reminded participants that certain staff are still accessing physical sites so it is important to maintain a safe environment, which will increase costs given the new requirements as a result of the pandemic. Nunez will be discussing with the colleges additional custodial costs associated with the campuses re-opening given the new requirements, which may total approximately \$100k per year.

With regards to priority, Lehigh asked how some projects are decided be funded and others not. Nunez stated that Cabinet decides based upon need and funding available. Nunez stated that there are unfunded projects that are a priority. Slater stated that the District is aware and will work on identifying one-time funds with the hopes to ultimately fund. The needs will likely exceed resources for the immediate future.

4. CCFS-320 P2 Report

Fitzsimmons reviewed the report, which was emailed to committee members prior to the meeting. Slater reminded the committee members that the numbers are projected annual numbers at P2. She also mentioned that FTES does drive some funding for basic aid-districts in the form of categorical programs and other revenues (e.g., EPA, Lottery, Mandated Cost Claims, etc.). It was noted that enrollment continues to decline.

5. May Revise

Slater highlighted the Governor's May Revise and his commitment to education. The pandemic cost the State tremendously depleting its reserves. Fitzsimmons stated that the State is projecting a 22.3% revenue reduction, which is tremendous. As a result, a variety of programs will bear significant cuts. The Governor emphasized that if the Federal Government provides additional relief to states, that these proposed cuts will not materialize.

With regards to community Colleges, the Governor has rescinded all of the increases he proposed in January 2020. Non-basic-aid districts will receive an 8% cut to funding via the Student Centered Funding Formula (SCFF). In order for basic-aid districts to experience their "fair-share" of cuts, the Department of Finance is proposing to cut categorical funding to basic-aid districts proportional to the same level of cuts to the SCFF. In addition to this categorical funding reduction, the Strong Workforce and Student Equity & Achievement (SEA) Programs will see reduced funding for all districts. More details are likely forthcoming; however, the District is estimating approximately \$8.4 million cut to categorical program funding from the State for 2020-21 on top of reduction to SEA and Strong Workforce funding. Basic aid districts have already began advocating efforts against these cuts; however, are planning for the worst and hoping for the best. The District and Colleges will continue to monitor as budget news develops and will likely need to mitigate funding reductions with one-time resources.

Fitzsimmons stated that there was a bit of good news contained within the May Revise. The Districts' three State Capital Outlay projects remained funded and the State is proposing to "buy down" some of the employers costs associated with PERS and STRS. Slater noted that AB19 funds (California Promise) were also preserved.

Slater stated that the District has adjusted the resource allocation model based upon the May Revise and that the State will likely update its budget in the fall when more information is known.

Lehigh inquired about the surpluses in salary commitments and central services in general. Slater responded that the District budgets conservatively and Central Services' budget is calibrated towards current estimates. Fitzsimmons reminded the committee that the salary commitment budget line item is formulaic (i.e., 80% of the increase over prior-year property taxes commiserate with the total compensation formula) and that personnel budgets traditionally end in the black due to salary savings caused by vacancies throughout the year.

6. FY 2020-21 Tentative Budget / Site Allocation Update

Slater walked the committee through the site allocations for the tentative budget noting changes from the last meeting. The document was emailed to the committee members by Fitzsimmons.

7. Public Comments

8. Next Meeting: September 15, 2020

Meeting adjourned at 4:05 p.m.