



Budget Committee

MINUTES for Monday, February 6, 2023

1:00 p.m.

Zoom

Members Present:	Claudia Tornsaufer, Floreniza Yumul, Mark Nesbit II, Jacqueline Sabanos, Stacy Surwilo, John Bromma, Andrei Lucas, Michelle Gray, Cassandra Storey, Kelly Henwood, Sany Ramirez,
Members not Present:	Jacqueline Hester, Lorie Crosby-Howell, Shirley Pierson, Jan Jarrell,
Guests:	
Recorder:	Patricia Lopez
AGENDA	
A. Call to Order 1:01 p.m.	
B. Approval of Agenda	
C. Approval of Minutes	
DISCUSSION	Minutes were approved.
CONCLUSION	Stacy Surwilo moved to approve the minutes, Michelle Gray second; motion approved.
1. Welcome and call to Order	
INFORMATION	-
DISCUSSION	
CONCLUSION	
Action Item [Who?]	
2. Governor Newsom's January Budget Proposal	
INFORMATION	<p>-VPA Sabanos informed the Budget committee, Governor Newsom released his budget proposal for the 2023-24 fiscal year.</p> <p>- Governor Newsom's \$297 billion budget proposal was released on January 10, 2023. The annual budget process for California begins with the release of the Governor's budget proposal in January and then is revised in May after the state has a better picture of state tax revenue that is determined by our April 15th tax deadline. After the May revise is released state leaders and the legislature work to create a final budget that is released in time for the July 1 start of the fiscal year.</p> <p>- The state is projected to be facing a \$22.5 billion budget deficit in the upcoming fiscal year. The governor blamed high inflation, the Federal Reserve's decision to raise interest rates and volatility in the stock market as the major forces causing state revenues to drop well below projections from last summer when he anticipated a \$100 billion surplus.</p>

	<p>- One of the top priorities in the budget is providing housing for community colleges. For community college an increase of \$652.6 million is proposed in ongoing Proposition 98 general funds to provide an 8.13-percent cost-of-living adjustment (COLA) for Student Centered Funding Formula apportionments. There is also an 8.13-percent COLA for select categorical programs including the Adult Education Program, but not for SEAP funds. The budget proposal focuses on Student Enrollment and Retention—An increase of \$200 million one-time Proposition 98 General Fund is expected to continue to support community college efforts and focused strategies to increase student retention rates and enrollment.</p> <p>- Cost of Living Adjustment (COLA). The governor’s Budget includes an 8.13% COLA in the amount of \$653 million. This will yield approximately \$23.7 million, which will be addressed in accordance with the SDCCD Resource Allocation Formula (RAF).</p> <p>-The governor has proposed .05% in growth funding in the amount of \$28.8 million.</p> <p>SDCCD Impact. If the District is funded under the Student-Centered Funding Formula’s (SCFF) minimum revenue provision (i.e., hold harmless); SDCCD will not be eligible to receive any growth funding.</p> <p>-Deferred Maintenance to support districts operational and energy efficiency projects is included in the governor’s proposal. This year’s state allocation proposal is \$627 million.</p> <p>SDCCD Impact. The District could receive approximately \$22.5 million in one-time funding. As with past practice, 60% or \$13.5 million would be allocated to facilities and 40% or \$9.0 million would be allocated for instructional equipment and materials.</p> <p>-Total Increase: \$23.7 million on-going funding and \$22.5 million of one-time funding</p>
DISCUSSION	
Action Item [Who?]	
3. New Executive Vice Chancellor Kelly Hall	
INFORMATION	<p>-VPA Sabanos informed the committee, Bonnie Dowd retired as of January 1, 2023. SDCCD has a new Executive Vice Chancellor of Finance & Business Services, Dr. Kelly Hall.</p> <p>- Dr. Hall has served as Assistant Superintendent/Vice President for Business and Financial Affairs at Southwestern College since July of 2019.</p>
DISCUSSION	
Action Item [Who?]	
4. Draft Resolution Regarding Ending Fund Balance Reserve of Two Months	
INFORMATION	<p>-VPA Sabanos stated, at the Board Meeting on October 13, 2022, there was an agenda item that passed and adopted; which requires maintaining GFU reserved for two months.</p> <p>-The Draft Resolution regarding ending fund balance reserve of two months,</p> <ul style="list-style-type: none"> • -WHEREAS, San Diego Community College District (the “District”) is a postsecondary education institution established under California Education Code 70900; and • -WHEREAS, California Education Code 70900 provides for the Board of Governors to delegate certain decision-making powers to the California Community College Chancellor’s Office (the “CCCCO”) and the Board of Governors has delegated the monitoring of districts’ fiscal health to the CCCCCO; and • -WHEREAS, on February 1, 2022, the CCCCCO issued Memorandum FS22-03 recommending that districts adopt policies and practices consistent with the Budgeting Best Practices

	<p>published by the Government Finance Officers Association (GFOA) regarding financial reserves, which are critical to a district's ability to operate effectively; and</p> <ul style="list-style-type: none"> • -WHEREAS, a district's unrestricted general fund reserve balance is an important element considered by the CCCCCO when assessing the fiscal health of a district; and • -WHEREAS, the Board of Trustees desires to provide for the fiscal stability and resiliency of the District by adopting the CCCCCO's recommendation regarding sufficient unrestricted reserve balances; • -NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby directs the Chancellor (or designee) to maintain unrestricted general fund reserve of two months of the projected annual unrestricted general fund operating expenditures.
DISCUSSION	
Action Item [Who?]	
5. HEERF Fund and COVID Recovery Block Gant	
INFORMATION	<p>-VPA Jacqueline Sabanos mentioned that the HEERF III is looking positive for the year of 2023 and we will be able to meet our operational needs. As HEERF III is a federal fund, it must be spent by June 30.</p> <p>-HEERF has been funding many project assistants. The Administrative Services office is working on finding different sources to continue funding these employees.</p> <p>-SDCCE Received \$4 million dollars from the COVID Recovery Block Grant and there is no deadline to spend the money as this is a state fund.</p>
DISCUSSION	
Action Item [Who?]	
6. Resource Allocation	
INFORMATION	<p>-VPA Sabanos informed that Administrative Services received the resource requests from the Office of Institutional Effectiveness.</p> <p>-Each request must be reviewed by the Business Office to ensure they meet the guidelines and they have been properly estimated.</p> <p>-This month, Administrative Services will be breaking out and sorting each request to be reviewed by the pertaining committee.</p>
DISCUSSION	
Action Item [Who?]	
7. Adjournment Meeting adjourned at 1:36 p.m.	

NEXT MEETING:

Monday, April 3, 2023. – 1:00 p.m.

Zoom

Minutes submitted by:

Minutes approved: