

Copy of Copy of VC Budget and Resources Committee (Wednesday, January 18, 2023)*Generated by Maureen Jacobs on Monday, January 23, 2023*

1. Welcome / Introductions

Cathy started the meeting without a quorum.

2. Public Comments

None

3. Action Items

We will defer the action items at this time. Maureen will let us know if we have a quorum.

4. Discussion Items

Discussion: 4.01 Out of Cycle Requests-None

Discussion: 4.02 Equipment Refresh Work Group Update - None

Discussion: 4.03 Study Session-

We are skipping this so that we have more time for Program Review and the Governor's January Budget Proposal.

5. Budget Report

Report: 5.01 DCAS Report Out

Cathy presented the DCAS Agenda. We will be having a discussion on the Governor's proposed budget and the Police Services' budget.

Police Services are projecting a small deficit and working on the new parking system. They are hoping to get it operational by the end of the Month.

Cathy explained that we have an Irrevocable Trust that is used for Retiree Health Benefits. It has a very large amount but not enough to cover our entire obligation. In October 2021, it had \$29.8 million in value. A few years ago the group said that after we have gotten one of the actuarial studies that tell us how much we owe, we are going to start drawing on this because we don't want the district to be paying as we go and covering all the costs. In the end, we want to have money left this year. In a "NUTSHELL": The recommendation was that after the group study that we have implemented, our annual contribution (in the sense of taking it out of the allocation model and budgeting). It would be over \$8 million for retiree health benefits until about 2044. We will pay this through the allocation model. Any excess cost will be paid out of the Irrevocable Trust. So if our retiree health benefit costs are \$9 million, we will be moving \$8 million as part of our allocation model into this fund to pay it. The other \$1 million will either come from that fund balance or it will come from the irrevocable trust. Under this plan, the funds would be used up by 2060. This is an important topic to our district and it's something very important for the Colleges' budget committees to really understand that it is out there.

As for the rest, we're doing our traditional "this time of year", where we start looking at our allocation model for our unrestricted and our infrastructure fund and deciding if there are any tweaks that may be necessary as we start preparing our budget for FY23-24.

Like many groups, we are in the process of updating board policies. If you want to hear about it, you can come because it is an "in-person" meeting because of the governance and the Brown Act.

There were no questions.

(Carol Smith said in CHAT said that Chief Pallotto said it would be mid-February before they start to enforce parking.)

5.02 Governor's January Budget Proposal-Final

This attachment is 26 pages so Cathy will give us some highlights: The State budget is going to have a deficit of \$22.5 billion dollars due to a sharp decline in capital gains revenue as a percentage of personal income. Personal income tax is the largest category of revenue. He acknowledges that the economy is slowing but still growing. Important fact: "Earners generate 26% of all gross income that is taxed in the State and they paid 49% of all personal income taxes. Of the personal income tax, As that 1% of personal income goes up and down, that is a lot of capital gains. That is why our State is so sensitive to capital gains and personal income tax. The way our structure is set up is basically being held at the same level. While there is a \$22.5 billion deficit in the entire State budget; it is not, according to the Governor's proposed January budget. It will not be affecting community colleges.

He is proposing 1.3% COLA to our Student-Centered Funding Formulas and for some categorical programs. He is taking some money from this year and giving it to next year. Our Student-Centered Funding Formula is the biggest part. He also proposed an additional \$200 million for retention, enrollment, and outreach strategies but he wants to take the money from this year's scheduled maintenance. We were given the money to do projects and it was a record amount for this year. We have started projects. Cathy is doubtful this will make it to the May Revise because many are already up in arms about it. How can you take money that was given to us and is already spent for next year? Maybe they'll have more money and be able to come up with another way. At a State attended a Chancellor's Office webinar. They are saying that they feel that there are sufficient funds through various categoricals that are available for outreach and retention efforts. They will be doing some adjustments and we will wait to find out. It is kind of a shifting game of funding delays. They are doing it to our housing grant. We have our funds this year but for 23-24, he is proposing to reduce the allocated amount. He also said that instead of 3 years, they will award of four years. It's kind of playing a shell game and moving things into future years. We are not being cut this year. By the time we get to May, we may know what pans out. The Governor is also estimating that property taxes will go up along with enrollment fees. They think property taxes and enrollment fees will help us get there. Hopefully, by May, they will determine that they have more funds available. We'll see but we acknowledge it's a really strange rule that happens because of this 'emergency conditions funding.'

6. Program Review Update-Phillip Briggs Cathy displayed a spreadsheet that split the list into 1. Equipment requests and 2. Replacement requests, new equipment replacement. The Excel spreadsheet shows our rankings. Phillip explained the process

including the online version of the rubric. These were sent to all of the voting members and we had 10 complete them. Each voting member ranks the requests individually and then his office averages them all together to come up with the final average rankings. He presented the schedule in order of the committee's average score. FOG can make adjustments if needed and have the final ranked lists. It then goes to the Executive Team for its input.

Discussion: 6.01 Review equipment prioritization: There was an extensive discussion (Cathy, Stephanie, Carol, David, Sandy, Phillip and confusion about Anthrpology's 4 requests for models. It included the listed descriptions, whether they were separate requests. Our committee's recommendation to the Executive Team was that they need to take into consideration that some are separate skeletons but may not be a request for all of the four skeletons. If it is, the cost is \$34,000. Carol also commented on the request to buy a tractor for FM&O, maybe Agriculture could be using it. Stephanie added they had different needs and there or different tractors for different needs. There was a long discussion. Carol asked Cathy to estimate the costs. Cathy replied the first four items total about \$200,000. The committee continued the discussion of various requests including gym equipment, vehicles, and whether some requests were rolled over from the previous year. Cathy said that sometimes the Executive Team consults with the Dean or the Department Chair for more information if something is vague or confusing and needed explanation such as the difference between study carrels and privacy pods. There were also questions regarding items from the prior year's Program Review as to whether or not items had been ordered or were included in Tech refresh. Cathy said she will find out and come back to let you know the status of some of these requests.

7. Technology Advisory Group Report-Grant Jones or designee (Grant Jones had to leave for another meeting). The group ranked its initiatives and had their scores. After Grant's equipment refresh requests, there was very little money for anything else. Some were categorically funded.

8. Facilities Oversight Group Report-Steve Palladino or designee

8.01 FOG will meet on 1/26/23 to review rankings.

9. Items to report to CPC-None

10. Future meeting agenda suggestions-None

11. Announcements: Susan Royer is retiring on 1/27/23

12. Adjournment/Next Meeting: The meeting adjourned at 3:47 PM. The next meeting is on February 15, 2023.