



# **BOARD OF TRUSTEES FINANCE & BUDGET COMMITTEE MEETING**

**(Tuesday, May 25, 2021)**

**1.1 CALL TO ORDER:**

The meeting was called to order at 12:04 p.m.

**1.2 ROLL CALL:**

Members present: Bill Withrow, Dyana Polk, Cindi Napoli-Abella Reiss, Thomas Renbarger, Adil Ahmed & David M. Johnson, Sasha Amiri-Nair – Minute Taker.

**1.3 APPROVAL OF THE AGENDA:**

<b>MOTION:</b> M/s: Withrow/Johnson: Approval of the Agenda
<b>VOTE:</b> Ayes: Withrow, Napoli-Abella Reiss, Delfin-Polk, Johnson, Ahmed, Renbarger- <b>Noes:</b> None
Motion passed unanimously. <span style="float: right;"><b>Video Time Stamped: .34</b></span>

**1.4 PUBLIC COMMENT:**

Public comment was made by Jennifer Shanoski.

**1.5 APPROVAL OF THE MINUTES:**

<b>MOTION:</b> M/s: Withrow/Reiss: Approval of the Agenda
<b>VOTE:</b> Ayes: Withrow, Napoli-Abella Reiss, Delfin-Polk, Johnson, Ahmed, Renbarger- <b>Noes:</b> None
Motion passed unanimously. <span style="float: right;"><b>Video Time Stamped: 2.38</b></span>

**2.1 GENERAL FINANCE UPDATE FROM VICE-CHANCELLOR OF FINANCE ADIL AHMED:**

- VC Ahmed reviewed the 5-year projections and his recommendations.
- Trustee Withrow asked if the state had written somewhere that the Hold Harmless will no longer be available by FY24/25.
- VC Ahmed stated it showed on the May Revise that they used the SCFF back in FY18/19, and then it got extended by three years. When the pandemic hit, the May Revise included another extension until 23/24. The state mentioned it would end on 23/24, but there may be a possibility that it gets extended for one more year, but that has not been confirmed.
- President Reiss clarified that when the SCFF was first implemented, it affected the portion of funding because the District was not going to be funded based on the number of individuals

in seats. To compensate for the less funding, the Hold Harmless was created to go back to 2017/18 before the SCFF.

- Trustee Polk asked if there were any other recommendations to balance the budget other than freezing positions.
- VC Ahmed suggested to the Chancellor that discretionary expenditures be reduced by 5%.
- President Reiss stated for us to right-size the District, there needs to be an organizational rethinking. What needs to happen? Where is there surplus? Where is there need? What do we need to do differently? Also, it was imperative and critical that Adil figured out how the budget had grown, which was something they need to pay attention to. She mentioned that while on a webinar, she had asked the presenter how they were Districts preparing for the Hold Harmless. He suggested that the District be realistic about what the enrollment is right now. Look at the current enrollment or average for the last few years and what you are budgeting for now and find the delta between them. Then, figure out what the expenditures need to be according to those enrollments, and then look at how you are budgeting your expenditures and critically look at that delta.
- Renbarger asked if all of the academic administration vacancies were going to be filled? And if the recommendations from FCMAT for restructuring the District office were taken into account in the updated projections, and if not, then when?
- VC Ahmed answered yes to the vacancies and stated he was still working with the Chancellor regarding the organizational structure.
- Trustee Polk asked if wiping out student fees or debt would be considered bad debt.
- VC Ahmed noted that the Board had approved covering \$850k every year for bad debt back in FY15/16. They plan to wipe out \$4 million with the Cares Act this year.
- President Reiss stated that as they were having these difficult conversations, it was important that everybody received the same information and was open and communicative about the data. If there were misunderstandings about the terms of the data, it was necessary to look into them. How about asking the questions, can we reach an agreement? How can we agree?
- Renbarger gave an update on the PBC meeting. They met on Friday, May 14, and a major portion of the meeting was Adil presenting the 5-year projections before the May revise had been released. They will be receiving an update at the next meeting with the May revise included. They received an update from C.M. Brahmbhatt regarding work that's being done with the BAM Taskforce. The Task Force should be ready to make a recommendation to the PBC by October which would incorporate the student centered funding formula as the basis for budget development for the 22/23 academic year and then presenting it to the Board in December.

## **2.2 GENERAL BUDGET DEVELOPMENT DISCUSSION:**

- Trustee Withrow said it was important that everyone understood and could follow the finances they were working on with the 5-year projections. He commended the finance team for putting together the information.
- President Reiss suggested that it would be a good idea to see where the District had fallen short in finance from the ACCJC reports. What specifically has been done to correct the issues, and how do they know it's working. She said it was important to keep an eye on the budgets as they are developing and what's going on, and the environment in which they continue to keep their finances accountable and accurate.

- Additionally, she wanted to add to the next agenda an update on best practices from other local districts regarding their Budget books.
- Trustee Withrow requested information on the functions of the frozen positions and if they were being accommodated in some manner, on the next agenda.
- VC Ahmed explained that the positions that were frozen were those that had been vacant for at least two to three years and were no longer considered necessary at this time. In the budget, there was a 0 put into the position because it wasn't being funded. They did not eliminate the positions.

### **3. ADJOURNMENT**

**Meeting Adjourned at 12:50 p.m.**