



FOOTHILL-DE ANZA  
Community College District  
Office of the Chancellor

**CHANCELLOR'S ADVISORY COUNCIL**  
**Meeting Summary**  
**May 8, 2020**

Present: Roland Amit, Becky Bartindale, Leonardo Blas, Laura Casas, Anthony Cervantes, Pearl Cheng, Susan Cheu, Karen Chow, Isaac Escoto, Christina Espinosa-Pieb, Heidi King, Gracian Lecue, Kristy Lisle, Andre Meggerson, Kevin Metcalf, Mike Mohebby, Joe Moreau, Thuy Nguyen, Dorene Novotny, Mary Pape, Josh Pelletier, Kathy Perino, Raquel Puentes, Tim Shively, David Ulate, Chris White

**1. Welcome and introductions**

Vice Chancellor of Business Services Susan Cheu welcomed council members and guests. She explained that Chancellor Miner was unable to attend the meeting because of a family emergency.

**2. Approval of March 13, 2020, meeting summary**

The March 13, 2020, Chancellor's Advisory Council (CAC) meeting summary was approved by consensus.

**3. Review and approval of proposed new administrative procedure (AP) 3518 Child Abuse Reporting**

The council reviewed and approved by consensus the proposed new administrative procedure regarding child abuse reporting requirements, which was presented to the council for first reading on March 13, 2020. It was noted that the following change was made to the proposed language following the March meeting at the request of the Faculty Association:

Child abuse reporting forms are available from the District Police Department **and the District Office of Human Resources website.**

The procedure was approved by the Academic and Professional Matters Committee on March 11, 2020.

**4. Review of proposed revision of board policy (BP) 7211 (formerly BP 4140) Equivalency**

The council reviewed the proposed revisions to the equivalency board policy, which were approved by the Academic and Professional Matters Committee on April 22, 2020. The policy will be presented to the Board of Trustees for first reading at the June 8, 2020 meeting.

5. **Budget update (attached)**

Susan provided an update and answered questions about potential changes to the state and district budgets in light of an anticipated significant decline in revenues associated with the state's pandemic response and stay-at-home order. She noted that the budget the state adopts in June will be a workload budget that will be revised once the state has a better understanding of its revenues. Likewise, the tentative budget presented to the district's Board of Trustees in June will differ considerably from the final budget the governing board will adopt in the fall.

Susan detailed significant risks to the district's 2019-20 budget, including the likelihood of a deficit factor and reductions in parking, Bookstore and Dining Services, and Child Development Center revenues. She briefed the council on the probability of even more significant risks in 2020-21 if predictions of a potential 20 percent decrease in Proposition 98 funding, a deficit factor, and a decline in non-resident enrollment come true. Susan also contemplated the future of self-sustaining and enterprise funds under a continued remote learning and working environment and cautioned the council to expect increased expenses for cleaning and modifying classrooms and work spaces should some students and employees be able to return to campus.

Susan also explained that should the district move from state apportionment to basic aid funding, there would still a significant revenue loss and warned of further complications and uncertainty if the district drifts in and out of basic aid status.

6. **Call for 9/17 District Opening Day virtual workshops**

Susan asked that council members send proposals for opening day workshops that could be held virtually to Paula in the Chancellor's Office at [norsellpaula@fhda.edu](mailto:norsellpaula@fhda.edu).

7. **Enrollment management**

Thuy reported an increase in enrollment at Foothill College for spring and stated that she anticipates high demand for summer and fall because enrollment generally increases when there is high unemployment.

Christina advised of a slight decrease in enrollment for spring at De Anza College but noted that productivity is up and enrollment in late start classes has not yet been included. She reported that a survey has been sent to faculty members to determine preferences for fall scheduling, but the college does not plan to have any courses conducted 100 percent face-to-face in case there is a resurgence in COVID-19 cases.

Christina, Isaac, Susan, Thuy, and Karen all commented on the importance of ensuring that employees and students can return to campus safely and emphasized the need to have a plan for returning to the physical campuses ready for implementation.

## 8. District Governance Committee/Constituent Group Reports

District Budget Advisory Committee [http://www.fhda.edu/\\_about-us/\\_participatorygovernance/C-budget-advisory-committee.html](http://www.fhda.edu/_about-us/_participatorygovernance/C-budget-advisory-committee.html)

Susan reported that the District Budget Advisory Committee met virtually on April 21, 2020, to discuss federal CARES Act funding, FEMA reimbursements, the Second Quarter Report, and the 1320 report as of March 2020. She noted that 50 percent of CARES Act funding is for direct aid to students and the other 50 percent is for institutional aid intended to cover the conversion of instruction to a remote environment. With regard to FEMA funding, Susan noted that there might be some opportunity for the district to obtain some reimbursement funding, but it is likely to be very restricted.

Human Resources Advisory Committee/District Diversity and Equity Advisory Committee <http://hr.fhda.edu/diversity/c-meeting-minutes-and-agendas.html>

Dorene advised that the annual Equal Employment Opportunity report will be presented for approval at the June 8, 2020, Board of Trustees meeting, and Director of Equity, Employment and Professional Development Pat Hyland has included some useful interactive data analytic links in the report.

Educational Technology Advisory Committee <http://ets.fhda.edu/governance-committees/etac/index.html>

Joe advised that work on the three-year revision to the District Technology Plan was derailed by the pandemic and will be postponed until sometime in the fall. Current plans are to fully revise the college and district technology plans next year with the expectation that the transition to virtual instruction and working from home will inform the district's use of technology for years to come.

Business Process Alignment Task Force

Joe committed to reengaging the task force soon to help the district look for opportunities for cost savings and efficiencies.

Academic Calendar Exploration and Feasibility Analysis Task Force

Dorene advised that plans for a student survey were suspended due to the need for everyone to prioritize other issues during the transition to a virtual workplace.

Foothill College Academic Senate

Isaac spoke about the success of the college's flex week and the extensive workshops and trainings available. He advised that the college is hoping to develop a similar program in July and is looking at options to fund part-time faculty participation.

### De Anza College Academic Senate

Karen spoke of plans to replace the college's annual Convocation this year with a series of presentations, workshops, and group activities with the theme "Creativity Amid Crisis."

### De Anza College Classified Senate

Heidi shared plans for a half day of virtual professional development activities for classified employees from both colleges and Central Services with the theme "Camp Classified—Adventure Awaits."

### Associated Students of Foothill College

Leonardo spoke about students' struggles amidst the pandemic. He asked the council if it would still be appropriate for students to push for student and faculty housing. Susan responded that a component of Measure G is dedicated to looking at housing, and administration is always interested in hearing about student needs. Thuy and Christina concurred and added that the district continues to look for opportunities for public/private partnerships to support housing.

The meeting adjourned at 12:56 p.m.

# State and FHDA Budget Outlook

All Administrators Meeting

May 8, 2020

Presented by: Susan Cheu, Vice Chancellor of Business Services



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# State Budget Picture

- Overall tax revenues will be reduced
  - Sales Tax
  - Personal Income tax (2/3 of State's General Fund revenue)
  - Corporate Income tax
  - Other taxes, such as gas tax
- Potential 20% reduction in guaranteed funding as calculated by Proposition 98.
  - Prop 98 generally ensures 40% of State General Fund Revenues go to K-14
    - 11% of the Proposition 98 funding goes to community colleges.
    - FHDA generally receives 2.1% of the community college total. In FY 2019-20 this amount was \$156.9 million.
- May revision with additional “August Revision”
  - Tax filing deferred to July 15<sup>th</sup>
  - Other economic indicators

# FY 2019-20 FHDA Revenue Risks

- Possibility of a deficit factor being applied
  - \$1.56 million for every 1%
  - January reports included 3.689% deficit factor
    - Equivalent to \$5.8 million
  
- Impact of loss of activity generated income for Spring Quarter
  - Parking
  - Bookstores/Dining Services
  - Child Development Center

# FY 2020-21 FHDA Revenue Risks

- A potential high of 20% reduction in Prop 98 funding
  - \$156 million X 20% = \$31 million
- Potential deficit factor
  - Property Tax
  - Enrollment Income
  - Educational Protection Act (EPA)
- Non-resident revenue comprises \$26 million or 15% of FHDA's General Fund Revenue
- Lottery revenue of \$4.2 million
- Local revenue allocated to campuses of \$1.4 million
- Hold Harmless is not guaranteed
  - \$13 million for FY 2019-20



# Self-Sustaining and Enterprise Programs

- Shelter-in-place has eliminated revenue generating abilities for most of the self-sustaining and enterprise functions
  - For example, Bookstores, Dining Services, Child Development Center, Facility Rentals
  - Deficits will require either using individual fund balances or General Fund support
  - Student fee funded areas, such as Parking are adversely affected
- What will the future look like if social distancing measures require continued remote learning environment?

# Categorical Income

- Uncertainty about availability of future state funding
  - Strong Workforce
  - Student Equity and Achievement (SEA) Program
- These programs have ongoing costs that have been incorporated into the campus services.
- Proposed consolidation of programs into one budget line

# FHDA Expense Risks

- Additional costs due to COVID-19 preventative measures
  - Potential requirements
    - Adjustments to classrooms to allow for physical distancing
    - Additional sanitary supplies and cleaning services
    - Changing fixtures to provide social distancing
  - CARES Act funding only applies to remote learning environment
  - FEMA reimbursement is uncertain
- COLA and other annual compensation increases
- Mandatory Pension cost increases
- Anticipated health care cost increases

# Likelihood of Basic Aid Status

A district is considered in Basic Aid status when State Apportionment < local sources (property tax and student enrollment fees).

- For FY 2019-20:
  - FHDA State Apportionment = \$156.9 million (base of \$143.9 million + hold harmless of \$13 million)
  - Local sources = \$145.2 million (projected property tax of \$125.2 + student enrollment fees of \$20.5 million)
  - Based on these projections the District would need \$11.7 million more in local revenue sources to reach Basic Aid status
- We are shrinking down to Basic Aid, not growing into it
  - Loss of 4,100 FTES in enrollment over last five years
  - District would still experience budget reductions
  - If hold harmless is lost and everything else held stable, based on a 5% assessed value growth rate, it would take 2-3 years to recover to FY 2019-20 revenue level

**NOTE: Non-resident is not part of this calculation**

# Summary of Likely Risks

- **Revenue**
  - Reduction in Prop 98 funding (up to \$31 million)
  - Potential deficit factor (\$1.56 million to ??)
  - Non-Resident revenue (up to \$13 million at 50%)
  - Hold harmless (\$13 million)
  - Local revenue (\$1 million)
- **Expenses**
  - COVID-19 expenses (\$??)
  - Recent 6% COLA was \$7.3 million; \$500,000 step/annual increases
  - Pension obligation of \$2.6 million for STRS/PERS
  - Expected rise in health care costs
- **Self-Sustaining and Enterprise Programs**
  - Lack of ability to generate funding (Over \$1 million)
- **Categoricals**
  - Potential loss of funding due to state budget crisis (\$??)

**Questions?**