

District Budget Advisory Committee (DBAC)

Meeting Notes

May 15, 2018

1:30 – 3:00 p.m.

Attendees:

Susan Cheu – Representative, De Anza Administration

Lisa Drake – Representative, Foothill Academic Senate

Kevin McElroy – Vice Chancellor, Business Services, Chair

Carla Maitland – Recorder, President of Confidentials

Paula Norsell – Representative, Confidentials and Central Services Classified Senate

Dorene Novotny – Vice Chancellor, Human Resources

Raquel Puentes-Griffith – Executive Director, Fiscal Services

Kathy Perino – Representative, Faculty Association

Tonette Torres – Representative, Teamsters

Bret Watson – Representative, Foothill College Administration

Chris White – Representative, ACE

Meeting began at 1:35 p.m.

Review 2018-19 May Revise

Vice Chancellor McElroy reviewed [Table 1 and Table 2 of the Initial Comparison of Governor's Budget and May Revision document](#) attached to the corresponding agenda.

Vice Chancellor McElroy pointed out that the 2.71% included in the Governor's May Revise is **one-time** discretionary growth for FY 2018-2019 only. McElroy stated the Governor's May Revise also reduced the Deferred Maintenance and Instructional Equipment allocation by \$131.7 million. The reduction is connected to a shift in one-time discretionary funds as part of the new funding formula implementation. The CCC system would receive a total of \$143.5M for Fiscal Year 2018-19 in Deferred Maintenance and Instructional Equipment.

The Governor's May Revise version of a new funding formula would also eliminate the summer shift, which affects schools on the semester schedule, and does not impact FHDA.

Vice Chancellor McElroy reviewed the CCC Funding Formula Factors which are included in the May Revision, and advised his office will need to develop simulations to determine if the district can replicate the calculations displayed in the single simulation provided by the Chancellor's office in early May.

3-Year Budget Model Projection Review

Vice Chancellor McElroy reminded the District Budget Advisory Committee that the 3-Year Budget Model Projection is a snapshot in time and includes the latest information available at that time. [3-Year Budget Projection model](#) (see page 22 of the corresponding agenda).

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Vice Chancellor McElroy provided an overview of the simulation and noted the reduction in the certificated salaries category comparing FY2017-18 to FY2018-19 is the result of reductions in the 1320 part-time budget. Both colleges were asked to live within their part-time faculty budgets in 2018-19, based on a productivity metric of 506.

Kathy Perino asked McElroy, “How do you define a structural budget deficit?”

Vice Chancellor McElroy replied, “an ongoing structural budget deficit occurs when our budgeted ongoing expenditures exceed our ongoing projected revenue.”

Vice Chancellor McElroy advised that it is not fiscally responsible to spend or commit one-time dollars to ongoing expenditures. Using one-time funds to support predictable ongoing expenses is clearly not sustainable.

Meeting adjourned at 2:56 p.m.

Next meeting will be held on Tuesday, June 26, 2018.