



BUDGET COMMITTEE MEETING

Oct. 20, 2021

Location (Zoom)

<https://shastacollege-edu.zoom.us/j/93075193438>

2:00-3:30 p.m.

CALL TO ORDER: The meeting was called to order at 2:00 p.m. by Committee Chair, Jill Ault.

ROLL CALL:

x	Jill Ault	x	Andy Fields	x	Crystal Mair		Student Rep.(vacant)
x	Heidi Dias	x	Katie Littlepage	x	Tom Masulis		
x	Darren Gurney	x	Sue Loring	x	Sam Osborne		

APPROVAL OF MINUTES: None

PUBLIC COMMENTS: None

REPORTS: Board Presentation for Sept. 8, 2021- Final Budget for 2021-2022

Jill started the meeting by informing everyone that the budget from the state is coming in different than what was expected. The state came through with another hold harmless, which will help Districts.

Enrollment has dropped, but with the state provided hold harmless extends through 2021-2022. The new funding formula had a hold harmless provision also, but we did not need to utilize it as we were performing well.

Right now we are depending on the COVID and hold harmless, through 2021-2022. It only protects the enrollment component which is 70%, and 30% is the Student Success metrics and supplement allocation, which means the actual performance is what we are funded at. Last year the numbers were down 20-25%.

The worst case scenario is we could lose 25% of the 30% piece. Based on what we are hearing the other schools are experiencing the same issues we are. If the FTES is dropping, then it affects all the other components. We are hoping that if this is statewide, then they will offer

some additional protection. Funding looks great right now, but there is still is more uncertainty. The State, ACBO, and other sources have been unusually quiet with information.

For the 2021-2022 budget, there was a lot of budget infused, especially on the student success side. We do not know what the college allocation is as of today, and we do not have the allocations for new programs. Jill said she is hoping that at the ACBO conference next week she will get more insight. There is still a lot of unknowns going into this year.

Jill went over the budget for last year 2020-2021.

EXPENSES

We had stability and the hold harmless was offered, and it did make a difference for us. We didn't find out about the stability until the spring. One of the biggest things that impacted us was the stimulus dollars we received. We also received Cares Act funding. All this added up to approximately \$1.8 Million, and this is what provided us the ability to pay faculty a stipend for developing their online classes. The \$1.8 million is what carried us through. We also received \$70,000, which helped support employees with technology.

In January the second stimulus package was passed, and we received another \$1.8 million that went to student aid. The third round of stimulus was received in May for approximately \$7.8 million. With the stimulus dollars there are a lot of strings attached, and it is intended to do things that stop the spread of COVID and mitigate the impact. State wide approximately \$13 million went to direct student aid, and \$17 million for institutional support. The funding is set up for us to draw on as needed, it is not provided to us in a lump sum.

There were increased significant expenses in Campus Safety and Custodial, and we were able to relieve the general fund and shift those expenses to stimulus dollars, around \$2.5 million, which was used to protect the campus and sanitize and clean fanatically.

Student labor was half of what we budgeted, and there was no employee overtime, plus we didn't use any travel budget along with many other usual expenses during the pandemic. We are normally under in our expenses, about 3.5% range. But, we tracked at 6-7% during the pandemic. Since we had less expenses, we shifted some off of fund 11.

REVENUE

Revenue went up. The lottery revenue has so much fluctuation and it came in at \$1.4 million almost \$400,000 more than we expected. In addition, in fund 11 we were able to shift instructional supplies to fund 12. Which created another overall reduction of expenses. All other funding came in as expected.

\$1.5 million of a true up from the prior year. At the end of the day our total expenses, we thought would be around \$50.8 million and they ended up being \$49 million.

With our revenue up we ended with \$7.2 million net income.

We have been looking at the PARS Trust (Public Agency Retirement Services), and we've never had anything to put in it. But, this increase in revenue gave us an opportunity to fund the PARS Trust. Setting aside funds that will help stabilize fund 11 going forward.

Andy asked if the PARS Trust functions similar to OPEB Trust. Jill said we can use this funding to fund our PERS and STRS. Both have grown significantly, and they will continue to go up. The state is stabilizing the PERS this year.

We wanted to also leave \$1 million to carry over into the 2021-2022 year. Faculty settled on their Tentative Agreement, and we had a proposed tentative agreement for CSEA, which included off-schedule payments. The cost of the off-schedule payments was close to \$1 million.

Total Computational Revenue - Various items that make up the TCR.

Revenue Sources

- Local property taxes
- Student Enrollment Fees
- Education Protection Account
- State apportionment
- Full-Time Faculty Hiring apportionment

Out of the \$51.5 million, \$18.6 million comes from the state and the rest comes from the other sources.

The state doesn't give us the funding all at once, and many times it is deferred.

The state typically pays back 100% of the deferrals in July and August, but it can be later. This year they did pay back the deferrals in July and we were grateful for this.

In total it was over \$10 million that we didn't get last year, but we had a fund balance that covered our expenses. The fund balance keeps us from borrowing money to pay the bills.

Review of Funds

Fund 12 (All) has regulation attached to each funding stream account. These are grants and categorical funding, and we are expected to expended all funds.

Fund 21- An old paper bond still sitting on the books. The funds will be moved to Fund 11.

Debt Services Funds

Fund 23, 24 Tracking of Bonds

Fund 25- The new GO Bond

Special Revenue Funds

Fund 34- Food Service, Bookstore, Dorms, and in the future Starbucks

None or very little income in fund 34. We protected that money and transferred it into fund 11. The stimulus dollars helped us with this. The dorms and food services are operating at a lower level. Starbucks is back open and doing well even with the lower number of students on campus, so we still have the opportunity to replace revenue in those areas.

Fund 35- Repair and replace in fund 34

Fund 36- Auxiliary funds

There are a lot of smaller accounts that make up this fund. ACSS, PEAT and BAITS does fundraising, and they carry over \$6-\$7,000 each year. This supplements instructional programs, such as harvest fest that helps support the BAITS AG program.

We also have a Water Tender and Dozer that we work, and we are paid by Cal Fire, and that money comes back to the District, which allows BAITS to buy equipment. This year they bought a new Water Tender. There was very little activity in fund 36 this past year. Income and expense were down for fund 36. It will be almost impossible to use 200-21 as a comparable year. It is an anomaly.

Fund 37- Parking improvement fund, funded by parking fees

Capital Project Funds

Fund 41- Capital Outlay

Fund 43- Bond-Measure H

Trust Funds

Fund 71- Associated Students

Fund 72- Student Rep Fee

Fund 74- Student Financial Aid. This fund accounts for fund 74, and we have received about \$2.5 million of federal stimulus dollars to date, but it may be as high as \$7 million still coming in. This goes directly to students and paying off student bills. There has been less PELL and Cal Grant.

Fund 75- Scholarships and Loans

Fund 77- Shasta College Trustees Scholarship

Fund 78- Student Clubs

Agency Funds *

Fund 85- North State Together

Fund 89- Phi Theta Kappa

*The college acts as the fiscal agent. These are not funds available to the District.

Jill said she knows this is a lot of information to go over, and if anyone wants the document she will send it to them.

Heidi asked if we are going to review the role of the members on the committee. Jill said this is a participatory committee, and we try to have good representation. The role of the committee is really to try and understand the process, and to share the information with the other constituency groups.

Jill said her focus is to educate about the things that influence the budget. There have been several turnovers on the committee, so she will be invested in ensuring that all committee members understand the budget process. She is always available to respond to questions and clarify the budget process as much as possible.

The Budget Committee does not negotiate. That is not their role. Jill said along with educating the members she also wants to continue to improve on the process, making it more transparent. Jill said Sherry and I have been trying to work so we have more links and resources on the Budget Committee website. These resources will help with explaining areas of the budget.

We need a solid committee over a long period of time to make recommendations. Heidi asked where do most of the decisions that come to Budget Committee come from, is it the Board or

the Cabinet? Jill said the administrators do a lot of projections looking forward and it is continually discussed at the department level and Cabinet. Jill said at the next meeting she will have a budget worksheet to share and that transparency about the budget is a goal of hers. Jill said Sherry has helped her a lot keeping the Budget Committee page current with links and other information.

Jill said she still gets surprises from the state about the budget, such as a couple of weeks ago we received 1-2% revenue, and they sent the money before we knew what it was.

Jill let the committee know that they are in the process of hiring a Budget Analyst position. That person will solely be budget and support departments. They will be integrated into the Business Office. A lot of fund 12 departments are supported by the Grant Analyst, but we have other fund 12 accounts needing help, along with some in fund 11. We felt it was a good solution to create this position and better fit district wide. The new position will also be a part of this committee, but may only be for information and a non –voting member.

Feel free to send Jill questions and about items they might want to see on the agenda.

Jill announced that Sherry will be working with Theresa Markword in the Bond for overall support and to act as the logistical coordinator for new and renovated buildings. Sherry will be a good fit for these duties because she knows the campus so well, but at the same time it's also difficult because she plays an important support in the VPAS Office. We need Sherry to move over into the Bond Program, but it is bitter sweet. With Sherry leaving, we may need to record our meetings on Zoom. Jill would prefer to keep the meetings on Zoom, and the days that we don't have anyone to take minutes we will record them. Audit and FICMAT will be added to future agendas.

DISCUSSION/ACTION: None

OTHER/ANNOUNCEMENTS: None

ADJOURNMENT: Motion to adjourn 3:05 pm.

NEXT MEETING: TBA

Recorded by:

Sherry Nicholas

Sherry Nicholas
Executive Assistant
Administrative Services