



**BUDGET COMMITTEE MEETING**

Wednesday, October 05, 2022

Location (Zoom)

<https://shastacollege-edu.zoom.us/j/88985983695>

2:00-3:30 p.m.

**APPROVED MINUTES**

**ROLL CALL:**

X	Jill Ault	X	Darren Gurney	X	Elsa Gomez	X	Student Rep. Ryder Yannello
X	Tim Johnston	X	Tom Masulis	X	Kathleen Littlepage		
X	Sam Osborne	X	Rob McCandless	X	Heidi Loftus		

Guests: Angie Yannello

**1. CALL TO ORDER:**

- The meeting was called to order at 2:02p.m. By Committee Chair, Jill Ault.

**2. APPROVAL OF MINUTES:**

- September 21, 2022 – (Katie Littlepage) motioned to approve minutes, seconded (Tom Masulis), motion passed, no abstentions/objections.

**3. PUBLIC COMMENTS:** None

**4. REPORTS:**

- Jill mentioned that she would like to go over the Budget to Actual Reports, either before or after Board meetings, so this committee is more familiar with the information.

**5. DISCUSSION/ACTION ITEMS: (Jill Ault, Assistant Superintendent/VP of Admin. Services)**

**A) Emergency Conditions Allowance Application:**

Jill advised that we are still waiting to hear back from the Chancellor’s Office for approval on the Emergency Conditions Allowance Application, we should know the outcome by 10/15/22. On 09/22 there was a discussion, with the Chancellor’s Office, about using deferred revenue as a balancer, the Chancellor’s Office did not like this idea as those funds should not be considered as reserves. Jill explained how Shasta College (SC) has always looked at Fund 11 reserves as a percent of all expenses in the Fund (object codes: 1000 – 7000). The Chancellor’s Office advised they only look at the Operating Expenses for both Fund 11 & Fund 12 (object codes: 1000 – 5000).

Jill shared Reserve Worksheet-history, attached as Exhibit A. This worksheet is the Proposed Final Budget for both Fund 11 & 12 including the Total Income and Expenditures, exclusions apply to the deposit of the OPEB Trust and 75% of the discount factor, most of the discount factor is hitting in the Salary Column. Jill went on to explain the net expenses that are subject to the reserve requirement. For 2022-23 year Fund 11 & 12 total \$87M. The reserve requirement, set by the Chancellor’s Office, is 16.67% (equivalent to two months of expenses). Our actual fund balance is \$14,559,614, \$11K short for the reserve balance. Katie Littlepage inquired how reserves would increase if we included Capital Outlay in the reserves, the increase would be about \$1.2M.

Jill explained the conversation she had with the Chancellor’s Office on using other monies, other than the fund balance. First draft of the Board Policy (BP) 6250, attached as Exhibit B, this document is pending Board Approval, changes expected. BP 6250 to be updated for the Emergency Conditions. Final document will be sent to the Budget Committee after Board approval. The first section of BP 6250 is related to general budget management; funding long term liabilities.

- **General Fund Reserves:** The final budget shall include an unappropriated reserve to ensure the District will be in a positive cash position at the end of the fiscal year. This reserve shall be a minimum of two months of General Fund operating expenditures. In the event the ending reserve is not met, the district will implement a plan to replenish the amount needed to meet the minimum reserve levels.
- **Reserves for Contingencies:** Excess funds above those needed to maintain the general reserve requirement shall be added to the Reserve for Contingencies, and are not available for appropriation except by resolution of the Board setting forth the need according to major classification.

Jill explained the need for intentional budget planning to maintain required minimum reserves.

## B) HEERF Funds

Jill shares HEERF (Higher Education Emergency Relief Fund) report, attached as Exhibit C. This report will be presented to the Board next week. The report illustrates how the District receives and distributes HEERF Funds.

Allocation of funds:

- Almost half of the funds went to: Direct Student Aid & Relief, totaling around \$17M
- Building updates for the HVAC projects, totaling around \$5M
- For Campus Safety, Custodial, and Health the District was able to transfer funds out of Fund 11 and charge directly to HEERF
- Instructional employees received stipends for converting classes to an online learning format, totaling about \$2.6M
- Other Emergency Operations were funded totaling around \$1M
- Shasta College was able to claim lost revenue for Parking, Dorms, Food Services, and Starbucks, totaling around \$1.1M
- Student Reengagement - \$339K
- Dunamis (Employee mental health/wellness) - \$127K
- Physical Plant Equipment and IT Equipment/Software, the District was able to replace some of the aging equipment in Physical Plant and provide IT with network and security updates, totaling around \$1.5M

Expenditures were targeted that would provide a long term benefit to the District, 10-20 years. The District auditors test HEERF expenditures against Dept. of Ed criteria to make sure the District is in compliance.

Jill advised that other than the information provided there is not a lot of other financial items to discuss. This is the time of year where there is not a lot of end of year financial items to go over. The Policy Change has one more visit to Cabinet, then it will go to College Council and that updated information will be sent out to the committee.

## C) Requests for Future Agenda Items: None

### 6. OTHER:

- Jill advised that any items that are impacted by the Budget can be discussed.

### 7. ANNOUNCEMENTS:

- Jill notified the committee that she will be out on medical leave from 10/26/22 – 12/16/22, Joe Wyse might try and hold some Budget Committee meetings in her absence however we will resume the Committee meetings after the 1<sup>st</sup> of the year.

### 8. ADJOURNMENT:

- (Ryder Yannello) motioned to adjourn meeting, seconded (Katie Littlepage), meeting adjourned at 2:34pm.

### 9. NEXT MEETING: October 19, 2022 - 2:00-3:30pm (Zoom)

Minutes Recorded By:  
Angie Yannello  
Sub Executive Assistant  
Administrative Services,

**EXHIBIT A**

**Shasta-Tehama-Trinity Joint Community College District  
2022-2023**

**Proposed Final Budget  
General Fund - Unrestricted**

<b>Fund 11</b>					
	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Estimated Actuals</b>	<b>Proposed Final Budget</b>
<b>Beginning Fund Balance</b>	\$ 10,556,860	\$ 9,860,185	\$ 10,137,672	17,638,803	\$ 12,358,379
<b>Estimated Beginning Balance 7/1/22</b>					
<b>INCOME</b>					
Total Federal Income	\$ 223,220	\$ 191,727	\$ 263,376	\$ 228,087	\$ 60,900
Total State Income	29,303,023	31,811,159	34,598,317	34,696,543	37,577,974
Total Local Income	19,659,611	20,465,212	21,658,250	23,167,788	22,870,723
Total Other Financing Sources	31,499	4,225	2,368	549,024	2,500
<b>Total Income</b>	<b>\$ 49,217,353</b>	<b>\$ 52,472,323</b>	<b>\$ 56,522,311</b>	<b>\$ 58,641,442</b>	<b>\$ 60,512,097</b>
<b>EXPENDITURES</b>					
Total Academic Salaries	\$ 18,553,783	\$ 20,724,998	\$ 18,827,025	\$ 20,379,380	\$ 21,671,959
Total Classified Salaries	10,053,512	10,604,538	10,225,391	10,982,064	13,302,976
Total Employee Benefits	13,233,411	13,195,269	12,333,012	12,734,616	15,073,871
Total Supplies	925,716	929,681	654,792	781,993	1,219,334
Total Other Operating Expenses	5,263,353	5,381,829	4,500,668	5,447,398	7,657,761
Total Capital Outlay	451,582	280,661	1,116,316	390,812	766,911
Total Other Outgo	1,432,671	1,077,860	1,363,977	13,205,604	1,365,683
<b>Total Expenditures</b>	<b>\$ 49,914,028</b>	<b>\$ 52,194,836</b>	<b>\$ 49,021,181</b>	<b>\$ 63,921,866</b>	<b>\$ 61,058,495</b>
<b>Discount Factor @ 4.5%</b>					<b>\$ (2,747,632)</b>
<b>Projected Expenditures</b>	<b>\$ 49,914,028</b>	<b>\$ 52,194,836</b>	<b>\$ 49,021,181</b>	<b>\$ 63,921,866</b>	<b>\$ 58,310,863</b>
<b>Net Income/(Loss)</b>	<b>\$ (696,675)</b>	<b>\$ 277,487</b>	<b>\$ 7,501,130</b>	<b>\$ (5,280,424)</b>	<b>\$ 2,201,235</b>
<b>Ending Fund Balance</b>	<b>\$ 9,860,185</b>	<b>\$ 10,137,672</b>	<b>\$ 17,638,803</b>	<b>\$ 12,358,379</b>	<b>\$ 14,559,614</b>

<b>Fund 12</b>					
<b>EXPENDITURES</b>					
Total Academic Salaries	\$ 3,240,513	\$ 3,925,544	\$ 4,536,931	\$ 4,178,521	\$ 4,615,501
Total Classified Salaries	4,621,788	4,751,190	5,264,636	5,255,088	8,069,285
Total Employee Benefits	2,717,542	2,978,342	3,416,222	3,534,782	5,175,998
Total Supplies	787,389	669,593	795,932	959,563	1,153,199
Total Other Operating Expenses	2,395,954	2,062,815	2,661,200	3,521,517	11,531,770
Total Capital Outlay	1,131,620	2,230,913	3,064,066	2,879,987	5,683,687
Total Other Outgo	1,447,185	1,353,737	2,495,002	3,564,718	3,026,183
<b>Total Expenditures</b>	<b>\$ 16,341,991</b>	<b>\$ 17,972,134</b>	<b>\$ 22,233,989</b>	<b>\$ 23,894,176</b>	<b>\$ 39,255,623</b>

<b>GROSS EXPENSES SUBJECT TO RESERVE REQUIREMENT</b>	<b>\$ 61,792,961</b>	<b>\$ 65,223,799</b>	<b>\$ 63,215,809</b>	<b>\$ 67,774,922</b>	<b>\$ 89,471,654</b>
<b>Exclusions: deposit to OPEB Trust and 75% of discount factor</b>	<b>\$ (1,003,530)</b>				<b>\$ (2,060,724)</b>
<b>NET EXPENSES SUBJECT TO RESERVE REQUIREMENT</b>	<b>\$ 60,789,431</b>	<b>\$ 65,223,799</b>	<b>\$ 63,215,809</b>	<b>\$ 67,774,922</b>	<b>\$ 87,410,930</b>
<b>RESERVE REQUIREMENT</b>	<b>\$ 10,300,887</b>	<b>\$ 10,872,807</b>	<b>\$ 10,538,075</b>	<b>\$ 11,298,079</b>	<b>\$ 14,571,402</b>
<b>EXCESS OR (NEGATIVE) RESERVE BALANCE</b>	<b>\$ (440,701)</b>	<b>\$ (735,135)</b>	<b>\$ 7,100,727</b>	<b>\$ 1,060,299</b>	<b>\$ (11,788)</b>

Shasta-Tehama-Trinity Joint Community College District  
Board of Trustees  
Board Policy Manual

**Budget Management****BP 6250**

Reference: ***Title 5, Sections 58307 and 58308  
Budget and Accounting Manual, Chapter 5 Appendix A***

The budget shall be managed in accordance with Title 5 and the California Community Colleges Budget and Accounting Manual. Budget revisions shall be made only in accordance with these policies and as provided by law. The District shall have as a high budget priority the maintenance of appropriate general fund reserves, funding of long term liabilities. The Board of Trustees recognizes the need for cash-flow management and the necessity of considering financial uncertainties in the development of the District budget. To this end, the following reserve accounts shall be included in the final budget.

Total amounts budgeted as the proposed expenditure for each major classification of expenditures shall be the maximum expended for that classification for the school year, except as specifically authorized by the Board.

**General Fund Reserves**

The final budget shall include an unappropriated reserve to help ensure that the District will be in a positive cash position at the end of the fiscal year. In compliance with Government Finance Officers Association, (GFOA) and at the recommendation of the Chancellor's Office this reserve shall be a minimum of two months of General Fund operating expenditures. In the event the ending reserve is not met, the district will implement a plan to replenish the amount needed to meet the minimum reserve levels.

**Reserve for Contingencies**

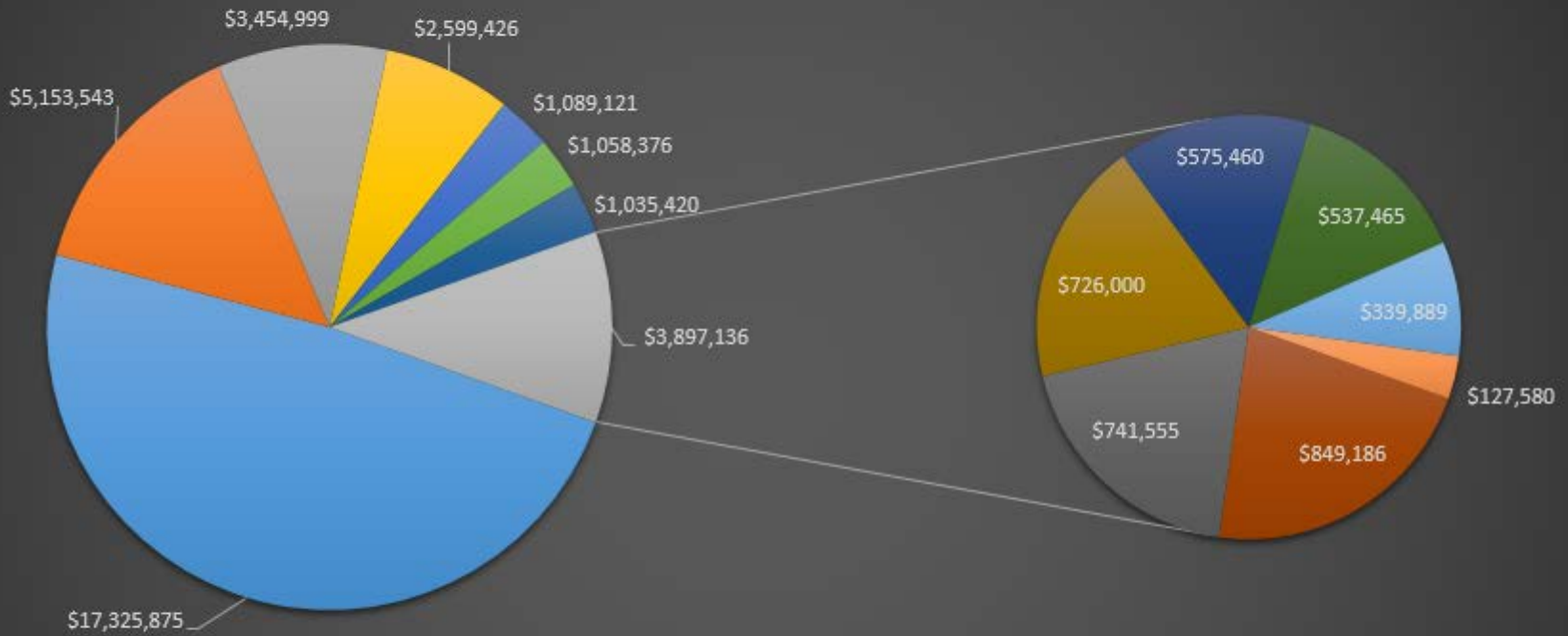
Excess funds above those needed to maintain the general reserve requirement shall be added to the Reserve for Contingencies, and are not available for appropriation except by resolution of the Board setting forth the need according to major classification.

The Superintendent/President is authorized to utilize funds from the emergency fund for urgent situations upon verbal notification to the Board President or, if he/she cannot be reached, any other member of the Board of Trustees. Any such use of the reserve shall be reported to the Board at the next regularly scheduled open session.

Board Approved 08/18/10  
Reviewed by the Board's Ad Hoc Committee on Policy 02/18/15  
Board Approved 03/11/15  
Board Approved 03/08/17  
Cabinet review 10/4/2022

# HEERF and COVID AWARDS

## EXHIBIT C



■ Direct Student Aid & Relief

■ Building Updates

■ Campus Safety/Custodial/Health

■ Employee COVID stipends

■ Instructional Stipends

■ Emergency Operations

■ Admin Cost Allowance

■ Physical Plant Equip

■ IT Equipment/Software

■ Lost Revenue Parking

■ Lost Revenue Dorm

■ Lost Revenue Food

■ Student Reengagement

■ Dunamis