A Virtual Meeting of the Budget Planning Subcommittee will be held Wednesday, May 24, 2023 at 2:00 pm.
Join: https://smc-edu.zoom.us/j/85009325229 or Telephone: (669)444-9171, Meeting ID: 850 0932 5229

I. **Call to Order** 2:04 pm
   Members:

- Mitch Heskel, District Representative
- Chris Bonvenuto, District Representative, Co-Chair
- Teresita Rodriguez, District Representative
- Tracie Hunter, District Representative
- Elisa Meyer, Academic Senate Representative
- Jamar London, Academic Senate Representative
- Matt Hotsinpiller, Faculty Association Representative, Co-Chair
- Peter Morse, Faculty Association Rep (Absent)

- Martha Romano, CSEA Representative
- Kennisha Green, CSEA Representative
- Dagmar Gorman, CSEA Representative
- Cindy Ordaz, CSEA Representative
- Vacant, Associated Student Representative
- Kamiko Greenwood, Associated Student Representative (Absent)
- Justin Liu, Associated Student Representative
- Vacant, Associated Student Representative

Interested Parties in attendance: Stephanie Amerian

II. **Public Comments**

III. **Approval of Minutes:** May 17, 2023 Motion: Jamar London Seconded: Dagmar Gorman
Abstention: Tracie Hunter, Mitch Heskel, Justin Liu. Minutes were not approved.

IV. **Reports/Discussion**

a. <u>Tentative Budget</u>: 2023-2024 May Revisions showed State has deteriorated since January 2023, State Deficit is now $31.5 billion. Governor's solution: Funding Shift, Borrowing, Funding Delay, Funding Reductions and a Withdrawal from Safety Net Reserves. Possible Recession could increase deficit.
Community Colleges will have over a <$16> million decline in funding since January proposal.
The following charts were shared: Credit Resident FTES, Non-Resident FTES, Revenue, Salary Expenditures, Contract/Services Expenditures, Insurance Expenditures, Revenue to Expenditure, showing the data/history of FY 2014-2015 through 2023-2024 Projected.
Tentative Budget is preliminary, allows for operations between July 1 and Adopted Budget in September
<u>Major Assumptions</u>- Apportionment at Hold Harmless, 2022-23 level with 8.22% COLA
COLA: $12,681,216, HEERF Ends in 2023-2024
Credit Resident Enrollment Increase of 3.0% or 492.78 FTES (80% of revenue)
Non-Resident Enrollment increase of 5.0% or 144.58 FTES (Second largest source of revenue)
Salaries: Step, column and longevity for all groups
Reduction in Weekly Teaching Hours of <5%>
Health and Welfare: Current Employees: 7.63% increase, Retirees: 2.93% increase
2020 Supplemental Retirement Plan
Supplies: Maintain 2022-2023 Adopted Budget adjusted for PBAR
Contracts: Maintain 2022-2023 Adopted Budget adjusted for PBAR
Utilities increased by 4.3%

<u>Linking Budgeting to Planning</u>
Develop a Master Plan for Education $185,000 One-time
Launch the Equity-minded Professional Innovation Center, the EpiCenter, to be a learning and professional development center for all employee groups $692,000 On-going

Projected Changes in Revenue 2022-23 Projection to Tentative Budget
Increase in Revenue of $13,578,141 or 6.66%
Projected Changes in Expenditures 2022-2023 Projections to Tentative Budget
Increase in Expenditure of $14,996,361 or 6.85%
The Declining Fund Balance needs to be addressed to pass a budget with the recommended 5% reserve.
<u>Key Take Aways</u>
Tentative Budget can change before the Adopted Budget in September
The District will need to reduce the 2023-2024 budget deficit by $10,000,000 and maintain those reductions to pass a budget in 2024-2025.

b. Fiscal Services Update – A Special Meeting will be held on May 31, 2023 @ 2 pm to continue discussion on ideas to close the deficit for the 2023-2024 District Budget.

V. Adjournment: 3:04 pm

For all documents, visit www.smc.edu/administration/governance/district-planning-policies/budget-planning-subcommittee.php

Future Budget Planning Committee Meetings: Meetings will be on 1st and 3rd Wednesdays of the month, except as noted, and will begin at 2:00 pm.