

UNAPPROVED MINUTES
Yosemite Community College District
District Fiscal Advisory Council (DFAC)
June 20, 2019

Present: Iris Carroll, Elissa Creighton, Josh Hash, Crista Noakes (Recorder), Melissa Raby, Brian Sanders, Trevor Stewart, Susan Yeager, Henry Yong, Jennifer Zellet

Council Members Absent: Jenni Abbott, Shelley Akiona, Kevin Alavezos, Florida Arias, Coni Chavez, Doralyn Foletti, Ashley Griffith, Pam Guerra-Schmidt, Judy Lanchester, Amy Lovett, Sarah Schrader, Sherri Suarez, ASMJC Student Designee, ASCC Student Designee

1. Acceptance of the Minutes of the May 16, 2019, District Fiscal Advisory Council

Consensus was met to approve the minutes. The minutes are approved.

2. Monthly Financial Status Update

Dr. Susan Yeager, Vice Chancellor of Fiscal Services, provided the monthly financial report to the Council. The report displays revenue and expenditures for the month ending May 31, 2019. In regards to revenue, she noted, the interest income line item is higher. Modesto Junior College (MJC) and Columbia College (CC) expenditures are trending slightly higher. Dr. Brian Sanders, Vice President of Instruction at CC, asked why the Non-Resident Tuition line item is higher than usual. Dr. Yeager explained it could be due to the fee increase. She will look into it and get back to the Council. Dr. Sanders asked why the Interest Income line item is higher than usual. Dr. Yeager explained the increase is due to the interest rates increasing as well as higher cash balances.

3. 2019-2020 Tentative Budget

Dr. Yeager provided copies of slides 17-24 from the 2019-2020 Tentative Budget presentation that was presented to the Board of Trustees on June 12, 2019. She reviewed the General Unrestricted Fund 11 expenditures and general fund balances for MJC, CC, and Central Services (CS). Trevor Stewart, Vice President of College & Administrative Services at CC, asked what the apportionment is based on. Dr. Yeager stated we are still working off of our original budget amount; however, there was also an amended budget. She stated we will know the final budget numbers once the Governor approves the State budget.

Dr. Yeager explained the importance of creating a plan for the Fund Balance. She expressed she would like to see a required fund balance of 15%. The

current Board required reserve is 10%. The PERS/STRS line item on slide 18 is one-time funds. Dr. Yeager explained the PERS/STRS increases are substantial each year. She would like to develop a plan for the fund balance with the Council to present to the Board of Trustees. Dr. Yeager explained planned deficit spending and how it differs from revenue not meeting expenditures. She warned the State will potentially send a letter to the Board of Trustees stating the YCCD is at moderate risk if they proceed with a deficit spending plan. Dr. Yeager expressed she would like to suggest a line item be added to the Fund Balance for the Facilities and Information Technology Total Cost of Ownership (TCO) plans. Trevor Stewart suggested a one-time revenue expense line item for CalSTRS On-Behalf Revenue to distinguish one-time revenue from one-time expenditures. Dr. Yeager will discuss the suggestion with the Controller.

Dr. Yeager explained the majority of the District's unrestricted expenditures are used in salaries and benefits. Moving forward, she would like the percentage of salaries and benefits to decrease district-wide to allow the Colleges to pursue programs and initiatives they would like to implement. She also explained Enrollment Management will be discussed at the July DFAC meeting. She asked the DFAC Council members to email a list of those who should be included in the special discussion in July.

4. Consultant Resumes for the new Resource Allocation Model (RAM)

Dr. Yeager provided two resumes to the Council for review. The consultant will be hired to assist with developing a new RAM. Some of the criteria required to be considered as the new consultant included being from a multi-college district and being familiar with the Student Centered Funding Formula (SCFF). Dr. Yeager explained both candidates are very qualified and have developed RAM's at previous districts. The consultant will be paid from the Institutional Effectiveness Partnership Initiative (IEPI) Grant funds. The grant amount is \$75k. Any fees over that amount will be the responsibility of the District.

Trevor Stewart proposed the successful consultant be asked to attend three meetings; one at the District, one at MJC and one at CC to familiarize him/herself with who they are representing.

Consensus was met to proceed with Kathryn L. Blackwood as the RAM consultant due to her state-wide experience and connections with other consultants.

5. Potential Bond

Dr. Yeager explained the District is exploring the idea of a new bond. No decision has been made at this time to proceed. She briefly explained the process of initiating a bond including a Bond Survey to help determine if a Bond will pass. The majority of the Measure E Bond was spent at MJC for new

facilities and small remodels. A few new facilities were also added to the CC campus along with a few small remodels. The idea of the new bond is to add a few new facilities that were leftover as part of the Measure E Bond, remodel and upgrade existing facilities and set aside funds for small capital projects (scheduled maintenance). Dr. Yeager will provide a presentation to the Board of Trustees to explain the structure of the potential bond and request permission to proceed with exploration of the bond via formation of the Bond Team and a Bond Survey.

6. General Discussion

Dr. Yeager requested the Council send her office names of people who should be invited to the special Enrollment Management discussion at the July DFAC meeting. Dr. Yeager would like to determine the scope of the action plan and how to best proceed in a timely manner. Dr. Jennifer Zellet, Vice President of Instruction at MJC, suggested a ninety-day action plan.

Dr. Yeager invited the Council to provide topic suggestions via email to discuss at future DFAC meetings. The topics will be discussed in ten minute sessions and will serve as informational learning topics for the Council.

7. Close/Next Meeting

The next District Fiscal Advisory Council meeting will be held on **Thursday, July 18, 2019, at 1:00 p.m.** in the YCCD District Office, Meeting Room A, located at 2201 Blue Gum Avenue, Modesto, CA and Columbia College Manzanita Building, President's Conference Room located at 11600 Columbia College Drive, Sonora, CA.