

**SJC BOARD
WORK SESSION MINUTES
April 28, 2020**

The Work Session was called to order at 5:06 p.m. with the following members present:

Joseph Rasor, Chairman
Hoskie Benally, Jr., Vice Chairman
R. Shane Chance, Secretary
Evelyn Benny, Member
Byron Manning, Member
John Thompson, Member
Valerie Uselman, Member

Staff Members Attending: Dr. Toni Hopper Pendergrass, Edward DesPlas, Boomer Appleman, Adrienne Forgette, Karen Acree, Dawn Barnes, Don Beauregard, Sherrie Biringner, John Boggs, Jill Bishop, Josh Bishop, Alicia Corbell, Sherri Cummins, Gayle Dean, Rachael Dworsky, Kristie Ellis, Sandy Gilpin, Chris Harrelson, Kenny Hibner, Ron Jernigan, Cheryl Jordan, Kris Kraly, Kerri Langoni, Roy Lytle, Mike McDonald, Steve Miller, Michael Ottinger, Jeff Parkes, Sherry Paxson, Elizabeth Phelps, Shelley Pickett, Eileen Richey, Lorenzo Reyes, Amanda Robles, Chris Rosen, Rhonda Schaefer, Paulette Stanley, and Donna Ellis, Board Recorder

Topics Discussed Included:

1. Questions on Board Agenda Items

None.

2. Bond Resolution for Student Housing

Edward DesPlas discussed with the Trustees the need for the Board to approve a Resolution that enables SJC to move the NMFA/System Revenue Bond issue for student housing financing to the Higher Education Department (HED) and, if HED-approved, onto the State Board of Finance. Earlier this month, materials were submitted to the HED, requesting this to be put on the agenda for their May 6th meeting.

3. Updated Time Line for Student Housing

Related to the financing of student housing, Edward DesPlas presented the Trustees with an updated timeline to financial closing. As of now, SJC is still on-track to open the housing development for the beginning of the Fall 2022 semester.

4. FY2020 and FY2021 Budget Discussion

Edward DesPlas and Trustees discussed the budget outlook for the year end (June 30, 2020) of Fiscal Year 2020 and the original budget request for Fiscal Year 2021 (July 1, 2020 – June 30, 2020). Important points for Fiscal Year 2020 include:

- Due to volatility in the gas market, Oil & Gas Production Tax Revenue will be down by \$1.2 million.

- Due to the impact of the COVID-19 pandemic, summer Tuition/Fee Revenue could be down by as much as \$1.05 million.
- Projected surpluses in salaries, benefits, and expenses will offset most of the projected revenue shortfalls.
- Trustees were advised that, as a college, SJC will “put the brakes” on spending for the last two months of the fiscal year.

Important points for the Fiscal Year 2021 budget were highly cautionary. With only a few “tweaks” to the budgeted expenditures for Fiscal Year 2020, the Trustees will be presented with a budget at their May 12th Board meeting that includes provisions for the new appropriation amount, the compensation increase funding, the Dual Credit funding adjustment, the Research and Public Service Projects funding, and the projection of increased revenue from Tuition and Fees. Unfortunately, because of newly projected and large shortfalls in the state’s budget, the legislature will be called into special session(s) in June; material portions of our state funding are at risk. The impact of the COVID-19 pandemic complicates matters. In summary, once the special session(s) have concluded, SJC will be caused to revise the Fiscal Year 2021 budget to align it with fewer budgetary resources.

5. Capital Projects Priorities

For the upcoming state capital projects funding request cycle, community colleges were advised by the New Mexico Higher Education Department to submit two priorities for funding. The College is expected to contribute twenty-five percent (25%) of each project’s total cost. Edward DesPlas presented and discussed two projects.

- Priority 1: Physical Plant Relocation – Renovation and Addition
- Priority 2: Welding Program Relocation – New Facility

At the May 12, 2020 Board meeting, the Trustees will be asked to approve these two priorities for submission to the HED.

Meeting adjourned at 6:17 p.m.