

**CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT**  
**District Budget Study Group**  
**June 17, 2010**

**Minutes**

**Place: Chabot College, 25555 Hesperian Blvd, Hayward, California**

Members Present: Barbara Yesnosky, Dave Fouquet, Gary Carter, Heidi Ulrech  
Joel Kinnamon, Judy Hutchinson, Lorenzo Legaspi, Ming-Lun Ho  
Pedro RuizDe Castilla, Yulian Ligioso

Non Members Judy Young, Pushpa Swamy

Not Attending: Bob D'Elena, Bob Kratochvil, Cathy Gould, Celia Barberena, DeRionne  
Pollard, George Railey, Gordon Watt, Jason Morris, Kari McAllister,  
Laurel Jones, Mark Smythe, Mike Absher, Natasha Lang, Pam Luster  
Patti Pizzi-Munoz, Rachel Ugale, Rajeev Chopra, Sarah Thompson  
Tim Nelson

**Call to Order**

The meeting was called to order at 10:45 a.m. by Lorenzo Legaspi, Vice Chancellor, Business Services.

Mr. Legaspi stated that in addition to the agenda items today, he would like to obtain enough data and information from the four subgroups so that staff can continue the work during the summer. Staff can gather information and present it at the August meeting in order to compile reports for the Accreditation response and recommend to the Chancellor.

**I. Approval of Minutes**

The minutes from the meeting on May 14, 2010 were approved as distributed.

**II. Subcommittee Progress Reports**

**Three Year Budget Analysis**

Bob D'Elena, leader for this subcommittee group was not present at the meeting today. Lorenzo Legaspi reported that at the last meeting, Bob needed some assistance in obtaining the data he needed for the analysis. We, as a group, decided that Barbara Yesnosky would extract the data from the Systems Office website to be used as a starting point. The Systems Office report is not current and the data presented today is only up to 2008-09. Mr. Legaspi then reviewed the Systems Office report with the group.

The report showed total revenues, actual versus funded and restricted/unrestricted. The expenditures are shown in more detail by academic salaries, classified salaries, and employee benefits. It is then broken down by activities, such as, administrative support, instructional administration, and instructional support. Full time equivalent student

information is broken down by resident/non- resident. All operational expenses are defined by the State Budget and Accounting rules.

Mr. Legaspi informed the group that the same information is available in the systems office website for all 72 districts in the State. Thus, we could select three or four districts and use their data to compare with our allocation model and the 14% district allocation. Some districts that were identified at the last meeting as possible comps were Kern CCD, LA CCD, and San Diego CCD.

- Dave Fouquet commented that the codes shown on the systems report are not the same as the district budget codes. He said that if we are doing any comparison with other districts, we need to know if their item code 6700, general institutional support services, falls within the 14% allocation. Additionally, we need to know their definition, whether it is allocated in the college level budget or it is allocated under administrative support. Incidentally, the three districts mentioned at the last meeting were identified as models worth looking at for more information and then to pursue it further.
- Lorenzo Legaspi responded that the codes in the systems report are part of the Taxonomy of Programs (TOP's code) which is consistent statewide. The district adds another digit to the program codes for activities/expenses in the budget. He said that basically, our 14% is for all of the district services provided by the district office. It does not correlate to the 6000 codes.
- Ming-Lun Ho commented that the budget data is not sufficient because it does not show the breakdown of the program codes for each college and the district. Therefore, the group cannot do anything until that breakdown is available. First, he would like to know how the four sites are broken down, by each campus, the District and M&O separately. He then asked if the numbers reported to the state are by district only or does it also get reported by the colleges as well.
- Barbara Yesnosky responded to Ming and said that the source of this information is from the 311 report and it is reported at the district level only.
- Yulian Ligioso suggested that the group focus on the three districts identified to use for comparison just for the allocation model analysis of the overall expenses. Then look at other districts that are similar in FTES for the three year analysis.
- Lorenzo Legaspi said that in addition to districts similar in FTES, we are also looking at samples of Board policies. He suggested that for better manageability the comparison districts be kept at three to four.

- Heidi Ulrech suggested that the group also look at multi college districts similar to our mix of the FTES with one college above 10,000 and one below.
- Lorenzo Legaspi commented that this data is not the final product. Based on Bob's request at the last meeting, it was decided that we start with the Systems Office data to make some comparisons and then expand it as necessary. Once that is accomplished, it will help us answer all the questions that are being asked today.
- Ming Lun-Ho asked if there was an approximate time to obtain the breakdown he requested, possibly by July 31<sup>st</sup> or August 31<sup>st</sup>.
- Lorenzo Legaspi responded that we are relying on the people that are around over the summer to review this information and determine the best approach to bring this back to the group.
- Dave Fouquet commented that the data is complicated and difficult to understand. The grid of numbers presented in the systems data breakdown is shown vertically, based on activities; whereas, the allocation model is shown horizontally, amongst the sites. It would be very difficult to produce the allocation model without knowing how these numbers breakdown at the three or four sites.
- Lorenzo Legaspi commented that this is the first step to getting there. It can be refined when the comparison study is completed.
- Dave Fouquet suggested that the DBSG be open minded about the type of analysis needed to creating a new model. In the prior meetings it was discussed that it cannot hurt to do such analysis because sometimes it can show interesting trends. It is important that a new model be based on the full dissection of the data, although, it may not be necessary, but he left that open to the group.
- Heidi Ulrech suggested that the Allocation Model subgroup give some direction to the Business office for the type of breakdowns they would like to see (e.g. by major account codes and further compared with salaries, supplies, etc.).
- Lorenzo Legaspi commented that Bob will now have the baseline data to start work with object codes. Bob has indicated that he will work with Barbara Yesnosky during the summer to continue with the work of the group. Lorenzo further said that he wanted the group to understand that this is the baseline data that Bob D'Elena's subgroup will use to further develop and answer some of the questions that arise, including breaking down the data horizontally by sites.

#### Board policy

Dave Fouquet reported that the allocation model subgroup did not meet. He said that at the last DBSG meeting, Sarah Thompson talked about developing the guiding principles. At the urging of Sarah Thompson, a group, mostly comprising of faculty, gathered to start developing the guiding principles. The attendees at this meeting were Dave Fouquet, Bob D'Elena, Sarah Thompson, Ming-Lun Ho and Rajeev Chopra. The group developed a draft of the guiding

principles using Kern CCD as the basis. Dave then distributed the one page draft of the guiding principles to the group.

- Lorenzo Legaspi intervened and said that it was his understanding that the guiding principles were to be developed by the Board Policy subgroup, and that is reflected in the minutes of the last meeting. Sarah Thompson's discussion was that the Board Policy subgroup would develop the guiding principles. It was never discussed that a faculty group will meet separately from the DBSG and would develop the guiding principles. There was no representation from the classified or administrative staff in this group.
- Dave Fouquet said that the faculty group met only to make the first attempt at the guiding principles and created a draft. It can be used as a base to further develop the guiding principles or it can be tossed out and totally restarted from scratch again.
- Lorenzo Legaspi suggested that Dave forward the draft of the guiding principles to the Board Policy subgroup.
- Judy Young reminded Dave Fouquet that it would be important to include the authors of the guiding principles.
- Dave Fouquet acknowledged Lorenzo's suggestion, but felt that the faculty senate should have some voice in the budgeting and planning process. He said that some of the guiding principles and the allocation models from other districts that the group looked at have plenty of senate involvement, e.g. Kern CCD. Some even have the voice of their approval in the decisions. Dave was concerned that the allocation model may micro manage the Institutional planning and Budget Committee (IPBC) at Chabot College and the equivalent at Las Positas College. Dave said that we would want the colleges to maintain its autonomy.
- Lorenzo Legaspi suggested that the discussions and decisions made at the last meeting be respected and for the guiding principles to come out of the Board Policy subgroup.
- Dave Fouquet commented that although the document was created by a group of faculty, it is open to other people to add their input; or choose not to use it. The faculty group is not suggesting this document to be the final product. They are simply presenting it to be discussed further.
- Joel Kinnamon suggested to Dave to have this conversation with the Board Policy subgroup rather than this group, as he felt that that would be the appropriate place. The result of the input from the subgroup charged with this work, can be done in advance, documented, and then provided to this group. The subgroup probably has representation from the classified and the administrators.
- Heidi Ulrech commented that we do need faculty voices, but by providing it to the Board Policy subgroup it will give other members an opportunity to participate and add value.
- Dave Fouquet acknowledged, but asked if the Board Policy group is charged with creating the Board Policy and the guiding principles; and the allocation model group is dependent on

them. If so, how are they going to work together?

- Lorenzo Legaspi commented that part of the discussion at the last meeting was that the guiding principles are necessary to guide in the development of the revision to our allocation in the funding of the basic operations. We need the guiding principles and that is just parallel to what this group has always been talking about. Policy should drive the budget and not the other way around.
- Heidi Ulrech recalled that in the last meeting it was suggested that the subgroup would work over the summer towards at least creating a draft of the guiding principles. The DBSG group would then continue with the work in the fall. We did not want to wait until we had a firm guiding principles and policy because that could be an additional six months.
- Dave Fouquet commented that the draft work on the guiding principles is not the work of the specific allocation model subgroup; it was the work of an independent group of faculty. Sarah Thompson is in the Board Policy subgroup and she called the group together. Additionally, Chabot College has a new Faculty Senate President and she may also be interested in participating in this group, and we must give her an opportunity to participate
- Lorenzo Legaspi acknowledged that the new leadership group should participate. The leadership changes were to be discussed today so that meeting information can be forwarded to the appropriate people.

### **Board Policy**

Lorenzo Legaspi informed the group that the leader for the Board Policy subgroup, DeRionne Pollard is leaving the District on June 30, 2010.

### **Health benefits group**

Lorenzo Legaspi discussed the Keenan & Associates Benefits survey with the group.

#### ***GASB 45, Other Post Employment Benefits (OPEB)***

He reminded the group that we cannot lose sight of the amount of money the District is spending on OPEB. According to the survey, 94% of all districts pay for their retirement plan utilizing the option of pay-as-you-go, and we are part of the 94%. Currently, our “pay as you go” retiree health benefit is about \$4.4 million and that amount will increase as people retire. Lorenzo projected that in three years it would be about \$8 million, and will keep increasing. That additional cost would have to be generated from somewhere, so if one area of our expenditure goes up other areas will have to be squeezed. He pointed out two points 1) to recognize that the liability is there and it will continue to grow; and 2) it will keep growing if we do not contain the cost in the future. If we were to set aside the amount of money necessary to pay for retiree benefits, we would need to carve out about \$12 million a year.

### **III. Tentative Budget**

Lorenzo Legaspi reported that the tentative budget was presented to the Board at the last meeting on June 15, 2010. The tentative budget is now online for review.

- Dave Fouquet mentioned that at one point in the development of the tentative budget, Las Positas College was allocated \$300K in account codes 4, 5 & 6,s. The tentative budget that is online was definitely revised upwards, closer to \$1 million.
- Lorenzo Legaspi responded that in the allocation model Las Positas College was left with about \$371,000 in the 4000 through 6000 accounts. The Las Positas College Foundation augmented that amount by \$400,000 for FY2010-11. Additionally, the college identified \$300,000 in vacant funded classified positions which would help with their supply, equipment, and discretionary funding.

#### **IV Summer Meeting Schedule**

Lorenzo Legaspi mentioned that there will be work going on over the summer on the budget data analysis. We will also identify a replacement for DeRionne Pollard so we can continue the work of the Board Policy. There is no work to be done on health benefits.

- Dave Fouquet commented that since the allocation model group is waiting on the guidelines, there will be nothing to do in July.

The July DBSG meeting was canceled.

#### **V 2010-2011 Meeting Dates**

Looking ahead into next year, the Friday meetings at 12:30p.m. was not convenient for a lot of people. Lorenzo suggested that maybe the group could discuss other possible days of the week which would work better for the group.

For the August meeting, two dates have been established, 8/13 which is the Friday before convocation, and Friday, 8/27 which is the second week after classes start. A vote will be taken via email to select the August meeting date.

The meeting was adjourned at 12:10 p.m.

*Meeting minutes were prepared by Pushpa Swamy*