

. District Budget Study Group

Meeting Minutes October 9, 2009

Place: Las Positas College – Room 1601, 3000 Campus Hill Drive, Livermore, California

Attending: Bob D'Elena
Bob Kratochvil
Dave Fouquet
Heidi Ulrech
Jason Morris
Kari McAllister
Lorenzo Legaspi
Ming-Lun Ho
Natasha Lang
Patti Pizzi-Munoz
Pedro RuizDe Castilla
Rajeev Chopra
Sarah Thompson
Tim Nelson
Yulian Ligioso

Not Attending: Cathy Gould
Celia Barberena
DeRionne Pollard
George Railey
Joel Kinnamon
Judy Hutchinson
Laurel Jones
Mark Smythe
Melinda Matsuda
Mike Absher
Pamela Luster
Rachel Ugale
Rachel Azimini

Non Member: Pushpa Swamy

The meeting was called to order at 12:30 p.m. by Lorenzo Legaspi, Vice Chancellor, Business Services.

The group requested and agreed that meeting minutes be recorded and approved at every meeting.

1. Primer – Review Board Policy

Since there were several new members in the group, Lorenzo highlighted and reviewed the following excerpts from the current board policy with the group:

- To allocate all revenues received by the District to the centers.
- DBSG shall consider and make recommendations to the Chancellor of any matter that affects the District financially, specifically, as it relates to this allocation model.
- The DBSG may collect information on financial matters pertaining to collective bargaining issues, but any decisions on such matters will be referred to the appropriate bargaining agents.

Principles Governing the Allocation of Revenue

1. To establish and maintain permanent and general district reserves and committed accounts/reserves
 - Lorenzo informed the group that the District currently maintains the 5% permanent reserve required by the State.
 - Pedro RuizDe Castilla asked if the District has tapped into the 5% reserve in these times of constraints. Lorenzo said that the definition of the 5% reserve is for unforeseen economic uncertainties during the year. If the reserve is used, it is to be replenished in the subsequent budget year.
 - Dave Fouquet asked if the energy reserve is in addition to the 5% reserve. Lorenzo confirmed it with a “yes.”
2. To allocate all general apportionment revenues according to program based funding criteria.
 - Heidi Ulrech asked if Lorenzo is suggesting that this group update and revise the allocation of general apportionment revenues. Lorenzo responded that he is looking to this whole group to do that.
 - Bob Kratochvil commented that the Board policy was written before the formation of the District Enrollment Management Committee (DEMC) and before passage of the Bond measure. He pointed out that these are huge financial aspects of the District, so reference of such aspects should go through this process.

Sarah Thompson shared a memo written in 1998 to the DBSG by Dr. Susan Cota when she was President of Las Positas College (memo attached). She pointed out that the current Board Policy does not reflect the charge of the DBSG memo of 1998. Based on this memo the charge of the DBSG is directly related to the allocation. She quoted from the memo:

“To advise the Chancellor and District/College constituencies regarding any matter that affects the fiscal conditions of the District.”

Dave Fouquet felt that the most important bullet on this memo was:

“To review, evaluate, and recommend modifications and improvements to the District budget allocation model.”

- Dave further said that there are two sides of this: one is a policy and the other is the model itself.

- Lorenzo said that the wording of the current policy reads more like a regulation. For example, a policy statement would include the general solvency of the District.
- Lorenzo reminded the group that a draft Board Policy was included as a handout in the February meeting and this can be used as a starting point.
- Bob Kratochvil suggested that this item not be tabled; but let everyone peruse through it, make comments and then make it a group discussion.
- Ming-Lun Ho suggested that each person write their comments using strikeouts and deletions for tracking purposes and then as a group review the changes.
- To Ming's suggestion, it was commented that we could end up with 21 different versions and perhaps a work group would work better.
- Sarah Thompson suggested that each college form small groups and write their sets of comments. The groups' comments are then to be combined for each college.
- Everyone agreed to Sarah's suggestion.

Action Items

- ◆ Lorenzo to email the draft Board Policy as a starting point.
- ◆ The two college groups to make comments and propose revisions to the policy and then as a subset rules and regulations develop the detail.
- ◆ Bob Kratochvil suggested that the District Business Officers (DBO) do the first review from the policy standpoint and not so much from the operational standpoint.
- ◆ College V.P.'s for Admin Services to incorporate the comments for each college for DBO review.
- ◆ All comments then to be presented at the next DBSG meeting.

Lorenzo reminded the group that this group can collect financial matters pertaining to our budget and assist with the allocation model for comparison with other districts, but to be sensitive to the collective bargaining implications.

Membership Review and Update

- Ming-Lun Ho suggested that student members be assigned by the Student Association and not by the college Presidents.
- Sarah Thompson suggested that each college should have four classified members. Heidi Ulrech said that the union is responsible for the selection of the classified members.

Meeting Calendar

It was decided that meetings will continue on the second Friday of the month and the meeting location will keep rotating. Due to the Governor's Budget Workshop in January, the January & February meetings will be combined to be held on January 29. Lorenzo commented that the Budget Development Calendar should be ready by then.

Report on the Funding Allocation Model – (handout)

Lorenzo explained that the old State allocation model was done on program based funding allocation. The model allocated revenues to the centers and it would be the responsibility of the center to determine its budget priorities and stay within the revenue allocations. The new State funding model is under SB-361 (which was discussed in a prior meeting) provides revenues based on FTES. The current apportionment payment is based on \$4,564 per FTES. In addition, the District receives the Foundation revenue in recognition of the type of district (single college/multi-college) and enrollment levels.

In 2009-10 the District will be serving 17,042 Full Time Equivalent Students (FTES). The target was 17,719.

The State Chancellor directed districts to reduce their workload by 3.39%. For CLPCCD the reduced workload is 16,907. However, the district is operating and budgeting for 17,042.

Allocation Model

Dave Fouquet said that the model does allocate certain percentages of revenues into the centers. The 14% District allocation was always in contention. Dave added that according to AB 1725 some of the college budget can be included in the 14%, such as the offices of the President, the Vice Presidents of Admin Services and campus level ITS. The District office share of cuts was simply not to hire some expansion positions, while the colleges are actually reducing. As a result, Chabot College is always in the red and the District office is always in the black

Sarah Thompson asked if the District budget is primarily for full time salary. Lorenzo responded that about 85-86% would go to salaries and benefits.

Sarah said that when the reduction matrix was developed the District did not lay off anyone and that is not the case for many adjuncts and hourly personnel.

Productivity Levels

Bob D'Elena proposed that a 5 year historical analysis be done of the relationship between staff support and the number of students; and relationship between staff support and the number of Full Time Equivalent Faculty. This would give us trends in the numbers to compare the current and historical operation of the District budget operation model, and its effectiveness of the 14% District allocation.

Rajeev Chopra asked if such an analysis was done in the past, based on the needs of both colleges. He said that without the data it is hard to measure the direct impact on the students.

Dave Fouquet said that there are support services at the Colleges that were cut but not replaced. As a result, it is really impacting the way programs will function and affect students.

Lorenzo asked if the group is looking at the staffing levels based on the increase/decrease in student enrollment.

Rajeev responded that everything is not proportional, but there are models in place to look for the trend lines and costs.

Bob D'Elena commented that if both the students and FTEF increases, support services would be increased to account for the increase. But, if it is decreasing it needs to be determined what the appropriate relationships are and expect the support to decrease. There are some that are fixed but trends in the numbers still needs to be looked at.

Dave Fouquet talked about the allocation of FTEF by FTES for 2010-11. He said that enrollment is high when the economy is down.

In closing, Lorenzo commented that everyone brought up a good point. The whole allocation model is an issue for most multi-college districts in the State. He hoped the group will have healthy discussions but not let our advocacy turn into a fight.

Sarah Thompson complimented the leadership of our Chancellor and the Board of Trustees and their commitment for the good of the District. She said that we have served a high number of students without making the cuts like other districts. Our employees are important to us, to this point we have not made those drastic layoffs, and that puts us in a better position than the surrounding districts in our area.

Pedro commented that at the last Board workshop the Board approved the plan for early retirement and the impact will be reflected in the budget.

The meeting was adjourned at 2:20 p.m.

Next meeting is scheduled for November 6th.

LAS POSITAS COLLEGE
OFFICE OF THE PRESIDENT

TO: DBSG MEMBERS
FROM: Susan Cota, *S. Cota* co-chair
DATE: NOVEMBER 6, 1998
RE: ACTION MINUTES - DBSG MEETING

The following three agenda items were discussed by the committee:

1. Role and function of the committee
2. Membership of the DBSG
3. Outstanding issues on allocation model

ROLE AND FUNCTION OF THE COMMITTEE

Terry Burgess presented a revised recommendation for the role and function of the committee. Six charges were presented:

- to advise the Chancellor and district/college constituencies regarding any matter that affects the fiscal conditions of the district;
- to educate constituent groups regarding the fiscal condition of the district, including the operation of the district budget allocation model;
- to analyze the current and historical operation of the district budget allocation model and its effects on the district and/or the colleges;
- to review, evaluate, and recommend modifications and improvements to the district budget allocation model;
- to recommend for appropriate actions by the Chancellor and Board of Trustees modifications to the district budget allocation model;
- to communicate recommended actions of the DBSG to constituent groups.

After discussion the following was agreed upon: the six charges as listed above were agreed upon by all with the addition of an additional role--process by which DBSG members become educated on budget issues from the state level as well as district level. It was decided that Kong, Burgess and Cota would write this charge and bring back to next meeting on December 4, 1998. It was further agreed that this new role would be the second bullet to show its importance.

MEMBERSHIP OF THE COMMITTEE

It was unanimously agreed that the DBSG would consist of the following members:

From each college--four administrators, four faculty (senate and union appointees), four classified (senate and union appointees), and two students. From the district--four administrators, including the Chancellor who will not have an official vote. Total members 32 with 31 having a vote. It is the responsibility of the colleges and the district to ensure that all appointments are made.

It was further agreed that the committee will be chaired by the new Vice-Chancellor for finance. The committee was clear that this does not confer on the Vice-Chancellor authority over the committee. The two college presidents will, in coordination with the Chancellor and Vice-Chancellor, continue to be responsible for the agenda. Until a new Vice-Chancellor is hired, the two college presidents will continue to co-chair the committee. The committee also wanted the ability to revisit this decision at a later date.

OUTSTANDING ISSUES ON ALLOCATION MODEL

The memos presented by each college in April, 1998 listing the areas of concern on the allocation model were reviewed. After much discussion it was agreed that a sub-committee to be chaired by interim Vice-Chancellor Cofer be given the charge of reviewing these issues. The sub-committee will be comprised of three appointments from each college as well as Bob Curry from the District Office. The sub-committee has been asked to review all the issues from both college memos and determine priority for study. They are to report back at the next meeting on December 4, 1998. It is anticipated that this will not be a prolonged study as most of these items have been reviewed in great detail in the past.