

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT
District Budget Study Group
November 5, 2010

Minutes

Jeff Baker	Bob Kratochvil
Celia Barberena	Natasha Lang
JoAnne Bishop-Wilbur	Guy Lease
Bob D'Elena	Lorenzo Legaspi
Dave Fouquet	Pam Luster
Justin Garoupa	Tim Nelson
Mary Anne Gularte	Jacob Park
Ming-Lun Ho	George Railey,
Judy Hutchinson	Pedro RuizDe Castilla
Kyle Judson	Sarah Thompson
Kathy Kelley	Heidi Ulrech

1. Approval of Minutes

Ms. Kathy Kelley made a motion seconded by Mr. Ming Lun-Ho to amend the minutes of the October 8, 2010 meeting. The Amendment would include that Mr. Ho was present at the October 8th meeting. Under agenda item #III, correct the spelling of Kathy Kelley's name. Also, under Item # III, Allocation Model the net change in expenses to be corrected from two to five years.

II. Subgroup Progress Reports

Board Policy

Dr. Gularte reported that the subgroup met earlier this week. Participants were: Kathy Kelley, Sarah Thompson, Guy Lease and Lorenzo Legaspi. Judy Hutchinson attended the meeting as the support staff. The group had a very positive and beneficial discussion at the meeting. They reviewed policies from other districts and the survey of the campus budget allocation models, conducted by school services of California. They discussed the various elements of those policies and practices that were identified to be important in the documents and the ones to consider incorporating into our policy. They talked about a general outline for the Board policy document. It was identified that it would include some guiding principles and the philosophical statement on how students are served. It would wrap around planning at both college level and district wide level. The group also talked about including the responsibilities, and the roles, of the individuals involved in the budgetary process.

Dr. Guy Lease and Ms. Sarah Thompson volunteered to prepare the draft document using the Accreditation language. Mr. Legaspi offered to sort out the Policy Statements from the Rules and Procedures Statements. After the two pieces are sorted, they will then incorporate the best practices that were chosen from other documents that were reviewed. The group has a chart on

how to organize the documents. There was also discussion on how the materials, documents, and language will merge into the allocation model group, led by Dave Fouquet. The group is scheduled to meet on November 30th and the plan is to share the draft documents prior to the next DBSG meeting so that they can be prepared to discuss it.

Ms. Thompson added that the group discussed on the level of policy detail. It would be detailed enough in the structure, but not to actually micromanage every budgetary process. The Policy language that this group is using should hold us well for ten years or so.

Mr. Legaspi added that there was discussion that the Board policy should be general enough so that it could address whatever allocation model the group develops.

Mr. Lun Ho commented that whatever allocation model we come up with will have to fall within those broad guidelines.

Dr. Celia Barberena reminded Mr. Legaspi that Chabot College had an accreditation review last Tuesday and the team asked about the status of the other recommendations. She wanted to share that with the Las Positas College colleagues in anticipation of the review.

Mr. Legaspi acknowledged and said that a lot of work has been done on the allocation model, and he felt that the group is at a point where a draft written response can be provided.

Allocation Model Nuts & Bolts

Mr. Fouquet reported that his group did not meet since the last meeting on October 8, 2010. At the last DBSG meeting he pointed out that the subgroup does not have a good definition of their task. It was not clear if the current model was to be reviewed for changes or a new model to be constructed. The ultimate goal of the group would be to construct a new model. However, he would not want to go through that exercise without the consensus from the main group. He suggested that it might be a good exercise for the allocation model subgroup to go through the model, formulate and declare what comes off the top and have that as a formal part of the policy. However, the subgroup would need additional information from the District to accomplish that. It would include a snapshot of the distribution of unrestricted general apportionment and a breakdown of the District office, M&O, and Contract Education for the immediate five years. Mr. Fouquet felt that the information is necessary to complete the task and satisfy the Accreditation Commission.

Ms. Kathy Kelley made a comment for the record that one of the issues from these meetings is the concern of the workload with no compensation. The question was asked by the Accreditation team in the exit interview whether faculty staff was compensated for all the work that is being required of them. There has to be some flexibility within the existing funding patterns so that people do not get burned out.

Dr. Barberena asked Mr. Fouquet, what were the purpose and the main objective of his subgroup.

Mr. Fouquet responded that it started out with an attempt to understand how the model works. The current model has some levels of complexity which are unnecessary. The allocation is based on the old program base funding but the State funding is based on SB 361. The model was created before the DEMC was formed; it would need to work in conjunction with DEMC.

Ms. Thompson commented that the work of the Allocation Model Nuts and Bolts subgroup is necessary because the allocation model has to be tied to the planning model that ultimately gets developed.

Mr. D'Elena suggested that using the current data, the allocation model subgroup could do a comparison study of what exists and based on the results, start the planning process.

Ms. Lang suggested that the 3-year Budget Analysis subgroup and the Allocation Model subgroup together could do a case study and run some scenarios through the current model to determine the necessary changes. Subsequently, make appropriate adjustments to the current model and streamline it district-wide.

Mr. Legaspi commented that the Allocation Model subgroup started out with the purpose of understanding the model and if that is achieved then perhaps we can move into the next phase.

Mr. Fouquet commented that there are a lot of aspects in the current model that could be eliminated. He would also like to see a total separation of unrestricted and restricted State apportionment. Also, other revenues, like parking and resident tuition that would be subjected to the model, would stay at the campuses.

Dr. Barberena commented that it would help if everyone in this group thoroughly understood how the current model worked and determine the strengths. Then the group as a whole could look to change the weak areas.

Dr. Lease said that prior to 1978, districts were able to plan the needs and generate funds based on the tax rate. After passage of Proposition 13 the funds are limited. We are a multi-campus district, so funds are distributed based on revenue allocation model and the colleges have a responsibility to develop the budget based on the planning. The decision should not be made at the district level.

Ms. Thompson commented that long term planning that impact allocation practices do belong at the district level.

Ms. Kelley commented that the model will need to incorporate the staff obligation that the district is required to maintain. So, the model needs to account for and allocate funds for certain periodic and unexpected forms of expense factors, so that there would still be some "play" money left.

Mr. Fouquet said that to have the best understanding of how the current model works we would need to know how revenues are being allocated. Other aspects of the model would be that M&O was always short and back filled by the District office. The model did not account for the needs of M&O.

Dr. Railey made a motion seconded by Kathy Kelley that we charge the committee with:

1. Find a description of how the model works
2. List what works and why does it work well
3. What does not work and why does it not work
4. Provide recommendation for improvement and why do you recommend it.

Mr. D'Elena acknowledged that it is an excellent idea to get some direction. But, he suggested that the subcommittee reporting be limited to 15 minutes per group to be able to attend to other items on the agenda.

Ms. Kelley suggested that the subgroups provide a written report in advance so that the members would read it and be aware of the issues prior to coming to the meeting, so that would be limited to discussion rather than explanation.

Mr. Fouquet commented that he wanted people to realize that the model itself is complex. Several months ago his subgroup had a meeting and it lasted almost 2 hours, but still everything was not accomplished. In order to satisfy the charge that is about to be levied on this group he did not believe that 15 minutes would be sufficient.

Mr. D'Elena suggested that if it takes more than one meeting to get to a certain point with one group's report, it could be split into parts.

Mr. Judson asked if the group would uphold the allocation model to be complex and difficult, or should it be really simple and broad.

Ms. Ulrech responded that the group needs to have a better understanding of how the model works before that call can be made.

Three-Year Budget Data Analysis

Mr. D'Elena commented that in the interest of time, he would pass his reporting until the next meeting.

Health benefits

Mr. Legaspi reported that we are in the middle of negotiation, and that information is being presented to the different collective bargaining groups.

III. Update on the Budget Act 2010-11

Mr. Legaspi distributed a memo from the State Chancellor, Jack Scott and paraphrased Chancellor Scott's message, reiterating the need to prioritize and operate within the funding budget with focus on career technical education, basic skills, and transfers. He also shared an email from Erik Skinner, the Vice Chancellor of Business for the State on the budget update that was based on the Budget Act. Few areas of importance are:

Cost of Living Adjustment (COLA) was negative .38% now it is zero.

There is some money for mandated cost reimbursement of about \$17-\$18 per FTES which could generate about \$300,000 to the District.

The budget also includes 2.21% enrollment growth which is being interpreted as a restoration of the workload reduction that was experienced in the last two years.

There is talk that the budget is already being deficated by about a quarter of a percent. That amounts to roughly about \$200,000 less for the District funding.

The newly elected Governor is already meeting with legislators and on the budget even before being sworn in. All this hints towards a midyear adjustment.

Mr. Legaspi also highlighted some of the California Propositions that recently passed and how they impact our budget development.

- a. Proposition 25 will change the current voting requirement to pass a budget from a two-thirds majority to a simple majority. It would be in the 2011-12 budget year.
- b. Proposition 26 will necessitate a two-thirds majority vote for State and local fees.
- c. Proposition 22 prohibits the State from taking funds from local governments. That is good for the local government, but bad for the State. That means the State cannot use gas taxes to pay off transportation Bonds. In the current budget that could mean a billion dollars less in State funds.

IV Other

Mr. D'Elena suggested that reading material for future meetings to be sent to the members prior to the meeting. It would expedite and speed the meetings.

Next meeting is on December 3, 2010.

Meeting adjourned at 1:40 p.m.

Meeting minutes submitted by Pushpa Swamy

