



PLANNING & BUDGET MEETING MINUTES
Wednesday, February 6, 2007
1:30 to 3:30 p.m. – Building 3, Room 142

Members Present: Blanca Castillo – Student Rep, Karina Camacho – Student Rep, Debbie Joy – College Council Co-Chair, Maria Lara – CSEA Rep, Phyllis Lucas-Woods – Vice President of Student Services, Monica Malamud – AFT Rep, Marilyn McBride – Vice President of Instruction, Joan Murphy – Classified Senate President, Martin Partlan – Academic Senate President, Ron Trugman – College Council Co-Chair,

Ex-Officio: Thomas Mohr – President, Bart Scott – College Researcher

Absent: Vickie Nunes – College Business Officer

Guests: Kathy Blackwood, Margie Carrington, David Clay, Linda Hayes, Lina Mira, Maggie Souza

AGENDA ITEM	CONTENT	PRESENTER
1) APPROVAL OF MINUTES FROM DECEMBER 19, 2007	The minutes were approved as amended.	Joan Murphy & Martin Partlan, Planning & Budget Co-Chairs
2) PUBLIC COMMENTS	None	
3) BUSINESS I. Enrollment Report II. Governor’s Budget, State of SMCCCD Budget	<p>Handed out and reviewed the following enrollment reports for Spring 2008:</p> <ul style="list-style-type: none"> • 320 Report – FTES Comparison (Excludes Borrowing) Summer, Fall, and Spring for 05-06, 06-07, and 07-08 • End of Term Enrollment Analysis – Fall 05 to Summer 07 • Spring 2008 Enrollment Comparison – as of 2/5/08 <p>Reported that we are currently 5.4% up in headcount and FTES.</p> <p>Gave a budget update report on the effect on SMCCCD and the apparent likelihood IF the Governor’s proposed budget cut action occurs.</p> <ul style="list-style-type: none"> • For the current year 07/08, the Governor has proposed a \$40 million cut to Community Colleges. This would have to be acted on by legislation in order to happen. An emergency session has been called in the middle of March for legislation to review the Governor’s proposal. • June payment from the State may be deferred to September. This would 	<p>Marilyn McBride, Vice President of Instruction</p> <p>Kathy Blackwood, SMCCCD Chief Financial Officer</p>

<p>III. Grant/Fund 3 – Benefit Expenditure</p>	<p>impact SMCCCD’s TRAN amount and interest expense minimally.</p> <ul style="list-style-type: none"> • Although is it a little early to tell, we are not likely to have a property tax deficit this year per Community College Vice Chancellor Eric Skinner. <p><u>For the 08/09 budget year</u></p> <ul style="list-style-type: none"> • Prop 98 would be suspended again. There will be no COLA which would have been 4.94% and a cost to the SMCCCD Fund 1 of almost \$5.2 million. Additional amounts would be lost for COLA for Fund 3 categoricals. This is likely to happen or end up fairly close to 0% • Change to the way the COLA is calculated, basing the calculation more on California data than on national data. Would change 08/09 from 4.94% to 3.65%. Other years the CPI –W is higher than the statutory COLA. COLA is built into Prop 98, so it might require voter approval to change. If that is the case, not likely to happen. • About 1% growth for general apportionments which is below the statutorily required 1.5% growth. Amounts to something under \$1 million for SMCCCD. We could probably only claim this growth if we shift FTES from Summer 2009. • No growth or COLA for categorical and an additional \$51.4 million cut to those programs. Not sure the effect on SMCCCD but based on FTES, our share would be just over \$1M. • No change to student fees. • Eliminate new awards for Cal Grant Competitive Program \$57.4 million. • Property tax increase budgeted at a more reasonable 6.9%, down from double digits. Noted that we could be affected with the large number of foreclosures. <p>March 4th is Community College Advocacy Day. Encourage everyone to use their voice in advocating for Community Colleges.</p> <p><u>Presented a proposal</u> that could charge the current cost of retiree benefits for those paid from Fund 3. Currently 100% of the cost of retiree benefits is charged to Fund 1, even though there are full-time employees who spend their entire career at the District in a program in Fund 3, such as Matriculation, DSPS, or EOPS. This proposal would charge the current cost of the benefit that each active employee is earning each year as a new benefit expense. The offset to this benefit expense would be to the Retiree Benefit Fund. This would have the impact of reducing the burden on Fund 1 for</p>	<p>Kathy Blackwood, SMCCCD Chief Financial Officer</p>
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	<p>those non-Fund 1 employees. However, because this would increase the total cost to the non-Fund 1 programs, the proposal includes transferring the saved dollars in Fund 1 back to Fund 3 to offset the increased benefit cost in Fund 3. As we write grants and are able to build this new benefit rate into the proposals, Fund 1 would be relieved of its need to subsidize the non-Fund 1 programs. Some programs, such as the categorical noted above, may never have sufficient funds to cover the increased cost. It would be a college decision as to when to reduce or eliminate the subsidy and use the released funds for other priorities. The goal would be that in 30 years or so, after we have fully reserved for our post-retirement benefits liability, we would only need to charge the current cost of employee's future retiree benefits – the amount that each of us is earning each year – and the cost of retiree's benefits would be paid out of the reserve fund. An example showing the current method and proposed method was also given for the charging of the post-retirement benefits</p>	
<p>IV. Basic Skills Expenditures</p>	<p>Presented and reviewed the Basic Skills Proposed Budget. In reviewing the proposed budget and its use, it was noted that the Counselor position would be a one year hire. Discussion on the Counselor position continued as it was Academic Senate's recommendation that the Counselor position be full-time tenure track. It was suggested that this be discussed further with those in the Basic Skills Task Force.</p>	<p>Terry Watson, Financial Analyst</p>
<p>V. Hiring of 60% Financial Aid Assistant paid with Categorical Funds</p>	<p>Presented a Classified Hiring Position Justification for a permanent Financial Aid Assistant at 60% (22 ½ hours a week) with benefits and paid from BFAP-SFAA external funds. It was reported that for the past two years this position has been filled by an hourly person and cannot go another year with a part-time person in a CSEA position. This is an integral position for the Financial Department and was one of the positions presented in the College's current hiring process but did not rank high enough.</p>	<p>Margie Carrington, Financial Aid Officer</p>
<p>4) ADJOURNMENT</p>	<p>The meeting was adjourned at 3:45 p.m.</p>	<p>Joan Murphy & Martin Partlan, Planning & Budget Co-Chairs</p>