

WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT
District Budget Advisory Committee
West Valley College, Board Room
 Wednesday, October 21, 2009
 2:00 - 4:00p.m.

Members:

<u>Present</u>		
X	Teresa Amos	District Administrative Services Representative
X	Christina Booth	Confidential Unit Representative & Recorder
X	Randy Castello	ACE Representative
X	Queenie Chan	MC Classified Senate Representative
	Charles Clemons	SEIU Representative
X	Michelle Donohue	Teamsters Representative
X	Brigit Espinosa	District Administrative Services Representative
X	Linda Francis	Director, Fiscal Services
X	John Hendrickson	Chancellor (non-voting)
X	Victoria Hindes	WVC VP, Student Services
X	Danny Hsu	WVC Student Representative
X	Penny Johnson	MC, VP Student Services
X	Stephanie Kashima	MC Academic Senate Representative
X	Laurel Kinley	WVC Classified Senate Representative
X	Ed Maduli	Vice Chancellor, Administrative Services
X	Graciano Mendoza	District Budget Manager (non-voting)
X	Worku Negash	MC VP, Administrative Services
X	Fred Prochaska for Michael Renzi	WVC VP, Administrative Services
X	Lance Shoemaker	WVC Academic Senate Representative
	Vacant	MC Student Representative
	Vacant	District Principal Financial Analyst (non-voting)
	<u>Others</u>	
X	Roberta Berlani	ACE President
X	Lori Gaskin	WVC President
X	Joan Worley	WVC Faculty, PE

APPROVED MINUTES

The meeting was called to order by Brigit Espinosa at 2:07pm.

1. Approval of the order of the agenda (A)

The order of the agenda was approved as presented. (Donohue/Amos)

2. Approval of the September 23, 2009 meeting minutes (A)

The September 23, 2009 meeting minutes were approved as presented.

(Shoemaker/Francis, with Kashima and Booth abstaining)

3. Approval of the October 7, 2009 meeting minutes (A)

The October 7, 2009 meeting minutes were approved as presented. (Francis/Amos)

4. Oral Communications from the Public (I)

There were none.

5. Sub-fund 17 percentage cut to carry-overs (A) – Maduli

Mr. Maduli stated that the purpose of this meeting is to get a recommendation from the colleges on what percentage of their sub-fund 17 carry-overs will be designated to help off-set the deficit. Dr. Negash stated that he took the issue to MC CBAC and it agreed to a 54/46 college/District split. Dr. Prochaska stated that the WVC Cabinet discussed the issue and reluctantly agreed to a 50/50 split. Mr. Shoemaker asked if there were any agreements or understandings about when and how the funds could be taken by District administration. Ms. Francis responded that sub-fund 17 procedures exist and in-part state that sub-fund 17 monies can only be carried over if a plan for their use is identified. Ms. Castello added that these accounts are deposit accounts and not entrepreneurial funds; they are liabilities. There was a brief discussion on how student equipment fees and materials are recorded and deposited. Mr. Maduli stated that these fees are currently recorded incorrectly and recognized that they should not be included as part of the carry-over amount. He further stated that the Finance Office will work with the auditors to establish the correct accounts. Mr. Maduli then stated that he did not want to have a different percentage split for each entity. Dr. Negash responded that, after the October 20 CBO meeting, it was determined that both colleges could provide up to 48% of their carry-overs to the District. He further stated that he was glad that the District was working collaboratively with the colleges rather than sweeping the funds.

Dr. Negash then motioned that 52% of sub-fund 17 carry-overs remain with each entity and the remaining 48% be applied towards the District's deficit. The split would be based on each entities grand total amount, with each entity then determining how line items will be affected. Dr. Prochaska seconded the motion. There was discussion.

Ms. Joan Worley, WVC Faculty, stated that last year's fundraising monies are needed to purchase equipment in this fiscal year and that the funding has already been committed. Dr. Negash reiterated that the colleges will have to determine how to address line item budgets. Ms. Castello stated that the sub-fund 17 policy and procedure needs to be revisited. She added that Fund 100 monies cannot be used to fund supplies, etc., and then those supplies are used to garner extra monies that are then deposited into sub-fund 17. There should not be a surplus in sub-fund 17 accounts. Ms. Castello did acknowledge that the PE issue is a completely different situation and recognizes that without fundraising activities many of the team sports wouldn't exist. Mr. Shoemaker asked where discussions will take place on how to allocate remaining funds. Dr. Negash responded that discussions at MC will take place at CBAC. President Gaskin responded that discussions at WVC will take place at College Council.

Ms. Amos asked if Central Services had a sub-fund 17 account, and if so, where the funds come from. Ms. Francis responded in the affirmative and stated that the funds are a result of grant overhead costs. Currently, the funds are being used to purchase District-wide emergency equipment. In addition, there is need for a new van and forklift, which will likely be purchased using sub-fund 17. There was no further discussion.

The motion was taken to a vote and passed, with Mr. Shoemaker abstaining.

Ms. Francis indicated that the carry-over of funds will need to go to the Board and asked that the appropriate paperwork be prepared in time for the December 10 meeting.

6. Report back on Public Hearing interpretation for Categorical Program Flexibility Provisions (I) – Maduli

Mr. Maduli reported that he spoke with Erik Skinner, Vice Chancellor of the College Finance and Facilities Planning Division at the State Chancellor's Office, to determine if his presentation to the Board at its October 1 meeting fulfilled the requirements of a public hearing on Categorical Program Flexibility Provisions. Mr. Skinner responded that the District likely complied with the public hearing criteria but suggested that a more clearly identified discussion take place for added assurance.

Mr. Maduli then reported that, when the District receives its funding, it can determine how to use it but that it must be reported to the State. He added that he polled other districts on how they would use the funds and 85 - 90% indicated that it would be used to backfill categorical programs, while the others will use it as unrestricted funds. Ms. Castello wanted to confirm that the State was determining each District's funding level based on the categorical programs it offers. Mr. Maduli confirmed the information and added that the District must quickly plan on how the funds will be used since it must be reported to the State. This is one-time funding.

7. Report back on post-1994 employees receiving lifetime health benefits (I) – Maduli

Mr. Maduli reported that only one post-1994 employee has received lifetime benefits, former Chancellor Rose Tseng. Ms. Kinley asked if Board members who retire from the Board receive lifetime benefits. Chancellor Hendrickson did not believe that to be the case. Ms. Kashima stated that she is concerned that the Board will still negotiate lifetime benefits with top-level administrators even though the previous directive is that no post-1994 employees would receive them. She asked if a recommendation could be made that the Board not negotiate lifetime benefits for any new employees. Chancellor Hendrickson responded that the Board has not negotiated any such deal in at least ten years and doesn't believe they would do so now; however, the committee could make a formal recommendation to the Board if it so chose. Ms. Kashima responded that the Board currently negotiates contracts without input from the District community and often does not recognize the long-term financial liability of its actions. Ms. Castello concurred with Ms. Kashima that the Board occasionally does not recognize the full financial scope of its decisions and added that it needs to be provided the full budget picture and source of funding before making budgetary decisions.

8. Discussion on WSCH/FTE goal for FY 10/11 (D) – Maduli

Mr. Maduli reported that the District Goals Committee met on October 14 to discuss the WSCH/FTE goal for FY 10/11, but that committee members could not come to an agreement. Per the ACE contract, the issue is now being referred to DBAC for a decision. Mr. Maduli continued that he wanted to table the discussion until such time

that the college VP's of Instruction could be present, but prior to the deadline identified in the contract.

Ms. Castello asked for a report on the current year plans and how it affects the budget. She stated that the information is needed before DBAC can make an educated recommendation. Mr. Maduli responded that the requested information was provided to District Goals Committee members and that he would forward it to DBAC members. Ms. Castello then asked if the plan was based on workload reduction measures, and if not, that it should be. Finally, she stated that WVC, which is currently funded at 535, has already achieved 562, which should result in at least a \$900,000 savings. She assumed MC was also above its target and requested that MC provide its data.

9. Special DBAC meeting on November 18 (A) – Maduli

A special meeting to discuss the FY 10/11 WSCH/FTE goals has been scheduled for Wednesday, November 18 from 2:30pm – 4:30pm in CC 219/220 at Mission College.

10. 311 Annual Report (I) – Francis

Ms. Francis reviewed the 311 Annual Report, which reflects the unaudited numbers for FY 08/09, and stated that the figures will match what is identified in the FY 09/10 Final Budget. Ms. Castello asked what mandates a 5% or 3% reserve. Chancellor Hendrickson stated that both Title 5 and the Education Code mandate that school districts maintain a reserve. Ms. Francis then reported that the District met the 50% Law requirements at 52.51%. There was a discussion related to the 50% Law and about how counselors and librarians are coded and if they are being charged to the correct side (instructional) of the 50/50 split. Ms. Francis responded that they can only be counted on the instructional side of the split if they are coded as “teaching” as part of their regular contracts or coded as teaching on over-load. After additional discussion, it was determined that there was not a clear process in place for identifying counselors and librarians who teach. Ms. Castello asked about lottery funds and then stated that she thinks the Board needs to direct, as part of the Fiscal Standards Policy, that lottery funds be dedicated to counselor salaries. There was no further discussion.

11. Report back on formal reporting structure for information from DBAC to be presented to District Council (I/A) – Maduli

As discussed at the last meeting, a formal reporting structure for information from DBAC to District Council is needed since the two meetings will flip-flop their meeting times so DBAC can make recommendations to District Council regarding budgetary issues. Ms. Espinosa recommended that there be a standing item on the District Council agenda for reports from DBAC and that the Vice Chancellor be the reporting party since he attends both meetings. Ms. Francis asked if DBAC will review all Board items. Ms. Amos asked if DBAC will have time to fully vet issues without delaying the process. She asked if the two meetings should again meet on alternate weeks. Mr. Mendoza stated that there needs to be a link between budget planning and strategic planning. Currently, strategic planning is being done without considering the fiscal implications. Chancellor Hendrickson noted that neither committee's operating procedures make mention of one another even though the two committees should be inherently linked. He then suggested that the Vice Chancellor review the “pre-board” agenda to

determine which items need to be reviewed for fiscal implications. Ms. Booth was opposed to the recommendation and stated that each committee member should have an opportunity to review and question items that will eventually be presented to the Board. Ms. Castello agreed with the Chancellor's recommendation, as a starting point, with the ability to refine the process as needed. Ms. Amos asked why the two committees couldn't be combined. Dr. Negash responded that the two committees already have full agendas and couldn't see how combining the two would be effective. After hearing the discussion and the concerns being expressed, President Gaskin suggested that now would be a good time to "reinvent" the participatory body.

After more discussion, it was decided that DBAC would begin reviewing the pre-board agenda at its next meeting and attempt to refine its review process before the new meeting times become effective in January 2010. Ms. Kinley stated that, as part of the review process, she would like HR to provide reports on vacant positions.

12. Fixed Costs reviewed at DBAC instead of subcommittee (A) – Mendoza

Mr. Mendoza proposed that fixed costs be reviewed by DBAC instead of by a subcommittee. Currently, the review takes place at a subcommittee, which then reports back to DBAC, who in turn rehashes issues already addressed by the subcommittee. Having the review take place at DBAC will be more efficient. Ms. Castello stated that she would like to see line item detail for Central Services operating budgets and have the ability to question managers about their budgets. Mr. Maduli responded that he does not want to micro-manage Central Services but rather determine if operating costs should be moved from Central Services to the colleges. He added that he intends to bring a new allocation model to DBAC in December and that he would like it to mirror the SB361 funding model. Ms. Castello responded that the review of Central Services line items is not to micro-manage, but rather to determine if there is sufficient funding to support service level needs and also to advocate for Central Services when costs are questioned by other groups. Ms. Amos stated that she would like to see criteria to determine if a cost is a true fixed cost and also a form that must be submitted by budget administrators to establish a fixed cost item. Due to time constraints, Mr. Mendoza closed the discussion by stating that two items needed to be addressed: 1) Should fixed costs be reviewed at DBAC, and 2) At what detail. Ms. Kinley then motioned that DBAC, rather than a subcommittee, review fixed costs. Ms. Amos seconded the motion. The motion passed. A decision regarding the level of detail to be reviewed will be made at a later time.

13. FY 10/11 Budget Planning (D) - Maduli

Mr. Maduli stated that he has distributed a spreadsheet to various committees regarding the District's structural deficit. Due to time constraints, there was no further discussion on this item. The spreadsheet will be sent to DBAC members via email.

Meeting adjourned at 4:05 p.m.