

MINUTES OF SPECIAL MEETING OF
BOARD OF TRUSTEES
STATE CENTER COMMUNITY COLLEGE DISTRICT
August 26, 2010

Call to Order A special meeting of the Board of Trustees of the State Center Community College District was called to order by Secretary Isabel Barreras at 4:07 p.m. August 26, 2010, Clovis Center, Room 308, 390 W. Fir, Clovis, California.

Trustees Present Patrick E. Patterson, President (Arrived at 4:11 p.m.)
Dorothy Smith, Vice President (Arrived at 4:15 p.m.)
Isabel Barreras, Secretary
Richard Caglia
H. Ronald Feaver
William J. Smith
Leslie W. Thonesen
Tony Capetillo, Student Trustee, FCC

Others Present Deborah G. Blue, Chancellor, SCCC
Doug Brinkley, Vice Chancellor, Finance and Administration, SCCC
Cynthia Azari, President, Fresno City College
Barbara Hioco, President, Reedley College
Terry Kershaw, Vice Chancellor, North Centers
Scott Thomason, Vice President, Administrative Services, RC
Michael Guerra, Vice President, Administrative Services, FCC
Deborah Ikeda, Vice President of Instruction and Student Services, NC
Janell Mendoza, Associate College Business Manager, NC
Randy Rowe, Associate Vice Chancellor, Human Resources, SCCC
Don Lopez, Interim Associate Vice Chancellor, Workforce Development and Educational Services, SCCC
Ed Eng, Director of Finance, SCCC
Nina Acosta, Executive Secretary to the Chancellor

Introduction of Guests Among the others present, the following signed the guest list:
Jan Krueger, Executive Secretary to the Chancellor
Brian Speece, Associate Vice Chancellor, Business and Operations, SCCC
Teresa Patterson, Executive Director, Public and Legislative Relations, SCCC

Introduction of Guests Randy Vogt, Director of Purchasing, SCCC
Gurdeep He'Bert, Executive Director, SCCC Foundation

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John Bengtson, Director, Information Systems, SCCC
Greg Taylor, General Counsel, SCCC
Marilyn Behringer, Vice President, Instruction, RC
Michael White, Vice President, Student Services, RC
Christopher Villa, Vice President, Student Services, FCC
Bill Turini, RC Academic Senate President
Lacy Barnes, SCFT President
Joseph Libby, NCFA President
Monica Cuevas, Dean of Students, Madera Center
Wil Schofield, Accounting Manager, SCCC
Tony Cantu, Vice President, Instruction, FCC
Frank Mascola, CalWORKs Coordinator, RC
Ashley Tesla, Reedley Exponent
Ron Nishinaka, Tree Fresno

Delegations, Petitions,
and Communications

None.

2010-2011 Budget
Presentation and
Discussion

Budget Workshop Introduction

Dr. Deborah G. Blue stated the scheduling of the Budget Workshop is in response to the Board's request during the July Board retreat to review the budget before the final budget presentation in September. The Board has asked to have adequate time to ask questions, review the information in the budget documents, and to have some discussion. Dr. Blue thanked Vice Chancellor Doug Brinkley, Director of Finance Ed Eng, and College Vice Presidents of Administrative Services Mike Guerra and Scott Thomason, and Associate College Business Manager Janelle Mendoza and for working together to bring the budget to this point.

Dr. Blue identified the resource items for the evening's presentation, which included the budget book, a PowerPoint presentation, a summary list of District Planning Goals and Priorities, and a glossary of terms. Dr. Blue directed the Board's attention to the 2010-2011 Draft Final SCCC Budget and to the Chancellor's Message at the front of the document. She indicated that the June 1 tentative budget contained some closing paragraphs and message from the Chancellor at the end of the document. Dr. Blue asked that the Chancellor's Message be brought forward to the front of the budget document and indicated that the message is currently not included in the draft final budget document. In the event there is information that is discussed during the workshop, or direction from the Board, she wanted to make sure it is included in the Final SCCC Budget to

2010-2011 Budget

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be presented at the September 2010 Board of Trustees meeting.

Dr. Blue discussed a change on page one of the tentative budget stating the change is not just editorial, it is substantive. She explained that the tentative budget was referred to as a planning document, but should be identified as a resource allocation document because the budget will support the District's planning goals and priorities. Dr. Blue said this is an important distinction to make, particularly in light of what the integrated planning expectations are for the Accrediting Commission. The District must align the budget and other resource allocations with the District's planning goals and priorities. On page five of the document, the 2010-2011 District Planning Goals and Priorities are in the narrative, as well as in the handout. This was in the tentative budget; however, with the Board's approval, the District will approach this differently in the 2011-12 budget cycle. There will be a presentation to the Board early in January or February 2011, after the District has some direction from the State Chancellor's office and the Governor's office, with respect to the budget. The Board will shape what is seen in the State budget, with regards to planning goals and priorities, and it will drive how the budget is developed.

Ms. Barreras asked if a time line was in place for review of the planning goals and priorities. Dr. Blue responded that it appears that some of the planning goals and priorities have been rolled over from year to year, and we should be adding new goals, and taking off the goals that have been achieved.

Dr. Blue introduced Doug Brinkley, Vice Chancellor of Finance and Administration for the budget presentation.

Vice Chancellor Brinkley reported the following from a PowerPoint presentation:

State Center Community College District Planning Goals and Priorities:

- seek out opportunities to fund current permanent employees;
- maintain high load efficiency in the classroom;
- serve 10% more FTES than funded by the State;
- continue student recruitment/retention programs;
- use technology to more effectively/efficiently deliver instruction and services;
- continue the accreditation process for a 2011-2012

Presentation and
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- accreditation visit including candidacy for initial accreditation of Willow International Center as a College;
- prepare a District Facilities Master Plan;
 - update the District Strategic Plan;
 - review and revise the career and technical programs to meet identified job training and labor needs of the service region;
 - continue the implementation of the Measure E Bond Program;
 - evaluate and modify as needed, the District diversity programs, including staff development and recruitment; and
 - review programs/services/outcomes and modify as necessary.

Fiscal Assumptions for 2010-11 Final Budget

- Cost of Living Adjustment (COLA) will be 0%.
- Growth Funding will be 0%.
- Budget will be balanced with the use of reserve funds (\$1.5 million).
- FTES Apportionment Funding will remain unchanged for 2010-11 (\$131.9 million in 2009-10). If there is no growth, then hopefully there will be no further reduction. Categorical Funding will remain unchanged for 2010-2011.

Vice Chancellor Brinkley provided detailed statistical information on the following budget items and responded to questions from the Board of Trustees:

- Student Access/Credit Full-time Equivalent Students (FTES) Growth and Funding
- Mr. Patterson asked about the funding amount for each student for 2007-08, 2008-09, and 2009-10. Mr. Brinkley responded the funding has been the same amount for each year.
Mr. Patterson commented that the State made a decision to reduce the number of students colleges are serving by cutting funding, forcing them to cut back enrollment. State Center did not allow that to happen and is in a different position. Mr. Patterson stated this is why the budget workshop is so important. It will allow the Board to make better decisions.
- 2010-11 Unrestricted General Fund Allocation – Referring to the document section titled “Permanent Allocations and

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Adjustments,” Ms. Smith asked, in a lean budget year is there such a thing as permanent? Mr. Brinkley responded that cuts can be made if funding does not come in.

- General Fund Budget Detail Unrestricted (Non-Categorical) – Mr. Brinkley commented on the section titled “Other Outgo.” Almost \$3 million was transferred to the post-employment benefit account in 2008-09. The goal is to have \$33 million in the fund so it can support itself and not affect the general fund. Mr. Patterson stated that this is the fund that some people are referring to as “extra money.”

Mr. Thonesen stated it is important the District is working towards having a self-funded retirement account.

Ms. Smith said an explanation for the funds should be made, allowing for better transparency.

- General Fund Budget Detail Restricted (Categorical)
- General Fund Budget Total Unrestricted and Restricted
- Historical View of State Revenue Earned and Received by SCCCD
- 2010-11 Revenue and Expenditure Summary
- What is the 50% Law?

Mr. Brinkley presented information explaining the formula for the 50% law. SCCCD meets the 50% standard. Ms. Barreras stated there is legislation regarding flexibility. Mr. Brinkley said the flexibility is involving “error money,” and if the 50% is met, then it is okay.

Mr. Patterson asked what the implication is for not meeting the 50% law. Mr. Brinkley stated the standard must be met in the second year, and the penalty amount from the prior year must be paid. Mr. Patterson asked what would happen if 50% wasn't reached in the second year. Mr. Brinkley will research and advise the Board.

- Multiple Year Lottery Report by Category
Mr. Patterson is concerned about using lottery funds for operations. This is one of the areas he would like the Board to review. Ms. Smith stated lottery money is not something the District can count on from year to year. Mr. Smith stated it is prudent to be cautious. He referenced a *San Francisco Chronicle* article regarding the State's situation. If the State doesn't have money, then the District is not going to get money. If the District is going to continue to serve students, then it is going to have to look for funds in new places. Mr. Patterson raised the issue of unfunded mandates. He said the Board needs to look at some of the unfunded mandates and make some discretionary decisions on how to deal with this issue.

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Mr. Brinkley said that there is a lawsuit filed by the California School Boards Association against the State regarding this issue. The CSBA won this lawsuit; however, it is in the appeal phase.

- Categorical Budget Summary for Basic Skills, CalWORKs, CARE, DSPS, EOPS, Matriculation
- Calculation of 2009-10 Reserve

Mr. Patterson asked if the District's reserves are usually around 10%. Mr. Brinkley stated the Board has recommended 6%. The State Chancellor's Office recommends a 5% minimum. He said that many districts are borrowing money. Mr. Smith said those districts are going to lose more money by being forced to borrow. Mr. Patterson said dipping into reserves will inhibit the ability to build it back up.

- Target FTES Model for 2010-11, based upon 2008-09 Funded FTES and 2009-10 P-1 Report

Ms. Barreras asked how other colleges statewide compare in regard to the unfunded percentage. Mr. Brinkley stated that other colleges are targeting at 1% and 2% unfunded, as compared to the District's 18%. Mr. Smith asked if the District considered the demographics of our area. Mr. Brinkley stated this is the District's first time establishing a target. Dr. Blue stated the Board will re-visit what the target should be. Mr. Patterson said around the state there was a focus on reducing the students served by slashing budgets arbitrarily. Our District did not do that. We are serving as many students as possible. Ms. Barreras said she is concerned about the level of service, and the demand placed on faculty with the high capacity levels in the classes. Mr. Patterson asked where we put our emphasis. Do we target the poor, the unemployed? Ms. Smith stated the Board needs to look at the total picture, not simply the underprivileged. She referenced an article regarding the middle class actually suffers more during tough economic times. When fees go up, the underprivileged actually have more financial opportunity. She said in response to Mr. Patterson's comment about remediation, students should have the opportunity for remediation at the K-12 level. They should be prepared for college when they enroll.

Mr. Patterson said the Board has an obligation to look at all of the issues, such as remediation, class size, class offerings. Comparatively speaking, SCCC is at the top of the State. Ms. Smith thanked Mr. Brinkley for the glossary and for

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presenting the budget in simplistic terms. She commented that we weathered Proposition 13, we can make it work. She stated she is concerned about depending on lottery funds.

Mr. Patterson opened the floor for questions from the public.

Ms. Lacy Barnes asked a question about the 2009-2010 unrestricted general fund number. Mr. Brinkley replied the number comes from the adopted 2009-2010 budget.

Mr. Bill Turini asked in looking at the FTES numbers, if the District should begin to look at Willow International as an independent entity, separate of the North Centers. Dr. Blue stated as staff is able to devote more time to enrollment management matters, they will definitely look at this possibility.

Budget Workshop Conclusion

Dr. Blue thanked the Board for asking for this budget workshop, as it has been a learning opportunity for all concerned. A budget workshop will be planned sooner in the next fiscal year.

Dr. Blue introduced Nina Acosta who has been selected as the new Executive Secretary to the Chancellor and awaits final approval from the Board during the next regular Board of Trustees meeting of September 7, 2010.

Adjournment

The meeting was adjourned at 6:10 p.m. by the unanimous consent of the Board.

Isabel Barreras /s/

Isabel Barreras

Secretary, Board of Trustees

State Center Community College District

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