



PLANNING AND BUDGET STEERING COMMITTEE

Summary Meeting Notes February 15, 2017

APPROVED March 1, 2017

Members Present: Co-Chairs: Rod Garcia, Carlos Ayon; **Management Reps:** Cyndi Grein, Rich Hartmann; **Faculty Reps:** Josh Ashenmiller, Pete Snyder; **Classified Reps:** Summer Marquardt, Bev Pipkin; **Resource Members:** Gil Contreras, Melisa Hunt, Catalina Olmedo; **Members Absent: Student Reps:** Niko Diehr.

The meeting commenced at 2:08 p.m.

I. Approval of Summary Meeting Notes: The February 1, 2017 Summary Meeting Notes were unanimously approved with two minor revisions.

II. Planning Update: Carlos reported that the IEPI Partnership Resource Team's (PRT) visit is scheduled for Tuesday, April 4, 2017. A meeting has been scheduled with the Program Review chair Kelly Robertson, Interim VPAS Rod Garcia, and VPI Nunez to discuss the program review processes as it relates to the budget process. The goal is to formulate ideas to bring the program review process to be more efficient and in line with the budget process so that funding requests can be reviewed, approved, and allocated in a more timely manner.

The Mission Statement Workgroup is meeting next week to discuss the mission statement revise. Survey results will be discussed along with other collected inputs. There is consensus that the statement needs to be simplified and convey what the College does in our commitment to our students. Carlos reported that there are about 1000 lines of responses that his staff has transcribed and coded to assist in the discussions. Pete asked if the statement will be finalized before the accreditation visit; Carlos stated the current timeline does not provide for it to be completed by then. The workgroup is planning to have a draft available in March and begin a roadshow tour in the Fall.

III. Budget Update: Rod distributed a one-page handout that describes the revenue assumptions for budget development. He also distributed a seven-page handout of the District's 2017-18 Tentative Budget Assumptions. These figures are rough numbers based on the Governor's January Budget which will be changed by the May Revise, and a Final Budget will be adopted in September, 2017. Based on the numbers on Page 1 we are down 400 FTES, but we expect a 1% growth based on the additional duty days in 17-18. Rich asked if the State numbers are going down, and Rod replied that only 1/3 is growing. Bev asked if the College has considered offering classes during winter intersession and Rod replied that he has neither been involved in any discussions nor is he aware of any discussions at Chancellor's Staff.

In regards to actual funded FTES on page 2A of the handout, Rod stated we have been fully funded for the past 2 years. Credit FTES @ \$5,004.25 is \$152,569,427, Non-Credit FTES @ \$3,009.20 is \$7,695,393, the FON (Full-time Faculty Obligation Number) Equalization Adjustment is negative \$11,788 less \$8M in ongoing PERS/STRS for a total 16-17 Base Funding (excluding estimated deficit) of \$175,153,392. \$5.7M was put back in for the actual increase in PERS/STRS expenses plus the 1.48% COLA of \$2.6M results in a 2017-18 base of \$183B. The District plans to set aside funds for PERS/STRS through 2026-27, but the money we get in ongoing funds from the State will slowly disappear and by 2026-27 there is a concern that there will not be enough money to cover expenses.

On page 2B, it defines each 1% salary increase is estimated to cost \$1.5M. The FON for Fall 2017 is estimated at 587 and the District expects to be 11 positions above the FON and will rely on attrition/retirement to bring the number down. The District is expected to revise the actuarial table for the ARC (Annual Required Contributions) because there has been an overall shortage over the past seven years, with the contribution being reached once in 2014-15. The ARC doesn't have anything to do with the PERS/STRS retirement; it's our contribution requirement for lifetime benefits we give to our retirees. The District has a \$150M unfunded liability which is one of the largest. Actual costs for retiree benefits are \$5M per year. Gil asked if the COLA is reduced to zero, will the \$1,250 to supplement dependent care be an additional cost this year. Rod replied that COLAs go into a pot of money and sometimes it's not passed on to employees. However, whenever there has been a salary increase, it has surpassed the COLA.

Page 3 presents the new Extended Day (XDay) Funding Model approved last year and implemented this year. Page 4 presents a comparison between the new and old XDay budget allocation models, which benefits Fullerton College receiving \$11,045,964 (new model) versus \$9,936,073 (old model); an increase of \$1,109,891. A concern was raised whether this formula sets an unrealistic class size. The standard class size is 32, but actual size averages 30.5. Some factors to consider are that Cypress reports higher cost programs and larger class sizes than Fullerton.

Page 4 reports Fullerton receiving an on-going operating allocation of \$4.5M which will change due to personnel changes, \$852K in restricted lottery funds, \$694K in Instructional Equipment/Scheduled Maintenance, and \$500K in local funded Scheduled Maintenance.

Page 5 reports the Summary of Unrestricted General Fund (Revenues less Expenditures) resulting in a \$5M deficit. Rod reported Vice Chancellor Fred Williams stated Worker's Comp was reduced to .50%, down from 1%. Each year, the District is mandated to contribute \$1M to retiree benefits. International Students expenses are primarily funded by non-resident tuition because the College received zero apportionment for non-resident students. So each year, \$1M is taken off the top of revenue and coded to non-resident tuition. The amount for insurance is zero because we are self-insured and since we have built up a reserve, we are not contributing this year.

Page 6 reflects \$6.5M in Districtwide Expenses. The only changes noted are \$40K added this year to cover hospitality and the \$5K annual increase in audit expenses due to contract costs.

There is an election expense this year because a position was contested. If it's not contested, the amount will carry over to next year.

Typically the revenue assumptions come in stronger than the BOG (Board of Governor's) have proposed, but this year that is not the case as it's lower than projected. However, the Governor's Budget is conservative so we are not worried about it. Pete asked about the 1% growth and Rod replied that it is based on the 2 additional duty days, enrollment and growth.

Update to PBSC Recommendation for 2015-16 Non-Instructional Program Review Funding:

Rod reported that the PBSC's recommendation for PAC to allocate funding for the 2015-16 Non-Instructional Program Review Resource Requests totaling \$222,627 was approved by PAC and if it's accepted by President Schulz, the Deans/managers awarded funds will be notified to use the funds by the District's purchasing deadline of April 17, 2017.

IV. Allocation of FY 16-17 Instructional Equipment (IE) Funds: \$500,000 has been allocated to fund IE resource requests. Rod met with most of the Deans to gather their prioritized list from the 2015-16 program review and the Fall 2016 Annual Program Review Update Form, and he distributed a proposed list (in color) totaling \$499,770.96 described as equitable and fair. It was also understood that any approved funds must be used solely for the approved resource/item, and if that item has already been purchased, the money must be declined and returned to the pot for reissuance. Richard Hartmann made a motion to approve the recommendation to fund the prioritized list in the amount of \$499,770.96. Summer Marquardt seconded the motion, and it was unanimously approved by the voting membership.

V. A.S. Resolution – Sherbeck Field: Since Niko was absent from the meeting, the item was tabled.

VI. Other/General Discussion: Summer asked if besides the forums, have the students spoken to the community regarding the traffic, bleachers, and lights relating to the Sherbeck Field Project. Rod replied that students both attended and participated in all of the open forums.

Meeting adjourned at 4:03 p.m.

Meeting Notes were taken and typed by Melisa Hunt

Next Meeting: March 1, 2017