



GROSSMONT-CUYAMACA
COMMUNITY COLLEGE DISTRICT

DISTRICTWIDE STRATEGIC PLANNING & BUDGET COUNCIL

MEETING NOTES – August 9, 2004

ATTENDING: D. Agosto, J. Austin, C. Chiriboga, D. Colli, D. Fitzsimons, J. Ford, M. Herman, T. Martinez, G. Perri, D. Quittner, S. Rearic, B. Smith, O. Suarez, B. Tiffany, J. Wales, P. White

ALSO ATTENDING: S. Jenkins

ABSENT: M. Amov, P. Anderson, J. Custeau, H. Eimstad, B. Phillips, A. Satele

RECORDER: P. Tillery

Strategic Planning

No report

Budget

- State Budget Update

Austin distributed and discussed handouts regarding the effects of the recently signed State budget on the community college system and the District:

- Handout A – Community College League State Budget Update – provides overview of budget increases for community colleges.
- Handout B – Analysis from Robert Turnage of the State Chancellor's Office – The Turnage analysis points out that funding per FTES is lower in 2004-05, even without adjusting for inflation.
- Handout C – 2004/2005 CCC Budget-Trifecta Winners and Losers – provides perception that some districts were winners at the expense of other districts. Austin stressed that this information is just an estimate, and that numbers will change. The handout illustrates a .65 percent unfunded Growth adjustment for the District that amounts to \$717,487. The \$717,487 was calculated on 2003/04 FTES at P-2. The handout also provides calculations of Noncredit Matriculation funds (\$62,028), and Equalization funds (\$2,107,953.) Austin pointed out that the Noncredit Matriculation funds require a 1:1 match, and that it is uncertain at this time whether the District will be able to take advantage of the funds. Additionally, Austin pointed out that the loss of Partnership for Excellence funds results in a reduction to the District of \$501,401. The net result of these increases, and loss, is approximately \$2.4 million.

- Handout D – 2004-2005 Projected Funds Available – The handout provides information concerning State-controlled sources of funding. Austin stressed again that these numbers will change, and that they have not been reviewed by the District Controller.

Austin explained that the 2004-2005 projected funds available are an increase of approximately \$1.7 million over what was projected at 2004-2005 Tentative Budget, and approximately \$5 million more than 2003-2004 Adoption Budget. Unfortunately, much of the gross increase is estimated income and will be needed to cover large increases in fixed and mandated costs, such as:

- Possible increase in Contingency Reserve (due to decrease from 5% to 3%);
- Increase in benefits costs
- Implementation of GASB which requires funding full cost of retiree health and welfare costs

Austin informed the Council that the State Chancellor's Budget Workshop will be on September 7, and that more information would be available at that time.

Regarding the implementation of the GASB requirements, Austin emphasized that the District must have an implementation plan in place. If a plan is not in place, the District would risk receiving an audit exception on the annual financial report, and negatively affecting the District's bond rating.

In conclusion, Austin said that compared to the Tentative Budget, the current budget news is great, but there are still major challenges.

- Handout E – 2004-2005 GCCCD Total Resident FTES, Analysis After Signed State Budget – Austin reviewed how Base, Growth FTES, and Funded CAP are calculated. He also reviewed how the estimated funded level of FTES is calculated.

Austin also discussed the options concerning the "unfunded" cushion.

Following discussion, Austin indicated that he would revise Handout E to correct the percentage growth amount over prior year actuals. (NOTE: A revised Handout E was distributed to Council members via e-mail on August 9.)

- Handout F – Calculation of FTES Needed to Earn the \$717,500 "Unfunded" Opportunity – Austin reviewed the calculation of the FTES needed to earn the \$717,500 unfunded FTES.

Member Buckley inquired whether a recalculation would be done once the numbers are firm. Austin responded that the State will use head count factor. He said that he took a conservative approach, and that Equalization would probably not blend into the numbers.

Following review of the meeting handouts, Austin continued his update of the State budget. He reported that the State budget will provide COLA for categoricals, and one-time Instructional Equipment/Scheduled Maintenance funds.

Chancellor Suarez commented that even though this has been a relatively good year for the community colleges system, the District is still facing infrastructure issues:

- Replacement of faculty – a critical issue
- Concerns over inadequate operating resources

The Chancellor said that the District would continue to fight on every front concerning these issues, but that good strategies need to be developed to increase enrollment, pay for salary increases, and hire faculty. He also said that this message would be conveyed to the Governing Board.

- 2003/04 Fiscal Year-End Update

S. Rearic reported that the closing of fiscal year 2003/04 would occur on August 13, and that ending balances would be available at that time. She added that the numbers appear to be stronger than at Tentative Budget.

- 2004/05 Budget Preparation Calendar

The 2004/05 Budget Preparation Calendar was distributed (5/21/04 version). There have been no changes to the calendar since it was issued on May 21.

- Annual Capital Construction Workshop

The annual Governing Board Capital Construction Workshop will be conducted on Tuesday, August 17, at 4:30 p.m., at Grossmont's Griffin Gate. A draft copy of the workshop agenda was distributed.

- Next Meetings:

Joint Districtwide Executive Council/Districtwide Strategic Planning and Budget Council Adoption Budget Workshop: Monday, August 30, 2:00 p.m., Griffin Gate, Grossmont College

Districtwide Strategic Planning & Budget Council regular meeting: Monday, September 13, 2:00 p.m., Museum at Cuyamaca