



GROSSMONT-CUYAMACA
COMMUNITY COLLEGE DISTRICT

DISTRICTWIDE STRATEGIC PLANNING & BUDGET COUNCIL

MEETING NOTES – May 9, 2005

ATTENDING: D. Agosto, J. Austin, J. Buckley, C. Chiriboga, D. Colli, D. Fitzsimons, J. Ford, B. Lastimado, T. Martinez, G. Perri, D. Quittner, S. Rearic, A. Satele, P. Setzer, D. Simms, B. Smith, O. Suarez, B. Tiffany, R. Walker, J. Wales, P. White

ABSENT: M. Amov, T. Gilson, C. Slusher

ALSO ATTENDING: D. Cole, K. Brooks

RECORDER: P. Tillery

Strategic Planning

Darlene Cole, Manager, Institutional Research and Planning, distributed and reviewed two versions (short and extended) of the *Annual Report and Accomplishments* for the Districtwide Strategic Plan. The extended version provides additional information concerning the data presented in the Annual Report.

During discussion of the annual report, requests were received for a copy of the *Districtwide Strategic Plan 2001-2004*. Cole informed the members that the Districtwide Plan is available on the District's Web site.

In conclusion of the discussion, there was general agreement to proceed with the extended version of the Annual Report.

Budget

A. Workshop – Facilities Master Planning

Austin discussed the relationship between facilities master planning and academic master plans, and how the State Chancellor's Office evaluates educational facilities proposals.

B. 2004/05 State Budget Update

Austin reported that the Governor will issue his revised budget proposal for 2005-06, known as the May Revise, on May 13. He said that it is anticipated that the May Revise will include an increase in one-time funds and a higher COLA.

2005/06 Budget Preparation

Austin informed the Council that the joint DEC/DSP&BC Tentative Budget Workshop, originally scheduled for May 23, would be conducted on Monday, June 13, instead. He explained that moving the workshop to June 13 provides the colleges with extended posting time based upon May Revise information.

Sue Rearic will update the Budget Preparation Calendar to reflect the change in the Tentative Budget Workshop date and change in posting dates.

Retiree Health Benefit Funding/GASB

Austin distributed a handout concerning the status of funding retiree health benefits. He explained the Governmental Accounting Standards Board (GASB) issued new accounting standards that will require community college districts to fully fund retiree health benefit costs for current employees as well as retired employees. The District must comply with the GASB accounting standards by fiscal year 2007/08.

Austin continued by explaining that District has not pre-funded retiree health benefit costs in the past; as a result, the District has an accrued past service liability of \$11,576,110 for current employees. The annual cost of amortizing the past service liability over a 30 year period would be \$512,742.

Additionally, the cost of funding retirement benefits for current employees for 2004/05 would be \$1,034,227. The combined cost of funding the past service liability and the cost of current employees for 2004/05 would be \$1,546,969. Deducting the current yearly cost of benefits for retired employees of \$565,190, known as the "pay-as-you-go" method, would result in approximately an additional \$1 million commitment to fund the liability for retiree health costs. It is necessary to fund the liability in order to comply with GASB requirements and to permit unqualified annual audits.

Austin said that he would conduct workshops for constituency groups concerning the funding of the retiree health benefits liability if requested, and asked the Council members to contact his office if they wished to schedule a workshop.

Income Allocation Task Force

- Income Allocation Task Force co-chair, President Martinez, reported that the Task Force had discussed definitions of an allocation formula, and that a subcommittee of the Task Force was asked to draft principles for developing an income allocation model.
- In response to requests from Income Allocation Task Force members, information was distributed concerning the internal budgeting process for the District Services site, the calculation of the District Services site allocation, and budget trends in Adoption Budgets since 1998/99 for Districtwide Services. Graphic charts were also included with the information distributed.

Next Meeting

The next meeting of the Districtwide Strategic Planning & Budget Council will be a joint Tentative Budget Workshop with the Districtwide Executive Council on Monday, June 13, at 2:00 p.m. * The workshop will be held in the Griffin Gate at Grossmont College.

* **NOTE:** The regular DEC meeting for review of the Governing Board June 21 meeting agenda will begin at 1:00 p.m. on June 13, preceding the 2:00 p.m. joint workshop.