

COAST COMMUNITY COLLEGE DISTRICT
District Budget Advisory Committee Meeting Summary
District Board of Trustees' Room

May 16, 2013

CALL TO ORDER

Chancellor Andrew Jones called the meeting to order at 1:04 p.m. in the District Board Room.

Committee Members Present:

1. Lori Adrian, President, CCC
2. Andrew Dunn, Vice Chancellor, Finance & Administrative Services, District
3. Ann French, Classified Representative, CCC
4. Dennis Harkins, President, OCC
5. Ann Holliday, representing Dean Mancina, CFE
6. Janet Houlihan, Vice President, Administrative Services
7. Andrew Jones, Chancellor, District
8. Bill Kerwin, representing Ronald Watters, Student Representative, CCC
9. Minesh Lakhani, Classified Representative, District
10. Kyle Murphy, representing Elizabeth Goldman, Student Representative, GWC
11. Christine Nguyen, Vice President, Administrative Services, CCC
12. Ann Nicholson, CFCE Designee Representative, OCC
13. Richard Pagel, Vice President, Administrative Services, OCC
14. Joe Poshek, CDMA Representative, OCC
15. Cheryl Stewart, Faculty Representative, CCC

Committee Members Absent:

1. Wes Bryan, President, GWC
2. Michael Carlucci, Coast CCA Representative
3. Gregg Carr, Academic Senate Representative, GWC
4. Susana Castellanos-Gaona, Classified Representative, GWC
5. Elizabeth Goldman, Student Representative, GWC, represented by Kyle Murphy
6. Pedro Gutierrez, Academic Senate Representative, CCC
7. Dean Mancina, CFE, represented by Ann Holliday
8. Jamie Blair, Academic Senate Representative, OCC
9. Robin O'Connor, Faculty Representative, OCC
10. Anuar Salazar, Student Representative, OCC
11. Ronald Watters, Student Representative, CCC, represented by Bill Kerwin
12. Linda York, Faculty Representative, GWC
13. Vacant, Confidential Representative, DIST
14. Vacant, Classified Representative, OCC

Guests

1. Rachael Kubik, OCC
2. Helen Rothgeb, CCC
3. Daniela Thompson, DIST
4. Vince Rodriguez, CCC
5. Paul Wisner, GWC

DBAC Composition and Charge

Discussion:

- In response to prior concerns expressed by some DBAC members about the format of meetings, **Chancellor Jones** informed the group that the process of future meetings will become more interactive beginning in the fall 2013 utilizing a process called Action Collab (Action Collaboration). Staff members will become trained in this design-thinking framework that encourages engagement in a dynamic and creative process focused on solutions.
- Input will be gathered and the charge of the committee will be explored; the Action Collab process will be implemented. Perhaps the committee will take on a different format, or a subcommittee will go through the Action Collab process to share with the entire committee. The Action Collab process will be used in other shared governance committees, as the process becomes institutionalized.
- In determining future meeting dates, **Chancellor Jones** informed that IT staff are in the process of developing an active calendar that will allow all college- and district-site- meetings to be viewed in an effort to reduce conflicts. Another consideration to reduce conflicts may be to designate specific days of the week for college and district-site meetings. Electronic meetings will also be considered.
- An inquiry was made about how action items are tracked. **Chancellor Jones** acknowledged that tracking will be given more attention and offered the idea of a “bucket” process in which an item is assigned to a monitor to be brought back to the committee.

May Revise and Enrollment

Discussion:

- **Vice Chancellor Dunn** delivered a PowerPoint presentation entitled, “2013-14 Budget Development,” that contained information about the Governor’s May Revise, the budget development calendar, FTES scenarios, budget scenarios, risks and uncertainties, and a look ahead. The presentation will be available on the District’s website, and a list of frequently asked questions concerning the state budget can be found at: <http://www.dof.ca.gov/fisa/bag/process.htm>.
- For the first time in five or six years, the May Revise presents an improvement over the previous proposal. **Vice Chancellor Dunn** explained that Proposition 98, which is the basis for K-14 funding, has first call on the general fund. The Governor proposed increasing the deferral buy-down, which is good, and building a larger rainy-day fund at the state level. **Chancellor Jones** noted that System Office Chancellor **Brice Harris** has talked about separating community colleges from the K-12 system; it is **Dr. Harris’** opinion that much of what currently governs community colleges does not serve us well as it is geared to K-12 education. There may be opposing philosophies expressed down the road. **Vice Chancellor Dunn** offered that, in fiscally tough times, Proposition 98 has been a lifesaver, but in favorable times, it has been a burden.
- Coast’s 2013-2014 tentative budget will be presented to the Board of Trustees for adoption at the June 19, 2013, Board meeting.
- **Vice Chancellor Dunn** stressed the importance of FTES on our budget, and explained that we are currently 2,565 FTES below our base allocation, which means \$11.7 million is at risk if we do not recover from the deliberate stabilization we entered into for 2011-2012, and regain our base FTES. This FTES shortage is even greater than presented at the previous DBAC meeting. We need to generate FTES. Summer class offerings will be greatly increased, and a robust fall is expected. Intersession classes may also be offered. **Vice Chancellor Dunn** indicated that our budget strategy will be to maximize our FTES.
- The target for 2013-2014 will be to recover stabilization plus 3.6% restoration/growth, which may be split between growth and COLA. This will mean we need to generate 3,733 FTES. We want to make sure that we are fully restored and maximize any growth funding available to us.
- **Vice Chancellor Dunn** informed that the Board of Trustees adopted a resolution at the May 15, 2013, meeting to approve an EPA fund to separately track Proposition 30 funds, which are

limited-term resources (the sales and use “SUT” tax is for four years, and the personal income tax “PIT” is for seven years).

- **Vice Chancellor Dunn** identified potential foundation grant opportunities:
 - Grow Orange Coast College to a “large” college status, in the same manner as Golden West College previously grew from a “small” college to a “medium” college status. OCC would need 20,000 FTES to reach large-college status; doing so would increase the base allocation by approximately \$800,000 a year. Should growth be geared toward OCC reaching this marker; how would that help sister institutions?
 - Secure state approval for the Newport Beach Center and the Le-Jao Center. There was discussion that the System Office and the Accrediting Commission for Community and Junior Colleges (ACCJC) have different criteria for “centers,” as ACCJC standards require stand-alone centers to have all resources with the same level of service, such as student services and instructional, at each center.
 - Develop real estate opportunities, such as student or senior housing
 - Increase non-resident FTES, which is not constrained by the state funding model.
- There was discussion about sustaining excellence in our institutions, the differing roles and contributions of full-time versus part-time faculty, and the reality of higher full-time faculty costs in an era where local data reflects that average high school class sizes are declining.
- **Vice Chancellor Dunn** reviewed a handout from **Scott Lay**, President/CEO of the Community College League of California, which compared the changes from the Governor’s budget proposal in January versus the proposed changes in the May Revise.

	January 2013	May 2013
Apportionment	\$196.9 million, with an expectation that the Board of Governors would allocate 2% to growth and 1.6% to COLA	1.5% for growth and 1.57% for COLA
Student Success (formerly Matriculation)	\$49 million in January	\$99 million in May
Expanding Delivery of Courses through Technology	\$16.9 million	No change
Adult Education	Allocation reduced and responsibility shifted to community colleges	More of a collaborative effort proposed
Deferral Buy-down	\$179 million	\$341 million
Change Apportionment to Weighted Census	Proposed	Not discussed in May (already rejected by legislative committees)
Require FAFSA for BOG Waivers	Proposed	Implement requirement in 2014-2015 to require students to complete FAFSA after one term & Board of Governors to develop standards for documenting independent student status
Implement 90-unit Cap on State Support (Full Student Cost Beyond 90 units)	Proposed	Not discussed in May (already rejected by legislative committees)

- With regard to census, it was noted that although the legislature rejected tying apportionment funding to completion instead of access/attendance, **Chancellor Jones** offered his view that this issue will come back. Approximately 25 states across the nation currently have some portion of performance-based funding. As we look at community college completion, 60% complete in six years; 30% complete in four years; less than 10% complete in two years. It

would be in our best interest to spend our time improving completion, finding ways to better leverage our limited capital and human resources.

ACTION:

- It was agreed that the action item from the March 14, 2013, DBAC meeting would be returned to the June 13, DBAC meeting, as follows:
 - Actual Full-time Equivalent Faculty (FTEF) and the State Full-Time Obligation figures per campus will be provided. Coast's full-time faculty data was presented for years 2007-2012. For 2012, the state obligation was 411.4; Coast's actual figure was 413.1.

2012-2013 Meeting Dates

June 13, 2013 (Tentative Budget)

August 15, 2013 (Final Budget)

NEXT MEETING DATE:

The next meeting will be held June 13, 2013, at 1:00 p.m. in the District Board Room.

The meeting adjourned at 2:50 p.m.

Recorded by Nancy Sprague