



Financial and Budget Planning Advisory Council (FABPAC)
Wednesday, December 7, 2011
2:00 p.m., Board Room
Adopted Meeting Minutes

FABPAC Members

Present

Peter Bostic	Executive Director, Institutional Advancement
Richard Crapuchettes	Local 39
Sabrina Drake	CSEA
Susan Foft	Director, Fiscal Services
Chris Guptill	Classified Manager
Betsy Julian	Dean, School of Sciences
Jeff Lehfeltd	Local 39
Deborah Mann	Classified Manager
Louis McDermott	Academic Senate
Sheryl Scott	CSEA
Cynthia Simon	CSEA
Charlene Snow	SCFA President
Thomas Watkins	Academic Senate

Invited Guests Present

Arturo Reyes	Executive Vice-President
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Present

Yulian I. Ligioso	Vice President, Finance and Administration
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When quorum was met at 2:06 p.m., the meeting was called to order by VP Ligioso.

I. Approve agenda of December 7, 2011:

Motion (Chris Guptill) seconded (Betsy Julian) to approve the agenda. The motion passed unanimously.

II. Approve November 2, 2011 Minutes:

Motion (Betsy Julian) seconded (Deborah Mann) to approve minutes. The motion passed unanimously.

III. November 16, 2011 Informational Notes:

VP Ligioso advised as quorum was not met November 16 the meeting resulted in information items only that were discussed and therefore there is no need to memorialize as minutes.

IV. Faculty Prioritizations: EVP Arturo Reyes

EVP Reyes provided an update to the group regarding hiring for faculty positions for the following year providing a finalized list with positions prioritized at a meeting held December 5th. EVP Reyes advised role of FABPAC is to make funding decision with the next step requesting the President to approve faculty listing and/or make any changes he believes are appropriate with a view to begin recruitment over the break and to hire by April 2012.

Deborah Mann asked what the process is for ranking and how many positions do we have funding for out of the 19 listed. EVP Reyes advised positions had been ranked by Deans following a lengthy review process with the list shifting based on feedback from Deans and Senate etc. Betsy Julian clarified further the schools completed a 4 page justification detailing percentages of full-time and part-time enrollments etc. A total of 6 positions were recommended to move forward for hiring. Jeff Lehfeldt questioned ranking of Automotive Trade Tech and Auto Body Repair – unions would like to know. EVP Reyes noted the current temp worker in the auto body repair role is a long term temp. There is currently no Auto Technician program and the curriculum for this program would need to be updated with one section looking to be offered in the spring hence why the Auto Technician is now on the list. Group felt the Auto Repair position should be ranked higher given the current interim incumbent is temporary and the pool from which to recruit from is small.

Chris Guptill questioned how many roles currently have funding? EVP Reyes noted positions 1-5 are replacement positions for retirees with the sixth role having no current incumbent. Only three of the 19 ranked positions are new. By filling at least the six identified ranked roles the college will be breaking even on its number of faculty. VP Ligioso advised six new faculty members will keep the college even for the number of faculty members approved on staff. The flexibility for adjunct faculty whose numbers have already been reduced with the reduction of 16% of SCCD offerings will need to be

reviewed. The likelihood of state budget cuts is great. There are anticipated savings as retirees are at the top end of the scale whereas replacements will come in at the lower end of the pay scale. VP Ligioso is comfortable we will be able to sustain the six faculty positions recommended to be hired and layoffs are unlikely if the six positions are approved. We will know more December 15 when the state budget update is announced which will trigger cuts.

It was noted when the adoption budget was built, triggers were factored in for 2011-12 however; VP Ligioso is more concerned for 2012-13. The group questioned if we are currently on budget for planned savings? VP Ligioso confirmed SCCD is currently on track noting last year costs were reduced by \$2.5million and for the first quarter of this year we have achieved \$600,000 in savings as compared to the same period last year. If this trend continues we will be on track for a \$2.5 million cost reduction however; we should be mindful we are carrying a deficit of just under \$1.5 million from the 2011-12 budget that still needs to be addressed.

Discussion followed regarding the question if faculty represents more benefits for SCCD than adjunct. Adjuncts are cost effective; however, faculty instructors are more accessible to students on campus. VP Ligioso advised of an additional concern that the college will be required to pay a \$66,000 penalty if we do not meet the faculty obligation number (FON). It was noted another consideration is the 50% rule. In previous years before the current recession we were over the 50% rule – it was noted we have dropped considerably since then and for the last 2 years SCCD met the rule with the percentage rather than the number of faculty on staff. Charlene Snow voiced concern during difficult financial times it is staff that are forced to shoulder the burden by taking furlough days. VP Ligioso advised that even if funding is to remain constant there is a structural imbalance. Operationally, hiring six faculty members will strengthen the quality of SCCD offerings and will balance with the number of retirements.

Motion to approve funding for hiring of the top six ranked faculty positions (Betsy Julian), seconded (Jeff Lehfeldt); Deborah Mann advised she does not have enough information in order to make a decision and would like to defer to those in a better position.

Vote: 4 Opposed, 8 Approvals and 1 abstention. Motion carried.

V. Audit 2010-11: Susan Foft

Susan Foft provided an update regarding the 2010-11 audit stating the exit interview will be held December 14 with the Audit Committee meeting December 21. The financial statements will be out in January 2012 noting this is a tough budgetary time. The group questioned are we looking at major adjustments? VP Ligioso and Susan Foft to meet at a later date to discuss audit implications noting that we had finished the year well. Auditors may propose adjustments/changes in practices following the 2010-11 audit with older items coming to light. Discussion regarding the substantial deficit of \$750,000.00 partly from receivables being overstated and incorrectly accounted for within the financial statements reaching back 2-3 years. Other discrepancies go back 5-6 years, pre Banner and were due in part to bank reconciliations not being done in a timely manner. The change in audit firm

last year with the new auditors relying on previous audits is the reason why the discrepancies were not found at that time however; for their second year the new auditors questioned why items remain on the accounts and the magnitude of the discrepancies has meant it has taken a long time to resolve. VP Ligioso confirmed each FABPAC member will receive a copy of the 2010-11 audit with the audit being posted online. The question was raised if a loss such as this is claimable against our insurance. It is not. Susan Foft noted we are cleaning up the accounts in order to move forward.

VI. Facilities Master Plan kick-Off:

VP Ligioso confirmed the kick-off meeting for the Facilities Master Plan was held December 5 to identify functions with MIG participating. Timelines are dependent on the Educational Master Planners who have conducted scans, forums and have just started talks with faculty meeting Oct 31, Nov 28 and Jan 23. There is a wish to translate from the Ed Plan to the Facilities Plan assignable square footage. There is data from the previous 2007 Ed Plan that could possibly be used. VP Ligioso anticipates the Facilities Master Plan will dovetail with the Educational Master Plan. Mindy (MIG) will have a draft by Spring 2012 therefore we may need to continue with the Facilities Master Plan before the Educational Master Plan is finished. The final draft of the Educational Master Plan will go before the Senate Jan 23. VBN Architecture will provide an updated plan following the Dec 5 meeting and this will be posted online. The Facilities Master Plan will consist of an executive leadership team and a smaller core group with communication with Shared Governance. Forums will be pushed out to spring. As with the Educational Master Plan, the Facilities Master Plan group will be looking to seek input from FABPAC. The final plan will be delivered June 2012. Based on the bond SCCD leadership will need to make a decision by August to move forward.

VII. Bond 2012 – Polling Update:

VP Ligioso advised polling firm FM3 and Lew Edwards (Strategist) will present their findings to the board at tonight's meeting. Polling conducted after the November elections 9 - 13 with 603 randomly selected households with an equal distribution across the county. Of the 603 households surveyed, 64% would support a measure to upgrade facilities and three quarters understand the need for funding along with the direct correlation to the state budget and the seriousness of the problem for education. Of those polled they are interested in partnerships with 4 year colleges, a Middle school AA program for High School students, and Health and Safety. The presentation will be posted online after the board meeting. The results of the polling demonstrate support for SCCD with 77% supporting compliance with earthquake codes, 69% supporting Technology, 77% supporting job training programs, 71% access for disabled students, 75% supporting programs preparing students for jobs and 70% supporting vocational programs. VP Ligioso noted utilities next to salaries and benefits are our largest operating expense.

Jeff Lehfeldt raised concern regarding management of a potential bond. VP Ligioso noted previously the college had not hired a bond manager and had instead tied bond management into the role of Facilities Manager. Other colleges have hired bond managers

and SCCD will need to consider how to move forward if in fact we do get the bond. There will be a tracking poll in May/late spring to validate the initial poll results and to tell us what areas to concentrate on. It is also interesting to note that of those polled, more than half did not know who the President was.

VP Ligioso noted Peter Bostic has done a good job with informational pieces that the college makes available to the public. In August, a decision will be made to move forward with the bond at which time if the decision is made to move forward, SCCD will need to use advocacy funds instead of District funding. The decision will need to be made whether we go with the November ballot or not. The group felt more Democrats are likely to come out to vote in the primary therefore November is more likely for us to succeed. VP Ligioso also noted Lew Edwards also assisted the City of Vallejo and another college to pass bonds. The Governor will also look to pass a state education bond.

VIII. People and Things Review:

Looking ahead, VP Ligioso advised the budget item “People and Things” from the 2010/11 budget had not been updated for the 2011/12 however; some items had been brought to the group previously. VP Ligioso intends for this item to be updated to reflect completed areas and to revise it in terms of moving forward in 2012/13. VP Ligioso noted we will need to bring this back to the group at the next meeting.

IX. 2012 Schedule of Meetings:

VP Ligioso proposed an additional item for the agenda asking the group to consider moving from two meetings each month to one meeting however; when nearing state budget the group would meet revert back to twice a month. Louis McDermott proposed a motion to move to one meeting per month as outlined by VP Ligioso. Motion seconded by Thom Watkins. Jeff Lehfeldt noted his concern moving to once per month given the financial issues that have arisen and the potential for items not being thoroughly addressed and discussed. VP Ligioso advised an agenda for a once a month meeting would be sent out one week ahead of a meeting to give the group time to research and digest items. Louis McDermott raised question of need for two meetings in January re the forthcoming budget announcement. Discussion within the group re being able to meet quorum December 21 and January 4 given end of term and closure of campus over the holidays. Faculty members are not back until January 17. Decision made to leave at two meetings per month for going into 2012 and to reevaluate and cancel as needed. VP Ligioso noted we will have better information by December 18 and will advise the group if the December 21 and January 4 meetings will take place.

X. Adjournment:

VP Ligioso recognized Sheryl Scott at her last FABPAC meeting for her dedication, work and service to the group. Motion to adjourn (Thom Watkins), seconded (Richard Crapuchettes) to adjourn the meeting. The motion passed unanimously, and the meeting adjourned at 3:37 p.m.