

**Joint Meeting**  
**College Planning Council/Classified Consultation Group/**  
**Academic Senate/Management/Instructors' Association**

March 11, 2009  
3:00 – 4:30 pm Room H111

***MINUTES***

PRESENT: Co-Chairs: Andreea Serban; Ignacio Alarcón  
Alzheimer, C.; Alvaredo, R. (Channels); Arellano, O.; Arias, A.; Auchincloss, L.; Bates, C.; Bell, B.; Bishop, P.; Broderick, S.; Carroll, C.; Cartwright, J.; Cole, A.; Curtis, A.; Durfor, S.; Ehrlich, S.; Elder, R.; English, P.; Fargo, S.; Frankel, E.; Friedlander, J.; Galvan, J.; Garey, T.; Gilbert, D.; Griffin, L.; Guillen, M.; Hanna, K.; Hersh, D.; Niemeyer, J. (Channels); Lake, K.; Lin, M.; McPheter, J.; Meyer, J.; Molloy, K.; Moore, M.; Morris, D.; Muraoka, M.; Neufeld, K.; Nevins, D.; O'Connor, O.; Orozco, A.; Pazich, B.; Ramirez, C.; Salazar, C.; Schultz, J.; Smith, C.; Smith, G.; Smith, G.;Sophiea, K.; Spaventa, M.; Stark, L.; Sullivan, J.; Summerson, A.; Thielst, G.; Vasquez, L.; Waggoner, D.; Walker, J.; Warren, M.; Watkins, D.; Wright, J.; Ygualt, A. M.; Zavala, O.

**1.0 Call to Order 3:00 pm**

Academic Senate President, Ignacio Alarcon called the meeting to order. He gave an overview of what the meeting would include: A presentation of Program Reviews, Equipment Requests, and Funding Sources that the college will initiate in the Fall, followed by questions and answers.

**2.0 Information/Discussion 3:05 pm**

**2.1 Purpose/Goals of Meeting**

Superintendent/President Dr. Serban brought handouts for everyone to refer to during her presentation: 1) PowerPoint printout: Linking Program Review to Planning and Budgeting; 2) Copy of the Unrestricted General Fund and 3) WASC Rubrics for Evaluating Institutional Effectiveness – Part I - Program Review, b) Part II: Planning; c) Part III: Student Learning Outcomes.

Superintendent/President Serban stated her reason for holding this joint meeting. This is a new approach to a better informed budget process. She stated that the importance of arriving at a common understanding of the college's need to develop a process for budgeting that truly informs the link to planning that links to what is really needed in order to operate across all facets of the college. It's about aligning our expenditures to our revenues and achieving a balanced budget as well as meeting the accreditation standards.

## 2.2 Need to link Program Reviews, Planning and Budgeting and have a better informed budgeting process as a college.

Superintendent/President Serban explained that the Rubric for Evaluating Institutional Effectiveness was developed by the Accreditation Commission. The Accreditation Commission's expectation is that all colleges must be able to provide evidence that they have gone through all the steps listed on The Rubric, and that they are currently at the last level: Sustainable Continuous Quality Improvement level. She pointed out that we should have been using Program Reviews for all units, not just for instructional units and we should have been working on the Rubrics prior to this year. She reported that the Accreditation teams are trained to look at this Rubric and verify that the institution's evidence is there for all categories and anything less than Sustainable for Program Review and Planning in the mildest way puts a college on "Probation" or "Warning". According to the US Dept of Education, if a college is given any of these ratings, the college then has three years to fully implement what had not previously been implemented. She stressed the importance of understanding the college's need to link Program Reviews, Planning and Budgeting.

She stressed that the Accreditation Commission does not dictate how to do this; each college establishes a system that works well for their needs. This is our first time doing this and each time we will get better.

## 2.3 Review of Sources of Revenues for the College –

### a) Ongoing Funds

Superintendent/President Serban, in answer to her own rhetorical question, "How are we going to fund these things?" reviewed how we get funded (see page 4 PowerPoint slide).

Ongoing funding is unrestricted, part of what is called base funding and as it is called, ongoing – year after year, the money we can count on receiving.

The amount of the unrestricted lottery funding component is different every year. She explained the importance of the upcoming item on the May 19<sup>th</sup> ballot regarding privatizing the lottery. If it passes, the \$5 billion of the profit from the lottery goes to the state to make up for part of the \$42 billion deficit. If anything is left then we supposedly will get it through the general fund allocation.

The State has implemented the deferral payment which means that in the best case the January, February, March and April monies are deferred to July and the June money is deferred to October.

The fees from non-California residents and from the non-credit side fee based are ongoing money, but this amount changes yearly.

There is the Ongoing/Restricted Federal funding for Financial Aid and Grant, which is tricky due to the fact that it changes from year to year.

### b) One-Time/Varying Funds:

The \$92,000 from Measure V once are one time funds.

One-time restricted block grants money vary every year. The college does not count on the one-time money as a source of funding.

Funds from Fundraising are always restricted

c) Examples from '07-'08 and '08-'09 Budgets

Superintendent/President Serban referred to the Unrestricted General Fund (budget spreadsheet) handout. True to its name, the college has discretion on how this money is used and she pointed out what specific areas meant. The ongoing obligatory costs of the college come from the Unrestricted General Fund. Salaries and Benefits are paid from 90% of this fund and the remaining limited 10% covers the college's fixed costs. If the Governor's proposal in November 08 had passed, it would have meant a 5% reduction in our unrestricted general fund revenue and we would have had to cut salaries, benefits and fixed costs.

She then referred to the Ending Fund balance History on the backside of the Unrestricted General Fund handout which has critical information. She pointed out that this page shows what has happened over time in the three unrestricted general fund ending fund balance (which also includes the 5% contingency /reserve fund) equipment fund, and construction fund. This is the pot of money we currently are using due to the lack of money coming from the State. She pointed out the differences in ending balances from 01/02 to 08/09 Tentative Budget. She spoke of the history of what we have done and what is happening with the 5% contingency funds throughout the years, the General Fund, Equipment Fund and the Construction Fund. She stated that we still need to watch our budget closely, because even in bad budget times we want to still be able to continue to conduct business, be innovative, and to not keep positions frozen for too long.

d) Growth Funding Application to: New Full-Time Faculty, Funds for New Classified Staff and New Administrators/Managers Hiring, Fund for Equipment and Construction, Contingency Fund, Restoration of some of the reductions implemented to date.

There are only two sources of state money that become part of the base ongoing and can be used for new positions: Growth and COLA. Funding new FTF positions to meet Full Time Faculty obligation needs to come off the top, Then the remaining amount we should set aside to fund new classified, management and administrative positions. She cited an example with the added square footage of SOMA, we will need to have the funds for the additional staff to clean and maintain the area. She has researched other districts to see how they fund new classified, management and administrative positions. We need to create a fund for other needs identified through the program review.

## 2.4 Proposed Process to Analyzing and Ranking Resource Requests Identified in Program Reviews

(a) 2009-2010 Budget

(b) October 2009 Tasks for Building 2010-2011 Budget.

Identify routine expenses to be incorporated in each year's budget. The other non-routine items will be identified in Program Reviews and evaluated every year. We need to develop

an inventory of what these pieces are, when were they last replaced or when were they were first bought, what the approximate value applied over time decreased; state when it needs to be replaced, replacement value and then budget for it.

What will need to be ranked? Requests for new items need to be ranked by CPC. We need to have some money set aside, so that something new gets funded every year. We can do it if we are all careful how we spend our money.

She asked for open-mindedness. She know this is new way of doing things and we do need to try it to see how it will work for us. It is important for us to try this, since it is time we align our expenditures to our revenues and achieve a balanced budget, plus we need to meet the accreditation standards. We have a stellar accreditation record. We have never in the history of this college, as far as accreditation is concerned, ever received as much as a “progress” report. The idea here is that we need to have a fair process for everybody where everybody’s needs are recognized and we make an effort to distribute the money we have.

### 3.0 Questions/Answers Period

4:00 pm

1. Q: What happens if the initiatives in May don’t pass and we go back to the state of essentially having no budget?

A: We will not know what the upcoming budget is for months and months. The situation will be worse. What we have going forward for next year is the base plus growth in 09/10.

2. Q: What happens to the money that was cut this year from our budgets?

A: Before anything new is funded we will look at what was cut. However, before we replace all hourly positions, this is a good time to look at and understand how we use hourly classified staff and what our structure is.

3. Q: What happens if we don’t have enough money to restore everything? Do you have any idea what the process is going to be? Is there going to be a ranking, is there going to be a justification that’s going to have to be made?

A: We cannot keep on not replacing equipment. Continuing to not replace equipment can only hurt us. It is not good practice to fall behind, so we plan for 09/10 to replace some equipment. For other cuts such as travel, professional development, equipment, we need to look at what money we have and if we have money, we will restore. Reiterated that CPC needs to discuss the structuring of the hourly classified staff positions.

A: VP Sullivan stated that if you look at the budget that has been proposed, with the increases that they have, we are in the same place we are right now.

4. Q: Why do we bother going through the process of asking for new things when we really want the things back that we’ve lost over the year?

A: Because some of the new things have funding sources. The funding sources are restricted for particular purposes that don’t overlap with what was cut. Some of the funding sources cannot be used for the cuts from last year’s budget, i.e. hourly positions, for travel, etc., but they can be used for equipment, for new software, for other new things that we don’t currently have. Also if we keep growing, as the

budget stands now, there is growth funding for next year. Again, we have a choice to make after we take the faculty positions off the top of that growth funding, what do we want to do with the remaining funds. We can decide if we want to put it all into restoring the hourly positions, or into some new things that emerged as being more important than replacing all hourly positions as they were.

As an organization, just because we always did it like x we cannot do z now. It's an opportunity to look at some different ways in some areas. In some areas the accomplishment may you are better off consolidating ten hourly positions and get a good full time classified person and rather than outsourcing our services for e.g. plumbing and electrical. We need to analyze and compare costs for those areas that were cut. To be honest, an analysis hasn't been done yet.

When you have money you don't worry about it. Now is an opportunity.

You ask why do we bother? Again, you have to start somewhere. You have to at least get with the concept. We may not be financially in a position to fully implement the concept this year or even next year. We have to at least start working on the concept and when we get out of this hole. We can't just sit and say oh we can't do anything, because again that's not acceptable. We are going to get dinged if we just say well you know it was a bad budget year, therefore, we can't bother. Well it's the standard we've been doing for about fifteen years now. We can't do that.

5. Q: I'm just a big fan of streamlining and I found the process to be unnecessarily unyielding so far. So far we haven't even gone through it yet. That's just my view.  
A: I don't know. I have a different opinion. It's a free country, so.
6. Q: Where is city college's contingency fund in relationship to contingency funds at other community colleges in the state?  
A: The state required level for all community colleges is 5% by the Chancellor's Office. If you fall behind that they put you on their watch list and they send the two remaining staff that they have. What I was telling about my research about other districts. There is a difference between a state required level and what Board's of other districts have developed over time as the minimum contingency fund reserve that they want to have. As an example Yuba has a policy right now they are at 6% and they have a plan to arrive at 8% by such and such year. Many other districts have moved up beyond the 5%. If you are actually hit by a bad situation, the 5% doesn't even pay us for ½ a month. We pay between \$10 and \$11 million on the peak months of the school year for salary, benefits and fixed costs. Again, this model is based on the concept that we'll always get the money we are supposed to get. If we do that and we always got the money we were supposed to get then really it's all fine. This district arrived over time at different levels with their Boards because they recognized that 5% is tricky plus you are not supposed to touch the 5%. They say that its there for bad times but every single district that touched the 5% was put on the "watch list". You can't touch the 5%, so then you have to have more than 5%.

7. Q: Can you give me a figure about where city college is in relationship to other community colleges now?  
A: Of the 72 districts we are in the middle with 30 above us and 40 below us. It's a little tricky how each about what each college counts and how they arrive at their numbers. This is public information. Contrary to popular myth we are not at the top.  
A: VP Sullivan said that we actually have two rankings. The one ranking was for unrestricted general funding alone, we were 31<sup>st</sup> out of 72 and for unrestricted/restricted we were 39<sup>th</sup> out of 72.
8. Q: What is our current percentage?  
A: Right now the accrued amount is, if we don't spend anything on equipment and construction, and we put in the 5% that we shouldn't touch, it is this amount the right hand column if you look at the revenues. It is 25% of all unrestricted general fund revenues for this year and it's 29% of annual salaries, benefits and not including fixed costs. That's where we are right now. But again, it includes the 5% you shouldn't touch. Maybe you should take the \$4.2 million and recalculate the percentage it will give you a better percentage because we shouldn't use the 5%.
9. Q: The 5% is that for all fund balances? I don't know what I'm comparing the 5% to 16% or 5% to 25% or to 29%?  
A: You are comparing the 5% to 20. Again, this assumes we never spend any money. We just sit on it.
10. Q: What percentage area do you see the school having reserves in your mind right now?  
A: I haven't decided yet. That's not something I want to decide on my own. That's part of the conversation I want to have with CPC and other groups. Because we need to understand why we need to commit to more and how much more is enough. I don't have a set thing in my mind all I know is that I would like us to have enough that when we are faced with what we are faced this year, we don't need to talk about salary reductions and furloughs.
11. Q: How about a follow up? What would be the minimum you have in mind?  
A: Some people never give up!
12. Q: What kind of carry over do you look at from year to year?  
A: The fund carry-over varies. It depends in years where we have spent a lot from the construction fund, if you look at the trend in the construction fund; we have actually started with \$2.3 million from about \$12.5m in 01-02. These are the carryovers, the ending fund balances and again, it includes the 5% contingency. That's really what we had from one year to the next. In some years we have spent more and some years we haven't. The reason they didn't go further down is that every year we transfer money to these funds to keep them at certain levels. Primarily we have used ending balances as our one place to replenish this fund when we spend money. The problem is that the ending balances have come down significantly. We are at the point where what's available from ending balances to

put into the fund has gone down so low that we have to find a better mechanism than relying on ending balances because they are just not as high as they used to be.

13. Q: It seems like everything ends up in CPC. I've never been to a CPC meeting. Is it an advisory committee that advises you or do they make decisions?

A: You are welcome to come. CPC is our main shared governance group with representation from all constituencies: faculty, classified staff, students and administration. Yes, they are advisory committee.

14. Q: And each one has a vote.

A: Yes each of those people at CPC has a vote.

15. Q: I guess when everything goes to CPC for ranking I guess my feeling is, is my voice heard?

A: You have five faculty members from the Senate in CPC. You are in the Senate. Hopefully they bring over to CPC all that is happening in the Senate. They are open meetings; if you want to come and hear what's being discussed. We also post all agendas, minutes and stuff on the web, which we have never done before, so everybody can see. Again, it's all open. We also have a process. Again, first of all nothing happens in one meeting as you well know, it's just a matter of fact. We have a number of iterations to allow for discussion, to allow for input that are representing at CPC including the Senate. Ignacio and Susan and the other folks should represent what you've all discussed at the Senate meetings, you shouldn't come up with your own opinions.

16. Q: I realize that and I'm thinking, so I'm a department and not on the Senate who has worked its way up for ranking of needs. Has that been discussed at the Senate? My particular needs of my department and am I assured that it's going to be listed and voiced? I'm just thinking about the department that may not have a voice and I want to clarify whether or not the process is working or is there a way to review the voting structure?

A: Well, as I understand it the Senate represents every division. Your division senator should consult with all departments within the Division. If this works the way it's supposed to.

17. Q: Is P&R part of the process?

A: Yes P&R is part of the process as well.

18. Q: The CPP was a good example of how this actually worked. We're sort of modeling after that process where our program review resource requests are going to Planning and Resources and then to the Senate. If your division is represented at P&R, that's your voice. That's why the Senate committees are so important. They are also represented by their deans. So you have your deans helping you, which from the faculty standpoint, your division rep at P&R and your senator, being you, I mean you are the voice for the people you represent and then our senate reps go to CPC and represent the Senate. They don't represent their own division at least I've never heard them do that. We're only going to be as powerful as we want to be. If we want to abdicate our responsibility and not do this that's our choice but then we

need to take the consequences. So our Planning and Resources committee is important; our Senate is important and CPC has always done a good job of representing all entities. It just depends on whether we want to do our job of being a good representative body.

19. Q: Why are we having this conversation exactly? I'm not really clear what you're looking for or what we're trying to get out of this.  
A: I'm trying to get people to have a common conversation. You just heard a view of: "where is our voice?" Rather than hearing whispers, where is our voice? This is a venue to have a voice in a collective way. Attendance is not mandatory. It's an effort to try to engage various groups in a common conversation which I think is the right thing to do. To answer the questions that have been posed here.
20. Q: It's my understanding that the things that will be ranked are the non recurring kind of things. The new things and those, in terms of the faculty area, those will be reviewed and ranked first at P&R and then P&R will make recommendations to the Academic Senate and the Senate will look at them again? Is that correct?  
A: It's your process. So frankly whatever you decide to do. It's your process.
21. Q: Part of what P&R is looking at is how do we get that information and how do we know what's really important to your department vs what we think is important. So we're trying to figure out a way that we can get adequate input to make those kinds of decisions.
22. Q: I think that's where I was confused. Because I didn't hear that P&R was going to be part of this process. I don't remember whether I agreed on this.  
A: That's the Senate process.  
A: What we've asked each department to do is in their resource requests and to show priority 1 gotta have it, priority 2, 3 and so on, so the Senate gets it and if they want to delegate it to P&R that's the Senate's prerogative. Department's are saying their all important but these are really important.
23. Q: And these are important this year vs next year and five years?  
A: This is what is being requested for next year. In the fall that's when we'll go through the process of saying what is routine and what is non-routine (every couple of years) must have. That's the challenge of reapportioning money to allocate to know each year this is how much money we need to pay for critical routine operations to put in the department budget so they don't have to go through this process and for non routine (major ticket items) when that budget year comes up you determine how much that's going to be taken off the top to fund those things that have to be funded. The idea is that the ranking process going forward after next year won't be as cumbersome as it is now because you will be only looking at what is new.  
A: If you want an example when we finally put the computers on the automatic refresh cycle it took away the emotions year after year and the debate on whose computer is going to be replaced. When the routine (annual) is taken care of it would allow, for example, the ranking of equipment needs and resources for new programs.



24. Q: So as far as budgeting for things that are placed on a cycle: there would be two different types of replacements – new and routine (constantly cycled stuff)?  
A: The new stuff needs to be ranked. The things we already have and you know it needs to be replaced every three years or whatever. It would be the same concept as the computer replacement/refresh style cycle. This would require an initial effort to put an inventory together. But then again it is a lot easier to maintain and forecast what you may need.
25. Q: What happens if there is not enough money to fill that need?  
A: Then it happens like this year. You don't replace computers. We had to decide whether we were going to people off or replace computers. Save people first. We will have years unfortunately like this year, unless it is a safety issue, in which case we will find the money to do it, then we may be able to postpone a year if it is a really bad situation. Then in normal years we will have enough if we budget carefully. Make it easier by making it part of the budget. If we are committed to have certain things happen we have to be committed to the funding. It should make things simpler. Again, it will take us a few years to work it through.
26. Q: Has there been any discussion, because we've been asked to rank all of our items within certain funds, about what portion/percentage of available funds will be allocated to each of these individual items?  
A: Not yet, we are still going to be discussing that in CPC. We haven't gone that far, not yet.
27. Q: Let me see if my understanding is correct, with regard to the funds that were cut this year, out of necessity. Whatever amount of that funding comes back, if any, that money won't necessarily go exactly where it was before it was cut. It will be reexamined for possible other priorities like maintenance, how much do we want to fund hourly positions. So, that money won't necessarily go back right where it was and those decisions about where that money does go will be made by CPC. Is that right?  
A: No. I would say that most money will go where it was previously, except for looking at the hourly classified positions.
28. Q: Is that the 2% we gave last summer?  
A: No, this year's significant reduction (70%).
29. Q: So that decision regarding hourly will be made by.....?  
A: I think each VP needs to look in their area. Some were not cut that badly. PSS funds were backfilled and hopefully next year we'll still have money. The point is you have to really look at those areas that are heavily dependent on the hourly's. I think it's the responsibility of those areas and if they can make an argument that this is the only way we can operate, let's hear that. We can't just automatically say okay, we'll never look at anything and we will put the money back just as it was. It behooves us to do analyze this situation.

30. Q: How do you make a commitment to funding when you have no control? I don't understand the need to make a commitment to regular ongoing needs? We have no control whether we get that funding or not? How do we make a commitment to that kind of funding?

A: It's the same commitment we make to, again, when we grow and funding for growth exists, and most years it does, then you have a source of incoming money. If you get COLA you have a source of money. If we don't, then that's a different conversation. The point is, you've been here long enough at the college, you know we've been through cycles. There will be two/three bad years, then we have five/six good years. In the five/six good years you actually can make a real commitment. Then we have money, actually to the tune of many millions of dollars, a very significant amount of money. So, in bad times like this year we have to constrain ourselves. For the most part there are more good years than bad years. In bad years unfortunately, this is why it is unfortunate timing for this conversation. In 06-07 and 07-08 because there was money. Then we would have had a few years to see how it would work and in bad years all bets are off anyhow. I understand the point. The point Esther was trying to make sooner, why are we going through this, why do we bother with this arduous terrible process this year? Why? Because we have an accreditation visit coming in October; I didn't choose the timing of this and because it takes time even for the discussion to occur. Even if we had the money we still need to come up with the concept and that takes time. Right now we are accelerated by an incoming accreditation team. Again, if I had my wish we would have done this at a different time with a different budget situation where you can actually see it working. Right now we are more in the conceptual mode. It will happen. We are not that far from making this happen. Again, we still have an infusion of new money. You want me to provide a guarantee. I can't give you a guarantee right now when we don't know what the May ballot is going to do. What I can guarantee is that if we think this process through correctly when the money comes, and it will come, we'll get out of this hole. The commitments we have made in the past also through a collective process have actually materialized and this will materialize too.

31. Q: I have a follow up question on the process. You said we were going to be relooking at the hourly positions and some of the stuff that was pulled and to whether it will be expedient or financially wise to backfill these and that there will be an analysis and I agree with that. I know some departments that have huge amounts of hourly's because there is a shortage of classified staff. How does this work as a process? Will someone from CPC say, You guys analyze it, will CPC be the ones analyzing it? Will a Senate committee be doing it and once the analysis is done where does that go and who ultimately makes the decision?

A: We haven't thought this through. So, frankly any productive suggestions or processes are welcome. We haven't thought about it, of course the immediate one might happen anyway, the VPs working with the different areas that somehow we can find a way to do this. This doesn't mean that the shared governance structure doesn't have a place. It should have a place because any big change of this kind should never be done outside the shared governance process and we'll never do anything outside of shared governance process that is of big significance. We need to think it through. This is a new development. If we didn't have to cut hourly's we

probably would never have thought about it. I don't know. We'll have to think about it.

32. Q: How will the program reviews actually be turned out and how will student input be considered in the ranking and shared governance?

A: We have student representation on CPC and at CPC the student is a voting member. Students may not always have a vote but they always have a voice in committees.

**4.0 Adjourn**

**4.30 pm**