



Santa Monica Community College District
District Planning and Advisory Council
SPECIAL MEETING -OCTOBER 3, 2007
MINUTES

A special meeting of the Santa Monica Community College District Planning and Advisory Council (DPAC) was held on Wednesday, **October 3, 2007** at Santa Monica College, Drescher Hall Room 300-E (the Loft), 1900 Pico Boulevard. Santa Monica, California.

I. Call to Order: 3:02p.m.

II. Members Present

Randy Lawson, Administration, Chair
Katharine Muller, Administration
Richard Tahvildaran-Jesswein, Academic Senate President
Lesley Kawaguchi, Academic Senate Representative
Lantz Simpson, Faculty Association President
Kathy Sucher, Faculty Association Representative
Mona Martin, Management Association President
Bernie Rosenloecher, CSEA President
Leroy Lauer, CSEA Representative

Others Present

Dennis Frisch
Connie Lemke
Mitra Moassessi
Judy Penchansky
Christine Schultz

DPAC Staff Support

Lisa Rose

III. Agenda

Public Comments - None

A. Review and Discussion: Designation of Reserve for Potential Revenue Deficit in 2008-2009.

Prior to the DPAC meeting, the Budget Planning Subcommittee met to review and discuss new FTES scenarios and presented five recommendations to DPAC for its consideration (attached). DPAC voted on the following recommendations forwarded by the Budget Planning Subcommittee:

1. Scenario 3* be forwarded to the Superintendent/President.
Motion Made By: Bernie Rosenloecher
Seconded By: Lantz Simpson
Ayes: 6
Noes: 0

2. Commend the faculty of SMC, in particular the Academic Senate, for taking the leap of faith to provide Summer 2006 instruction at Compton Community College. In addition to accomplishing our educational objectives, this has also provided fiscal flexibility for the District.
 Motion Made By: Bernie Rosenloecher
 Seconded By: Katharine Muller
 Ayes: 6
 Noes: 0

3. Commend all constituencies of the Budget Planning Subcommittee, and in particular Mitra Moassessi and Chris Bonvenuto, for working together as a team to come up with an FTES scenario most beneficial to the District.
 Motion Made By: Bernie Rosenloecher
 Seconded By: Richard Tahvildaran-Jesswein
 Ayes: 6
 Noes: 0

4. Recommend that the budget stabilization item not be included as a Designated Reserve item.
 Motion Made By: Richard Tahvildaran-Jesswein
 Seconded By: Lantz Simpson
 Ayes: 4 (Academic Senate, Faculty Association, CSEA)
 Noes: 2 (Administration, Management Association)

5. Include the explanation of Scenario 3* from the summary sheet in the budget narrative given to the Board of Trustees.
 Motion Made By: Bernie Rosenloecher
 Seconded By: Lantz Simpson
 Ayes: 6
 Noes: 0

*Scenario #3 Max Out FTES Borrowing in 2006-2007 to Fully Realize Growth Revenue: This scenario has the District restate the 2006-2007 FTES growth from 310 FTES to 699 FTES to fully realize the maximum amount of FTES growth. Under this scenario the District would be in Stabilization in 2007-2008. This scenario is estimated to generate approximately \$3,479,000 in additional One-Time revenue.

Pros: Maximizes revenue generated.

Cons: The revenue generated is one-time in nature and as such should not be used to fund ongoing expenditures. Also depending on what the system reports for growth in 2006-2007 the amount of revenue generated could fluctuate up to \$600,000.

B. Task Force - Unfunded Retiree Health Benefits/GASB 45

DPAC met on September 26, 2007 and approved a recommendation that a task force be formed for the purpose of education with the goal of developing a recommendation regarding unfunded retiree health benefits and GASB 45 by the beginning of the spring 2008 semester.

Charges to the Task Force and membership on the Task Force were discussed. It was agreed that the Task Force should hold regular meetings to study the issue of unfunded retiree benefits and GASB 45, invite resource people and specialists, conduct forums for the purpose of educating the college community, and make regular monthly reports to DPAC (a *standing agenda item will be added to the agenda of the first DPAC meeting of the month*). The Task Force will recommend whether to fund or not fund GASB 45, and if so, determine alternatives for funding. The report/recommendations to DPAC should include pros and cons. The deadline for the Task Force to study the issue and make a report to DPAC is February 15, 2007.

It was agreed that the Task Force should comprise the following 8 members (four DPAC members, four at-large members)

Lantz Simpson, Co-Chair
Richard Tahvildaran-Jesswein, Co-Chair
Sandi Burnett
Mona Martin
Leroy Lauer
Marcy Wade
CSEA representative to be appointed
Academic Senate/Faculty Association representative to be appointed

It was agreed that the District will provide staff support for the Task Force.

IV. Adjournment: 4:55 p.m.

DPAC Meeting schedule through June, 2008 (second and fourth Wednesdays each month)

October 10, 24
November 14, 28
December 12
January 9, 23, 2008
February 13, 27
March 12, 26
April 9 (faculty flex day - spring break), April 23
May 14, 28
June 11, 25

Budget Planning Sub-Committee Motions from 10-3-07 meeting

1. Budget Planning Sub-committee recommends to DPAC that Scenario 3 be forwarded to the Superintendent/President.

Moved: Richard Tavildaran-Jesswein
Second: Leonard Crawford
Passed unanimously

2. Commend the faculty of SMC, in particular the Academic Senate, for taking the leap of faith to provide the Summer 2006 instruction at Compton Community College. In addition to accomplishing our educational objectives, this has also provided fiscal flexibility for the District.

Moved: Randy Lawson
Second: Richard Tavildaran-Jesswein
Passed unanimously

3. Commend all constituencies of the Budget Planning Sub-committee, and in particular Mitra Moassessi and Chris Bonvenuto, for working together as a team to come up with an FTES scenario most beneficial to the District.

Moved: Chris Bonvenuto
Second: Randy Lawson
Passed unanimously

4. Recommend that the budget stabilization item not be included as a Designated Reserve item.

Moved: Mitra Moassessi
Second: Sal Veas
Yeses: 7 Noes: 2 Abstentions: 1

5. Include the explanation of Scenario 3 from the summary sheet in the budget narrative given to the Board of Trustees.

Moved: Lantz Simpson
Second: Connie Lemke
Passed unanimously



FTES Scenario Summary/Comparison 2006-2007

Scenario #1 Adopted Budget Scenario: This is the current scenario the District is operating under. Under this scenario the District will realize 310 FTES growth in 2006-2007 and will go into Stabilization in 2007-2008

Pros: Generates moderate FTES growth revenue in 2006-2007.

Cons: Does not maximize FTES growth revenue.

Scenario #2 Stabilize in 2008-2009 w/ CCCI Passing: This scenario has the District restate the 2006-2007 FTES growth from 310 FTES to 0 FTES. This would potentially allow the District to delay Stabilization until 2008-2009. This scenario also assumes that the CCCI passes and three year Stabilization is implemented. Under this scenario the District would lose revenue in 2006-2007 and 2007-2008 but would gain additional revenue in 2008-2009, 2009-2010 and 2010-2011 for an estimated net gain of approximately \$736,000 over the five year period.

Pros: Generates a modest increase in revenue over a five year period.

Cons: If the CCCI does not pass or the District can not generate enough FTES in Summer 08 and is forced into Stabilization the District will lose revenue. (See scenarios 2B and 2C for monetary effects)

Scenario #2B Stabilization in 2008-2009 w/o CCCI Passing: This scenario is the same as Scenario #2 with the assumption that the CCCI does not pass. If this occurs the District is estimated to lose approximately <\$772,000> over a three year period.

Scenario #2C Forced Stabilization: This scenario is the same as Scenario #2 with the assumption that District still does not have enough FTES to borrow from Summer 08 and is forced into Stabilization in 2006-2007. If this occurs the District is estimated to lose approximately <\$2,772,000> of base revenue immediately.

Scenario #3 Max Out FTES Borrowing in 2006-2007 to Fully Realize Growth Revenue: This scenario has the District restate the 2006-2007 FTES growth from 310 FTES to 699 FTES to fully realize the maximum amount of FTES growth. Under this scenario the District would be in Stabilization in 2007-2008. This scenario is estimated to generate approximately \$3,479,000 in additional One-Time revenue.

Pros: Maximizes revenue generated.

Cons: The revenue generated is one-time in nature and as such should not be used to fund ongoing expenditures. Also depending on what the system reports for growth in 2006-2007 the amount of revenue generated could fluctuate up to \$600,000.