



Santa Monica Community College District
Budget Planning Committee a Subcommittee of the
District Planning and Advisory Council
SEPTEMBER 19, 2007
MINUTES

A meeting of the Santa Monica Community College Budget Planning Committee, a subcommittee of the District Planning and Advisory Council (DPAC) was held on Wednesday, September 19, 2007 at 2:00 p.m. at Santa Monica College, Business Building, room 211, 1900 Pico Boulevard. Santa Monica, California.

I. Call to Order 2:05 p.m.

II. Members

Randy Lawson, Administration
Chris Bonvenuto, Administration
Tron Burdick (Substituting for Bernie Rosenloecher)
Richard Tahvildaran-Jesswein, Academic Senate Representative
Sal Veas, Academic Senate Representative
Mona Martin, Management Association Representative, Co-Chair
Leonard Crawford, Management Association Representative
Mitra Moassessi, Faculty Association Representative
Lantz Simpson, Faculty Association Representative
Bernie Rosenloecher, CSEA Representative (absent)
Leroy Lauer, CSEA Representative, Co-Chair
Connie Lemke, Classified Representative
Miguel Reyes, Classified Representative
Michael Davoodi, Student Representative (absent)
Maximilian Carrillo, Student Representative (absent)

Others Present

Sandy Burnett
Carl Gettleman
Lesley Kawaguchi
Will Lewis
Lee Peterson
Vinnessa Pierce
George Prather
Lisa Rose
Caroline Sheldon
Jeff Shimizu
Bruce Smith
Kathy Sucher
Tamorah Thomas
Julie Yarrish

Budget Planning Sub-Committee Staff Support

Marni Washington

III. The minutes of September 12, 2007 were reviewed and accepted.

IV. Review of 2007-2008 Adopted Budget (Chris Bonvenuto)

The Board of Trustees postponed approval of the 2007-08 Adopted Budget in order for the college to have more discussion and asked that the Budget Planning Subcommittee's meeting be used to gather input.

Chris gave an abbreviated version of the Power Point presentation on the Adopted Budget for 2007-2008 so everyone present would have the same information. Mitra noted a correction on one of the figures which Chris will correct and then rework his numbers. He will bring an adjusted scenario to the next meeting. Chris and Mitra will work together on scenario updates for future meetings. Chris thanked everyone for helping to make this information so transparent.

V. Public Comment

None

VI. Committee Discussion

Mitra Moassessi stated that some of the items in the Designated Reserve (DR) had previously been included in line items of the budget and that the new method of separating them out in the DR section was a good idea. Mitra distributed two handouts: 1) **Proposed Budget 2007-8: Consideration** and 2) **Mitra's Scenario**.

Proposed Budget handout asked three questions:

1. What criteria are used for including items in the Designated Reserve (DR)? Current DR contains items to be funded in 2007-08 as well as items to be funded in future years. Mitra would prefer only items to be funded in 2007-08 be included in this year's budget. GASB45—SMC is not required to fund this; Benefits Committee, along with campus leaders, has had preliminary discussion on how SMC should proceed with funding this and the Benefits Committee agreed further study was needed on this issue before a decision on GASB45 was made.
2. Hay Study—how close is SMC to adjusting classified salaries? (Answer—close, and salaries would be retroactive to January 2007.)
3. Vacant positions: how many of the positions are classified and how many are administrative? (Answer: all but 3 or 4 are classified.)

Mitra's Scenario handout provided information on what it would look like if SMC postponed going into stabilization for one year. Lengthy discussion on stabilization followed; points from the discussion on this issue:

- Law may change if Initiative passes in February, which would give the College 3 years of stabilization funding instead of the current 1 year.
- Even under the proposed 3 years, funding would be in decreasing increments, not the full amount.
- Several members expressed concern about the College not being able to reach the FTES in the summer of 2008 that would be necessary to borrow in Mitra's Scenario. Richard Tahvildaran-Jesswein wanted to be clear that he opposed delaying stabilization, saw it as too risky.

- Some members did not feel confident that the Initiative was going to pass, other members expressed need to rally support for the Initiative.
- If the Initiative passed, it would take some time for implementation and interpretation of the three-year funding process to be determined, affecting SMC.
- Lantz Simpson expressed desire to fully maximize revenue over next few years, fully supporting postponing stabilization until the following year (as does Mitra).
- Regardless of if we go into stabilization this year or next, this year's funding would be the same. The deadline for notification of SMC going into stabilization to the Chancellor's Office is November 1, 2007.
- Concern was expressed that the Chancellor's Office may see SMC as "gaming the system" if we postpone going into stabilization. The College has a better reason to go into stabilization currently (due to the growth generated through reporting of Compton FTES) than it might if we postpone for a year.
- It was made clear to the Committee members that going into stabilization was inevitable, not a choice. Even if we wish to postpone, if there was not enough FTES generated to borrow for another year, we would automatically go into stabilization. It is probably better to plan when to go into stabilization than being forced into stabilization.
- Based on this past summer and fall enrollment, there is reason to be at least cautiously optimistic about enrollment continuing to grow.
- Chris Bonvenuto will continue working on various scenarios relating to stabilization for the Budget Subcommittee to consider.
- Acknowledgement that more discussion should take place on the issue of stabilization.

Richard Tahvildaran-Jesswein expressed concern about the process currently underway regarding the Adopted Budget. He approved of the Board's decision to postpone passing of the budget because there had not been enough deliberation of the Designated Reserve items. He expressed that very short notice had been given of the forum. Richard expressed concern that DPAC would not be meeting prior to the Board's special meeting on September 24.

Richard made a motion: The Budget Planning Sub-committee recommends that the Board of Trustees adopt the presented 2007-08 Adopted Budget without the articulation of the designated reserves at its scheduled special meeting on September 24, 2007; and, that the DPAC Budget Planning Sub-committee develop recommendations pertaining to college priorities that could be articulated in a designated reserves category to be presented to DPAC in advance of the Board of Trustees' regularly scheduled October 8, 2007 meeting. After considerable discussion, this motion was withdrawn, and later revised as follows:

The Budget Planning Sub-committee recommends that the Board of Trustees adopt the presented 2007-08 Adopted Budget without the articulation of the designated reserves, with the exception of the Hay Study/Salary Range Reallocation, Vacant Positions, and Salary Increases items, at its scheduled special meeting on September 24, 2007.

Moved: Richard Tahvildaran-Jesswein, Second: Sal Veas, Yes: 8 No: 0 Abstentions: 3

The Budget Planning Sub-committee requests a line item be placed on the next DPAC meeting agenda requesting DPAC to make recommendations to the Board of Trustees for items to be included in the designated reserves. Lantz and Richard stated that they would be recommending to DPAC that one item to be included in the designated reserves should be funding for more full-time faculty.

Connie Lemke pointed out that the Budget Planning Sub-committee had discussed various cost-saving plans, yet little had been done to reduce expenditures and that more effort should be made in this effort.

VII. Agenda Items for Next Meetings

September 19: Continued discussion on Adopted Budget, Business Plan for Madison

October 3: Marketing/Advertising presentation (Don Girard)

VIII. Adjournment 4:31 p.m.

Meeting Schedule

The Committee will resume meeting the first and third Wednesdays, beginning in September, at 2:00 p.m. in the Library Conference Room. Upcoming meetings:

October 3, 17

November 7, 21

December 5