



**FABPAC Members Present:**

Philip Andreini	Ed. Administrator
Richard Crapuchettes	Local 39
Corey Elliott	ASSC
Kurt Galloway	ASSC, alt
Tom Grube	SCFA
Chris Guptill	Classified Manager
Mary Ann Haley	Academic Senate
Les Hubbard	SCFA
Betsy Julian	Ed. Administrator
Debbie Luttrell-Williams	CSEA
Mary Lexi Parmer	ASSC
Arturo Reyes	EVP, Academic & Student Affairs
Sheryl Scott	CSEA
Kheck Sengmany	Minority Coalition
Roy Stutzman	Chair
Thomas Watkins	Academic Senate

**I. Approve September 1 Agenda:**

- Motion (Richard Crapuchettes), second (Mary Lexi Parmer) to approve the agenda. Motion passed unanimously.

**II. Approve Joint FABPAC/SGC Meeting Minutes from August 18:**

- Motion (Sheryl Scott), second (Debbie Luttrell-Williams) to approve meeting minutes. Motion passed unanimously.

**III. Proposed 2010-11 District Budgets:**

- Roy Stutzman presented information on the proposed 2010-11 District budgets. The members were provided a copy of the budget book and he shared with them the power point for tonight's Board meeting.
- He reported that he advised the Governing Board that, although the Chancellor's Office has permitted delay of adoption of District budgets due to the state being late, other state reports and its required due dates are still in effect, such as the CCFS-311 Annual Financial Report (October 10 due date). He recommended to the Board that we move ahead with the scheduled dates by making specific assumptions and making modifications as necessary because the budget is an evolving planning document.
- The District's budget over the past few years demonstrates the increasing challenge of balancing revenues to rising expenditures. It's especially noted on the table showing a decade's worth of FTES: reported, paid, and corresponding revenue.

- During the budget building process, the District assumes that the financial situation will not get any worse than 2009-10. There are no current talks in Sacramento of raising the enrollment fee, and it would not result in capturing more dollars if fees were raised.
- A fundamental change in the funding formula occurred during the funding year 2006-07 that benefited the District. SB 361 was passed which changed the funding formula and equalized per FTES funding. It was called “equalization” – our District’s per FTES apportionment was less than the statewide average. Our state apportionment increased as a result of going from the former old program-based funding model to a “pure” FTES-based allocation model. However, while improving our revenue from the new funding model, beginning with 2008-09, we had to reduce expenditures to offset continuing cost increases. Fortunately, the situation was helped by the formal approval of the Vallejo Center and resulting \$1.1 million revenue built into our base beginning in 2009-10.
- The District projects a 2010-11 deficit of approximately \$459,000. There is a structural piece to the deficit – each year the District is covering only current-year costs and we’re not able to impact the ongoing gap, due to rising costs, flat or decreasing revenue, etc.
- Dialogue occurred about our accreditation issues, i.e. resulting costs of Interim S/P Jensen and Special Trustee Henry. What are the structural deficit pieces and when did it start—those “extraordinary and unexpected” one-time costs. Those are questions to iron out to help our long-term fiscal health.
- Expenses like the CMF clean-up and Vacaville Center lease costs were reclassified to the capital projects fund from the general fund. This fund has a \$2.1 million balance and \$700,000 annual revenue from redevelopment pass-through entitlements. Employing this strategy helps the general fund.
- The full fiscal impact of the early retirement incentive program is yet to be realized, pending further evaluation. A \$400,000 savings is estimated to be realized—the plan was to replace five faculty positions; however, only two were replaced right now. The District is in discussions with the Academic Senate.
- Concerns were expressed about some of the language in the budget book, such as indicating that we cannot maintain service levels. It was emphasized that we have \$50 million to spend and choices are made on where and what to spend it on.
- Roy explained the Self-Insurance Fund. The college is a member of an insurance JPA that budgets conservatively with a high confidence level (meaning that extra reserves generally are set aside to pay potential claims). The JPA has excess insurance premium dollars that must be reflected in the District’s accounts receivable and may be returned to the districts—our total is \$878,000. This year’s property and liability premium of \$419,000 will be charged to this fund. It’s a one-time only fix; however, this fund can assist the district with cash flow, should it be needed.
- Dr. Laguerre thanked Roy Stutzman for his budget and finance leadership and expertise on identifying ways to address and mitigate budget issues that adversely impact the deficit. Roy brings credibility to our District finances.

#### **IV. Update FABPAC Roles & Responsibilities to Reflect Staffing Changes:**

- Roy Stutzman advised that due to the reorg and staffing changes, the Council’s membership needs updating.

- After short discussion, motion (Chris Guptill), second (Sheryl Scott) to amend the Council's membership. Motion passed unanimously. The amendments are as follows:
  - Delete Vice President of Academic Affairs and Vice President of Student Services and designate it: Executive Vice President of Academic and Student Affairs (one seat).
  - Revise Chairperson's title to Vice President of Finance & Administration. The current chairperson is Roy Stutzman, in his capacity as consultant for Finance & Administration. The Chairperson counts towards a quorum.
  - Add the Executive Director of Institutional Advancement to the membership (one seat).
  - Director of Fiscal Services position is currently vacant and does not count towards establishing a quorum while it's vacant.

**V. Accreditation Special Report and Self-Study:**

- Les Hubbard, Standard III-D Chair, reported that evidence-gathering is in progress.
- It's important to always show the tie between planning and resource allocation.
- FABPAC is the logical, feasible group to provide input.
- At the next meeting we'll review Standard III-D and the October 6 we'll devote to reviewing the draft report.

**VI. Adjournment:**

- Meeting was adjourned at 3:38 pm.

Minutes taken by Judy Anderson