



GROSSMONT-CUYAMACA  
COMMUNITY COLLEGE DISTRICT

**Joint**  
**BAT**  
**Budget Allocation Task Force**  
**and**  
**DSP&BC**  
**District Strategic Planning & Budget Council**

**September 9, 2013, Meeting Notes**

**BAT**

			Members Present		<input checked="" type="checkbox"/>
<b>Chancellor</b>	Cindy Miles	<input checked="" type="checkbox"/>	Academic Senate	Pat Setzer	<input checked="" type="checkbox"/>
<b>Tri-Chairs:</b>	Sunita Cooke	<input checked="" type="checkbox"/>		Jeff Lehman	<input checked="" type="checkbox"/>
	Mark Zacovic	<input checked="" type="checkbox"/>	District Services:	Linda Jensen	<input checked="" type="checkbox"/>
Administrators:	Sue Rearic	<input checked="" type="checkbox"/>	Classified Senate:	Avelina Mitchell	<input checked="" type="checkbox"/>
	Arleen Satele	<input checked="" type="checkbox"/>	Also Attending:		<input type="checkbox"/>
	Tim Flood	<input checked="" type="checkbox"/>			
	Sahar Abushaban	<input checked="" type="checkbox"/>	Recorder:	Paula Tillery	<input checked="" type="checkbox"/>

**DSP&BC**

			Members Present		<input checked="" type="checkbox"/>
<b>Chair:</b>	<b>Sue Rearic</b>	<input checked="" type="checkbox"/>	Administration:	Cindy Miles	<input checked="" type="checkbox"/>
Administrators Assoc.:	Michael Copenhaver	<input checked="" type="checkbox"/>		Sunita Cooke	<input checked="" type="checkbox"/>
AFT:	Jim Mahler	<input checked="" type="checkbox"/>		Mark Zacovic	<input checked="" type="checkbox"/>
CSEA:	Rocky Rose	<input type="checkbox"/>		Marsha Edwards	<input checked="" type="checkbox"/>
Conf. Administrators:	Arleen Satele	<input checked="" type="checkbox"/>		Jeff Baker	<input checked="" type="checkbox"/>
Confidential Staff:	Kim Widdes	<input type="checkbox"/>		Katrina VanderWoude	<input checked="" type="checkbox"/>
GC Academic Senate:	Sue Gonda	<input checked="" type="checkbox"/>		Sahar Abushaban	<input checked="" type="checkbox"/>
	Michael Barendse	<input type="checkbox"/>		Steve Baker	<input checked="" type="checkbox"/>
CC Academic Senate:	Alicia Munoz	<input checked="" type="checkbox"/>		Pat Setzer	<input checked="" type="checkbox"/>
	Jesus Miranda	<input checked="" type="checkbox"/>		Scott Thayer	<input checked="" type="checkbox"/>
Students Reps:	Jaclyn Marlow	<input checked="" type="checkbox"/>	Also Attending:	Tim Flood	<input checked="" type="checkbox"/>
	Esau Cortez	<input type="checkbox"/>		Tim Corcoran	<input checked="" type="checkbox"/>
Classified Senate:	Avelina Mitchell	<input checked="" type="checkbox"/>	Recorder:	Anne Krueger	<input checked="" type="checkbox"/>
				Linda Jensen	<input checked="" type="checkbox"/>
				Christopher Tarman	<input checked="" type="checkbox"/>
				Brian Nath	<input type="checkbox"/>

## 1. Overview of BAT

Chancellor Miles provided an overview of the origination of BAT and its [charge and composition](#). BAT serves in an advisory capacity to the Chancellor for assessment, analysis, and recommendations regarding the GCCCD budget allocation model.

## 2. Process and Workgroups

Chancellor Miles explained that although the work of the Budget Allocation Taskforce (BAT) is not yet complete, there is significant intermediate work and recommendations to present and discuss.

## 3. Status of Proposed Income Allocation Model (IAM)

### • Components, Format, Phase-In

Chancellor Miles discussed consultant Dr. Rocky Young's work with BAT and his analysis and recommendations concerning the District's budget allocation model. She explained that Dr. Young's analysis was very methodical and identified principals and recommendations for the development of a new model.

Based on Dr. Young's recommendations, BAT members spent many months identifying components, including workgroups that worked on specific topics such as District Services and Districtwide costs. Chancellor Miles explained that as a result of the many months of work, BAT members reached consensus on all of the components identified, with the exception of the appropriate allocation of Growth funds and differential Growth.

Chancellor Miles also discussed Dr. Young's participation in the March 5, 2013, BAT meeting and his discussion of enrollment projections and funded Growth. She reviewed Dr. Young's recommendations concerning Growth, which included:

- Recognize multi-variable task
- Set goals based on FTES, not headcount
- Pay attention to State-funded threshold
- Avoid Growth for Growth's sake – best Growth is received by increasing productivity
- Perform targeted analysis of student demand, and make adjustments as needed
- Make maximum use of existing capacity
- Carefully monitor demographics, and differences between full and part-time students
- Agree on data elements before conducting research
- Consider competition from other districts
- Take entrepreneurial approach
- Take Districtwide approach

### • Work Remaining/Data Analysis

Chancellor Miles explained that two studies have been done to determine predictions of Growth and whether there should be differentials between colleges. She called on Chris Tarman to discuss.

Chris explained that the first study was an [Enrollment Trend Analysis](#) prepared by Hanover Research. The study covered a five year period, 2008-2012, and enrollment trends were examined by various demographics (e.g., gender, age, ethnicity) and institutional subgroups (e.g., language, citizenship, educational status).

The second phase of the research is in progress and is a study of enrollment projections. The study will provide a regression analysis of Growth over the last ten years, and will include projections of labor market trends. Chris explained that we are awaiting the final report.

Chancellor Miles called upon BAT members to comment on the on the work of BAT:

- BAT member Jeff Lehman discussed his perspective on the analysis and BAT process. He said that he is confident in the approach being taken by BAT.
- Avelina Mitchell said she is confident in the process and the outcome of coming up with a clear and understandable model.
- Tim Flood said BAT's work has been collaborative and a learning experience.

Sue Rearic discussed the philosophy of a new model. The BAT discussion noted that it is important that the new model be tied to the District Mission and Strategic Plans. Other parameters, such as basic allocation of workload measures, FTES restoration measures and other State allocations would tie to the State allocation methods. She said that BAT is working towards a one-page model that would have supporting schedules, and components will be more transparent. Further, she explained that the initial goal was to use the new model in development of the 2014/15 Tentative Budget, but that could be delayed until the appropriate allocation of Growth funds is agreed upon.

Chancellor Miles added that BAT is working towards identifying Growth projections before going forward. A question was raised concerning whether there has to be unanimous agreement before going forward. Chancellor Miles responded that BAT is a recommending body and is working toward going forward with consensus.

#### 4. Operational Recommendations

- OPEB Plan

Sue explained that OPEB (Other Post Retirement Benefits) include employee benefits for retirees other than pensions, and includes medical, dental, and vision benefits. She explained that although the District complies with requirements regarding actuarials and reporting, the OPEB funds set aside are not recognized by the State Chancellor's Office or ACCJC.

Tim Flood discussed the work of the BAT workgroup charged with analysis of OPEB requirements and presented the resulting [recommendation regarding an OPEB Plan](#), which includes establishment of an irrevocable trust exclusively for OPEB funds. OPEB funds currently held at the San Diego Office of Education would be transferred to the trust. Additionally, a funding mechanism would be established that would include increasing the reserve by 10% of unrestricted site ending balances each year until the trust equals the Actuarial Accrued Liability (AAL) established by an independent actuary. It was agreed that this plan could move forward this year.

- Unrestricted General Reserve

Arleen Satele presented the BAT [recommendation regarding the Unrestricted General Reserve](#). She explained that the proposed recommendation would include changing the calculation to be consistent with State and ACCJC practices of basing the calculation on the current year budget. The proposed change includes increasing the current reserve level of 5% every year by 0.5% of current year budget until the reserve level equals at least one month of payroll and related benefits.

A summary of [monthly disbursements](#) of payroll and related benefits for 2013/14 was reviewed.

President Zacovic suggested that the recommendation be clarified to reflect calculation of the Unrestricted General Reserve to be based on current year budgeted expenditures. It was agreed that the proposed recommendation would be changed to reflect calculation based on current year budgeted expenditures, and would move ahead during the current 2013/14 year as the Adoption Budget is adjusted.

- District Services and Districtwide

- Definition: Sahar Abushaban reviewed a [Definition of District Services and Districtwide](#) components of the Income Allocation Model. The Model includes three operational sites (Grossmont College, Cuyamaca College and District Services) and one budget center (Districtwide). In order to be included in the Districtwide budget, a cost must:
  - Benefit the entire District
  - Not be under direct control of one site or related to one specific site or manager
  - Be fixed bargained commitments or other District costs
  - Not include salaries or benefits for active employees.
- Charge Full Cost: There is a proposed recommendation that all District Services costs be charged to District Services. Chancellor Miles inquired whether the recommended adjustment to District Services costs could be included in the 2013/14 Adoption Budget. Sue responded that the change can be made when other adjustments are made to the Adoption Budget.

Based on brief discussion, the following was clarified:

- Cost of Campus & Police Services (CAPS) is a District Services expense; however, the San Diego Sheriff's Office contract is part of Districtwide commitments.
- Districtwide costs must meet one or more of the above criteria.

At the conclusion of the meeting, Chancellor Miles thanked the BAT members for their work.

Based on discussion during the meeting regarding continuing BAT discussions on Growth allocations, the timeline will be adjusted during the next BAT meeting.

<u>Task</u>	<u>Timeline</u>	<u>Completion Date</u>
1. Modeling		February – August 2013
2. BAT reconvene for final adjustments and recommendation		September 2013
3. Consultation		October-November 2013
4. Board approval		December 2013
5. Go live		January 2014 – use in development of 2014/15 Tentative Budget