



Budget Committee

December 17, 2015, 2:00 pm, PDC 104

Attendance

Members Present – Jose Torres, Larry Strong, Yendis Battle, Scott Stark, Rebecca Warren-Marlatt (for Mike Strong), Matthew Isaac, Jeremy Sims, Gloria Fisher, Rhonda Prater

Members Absent – Esmeralda Vasquez, Steve Sutorus, Sheri Lillard, Ruby Zuniga, Cheryl Marshall, Debbie Bogh, Lisa Norman, , Tom Robles, Walt Chatfield, Denise Allen-Hoyt, Girija Raghavan, Rosemarie Hansen, Achala Chatterjee

Guests Present – Tenille Alexander, Fath-Allah Oudghiri

Welcome/Introductions

Jose Torres started the meeting; no introductions were necessary.

Approval of Minutes

Yendis Battle made a motion, which Rhonda Prater seconded, to approve the minutes from November 19, 2015. The minutes were unanimously approved.

Update – Talking Points

- FAQ on Fiscal Services Acronyms: Committee members reviewed the FAQ on Fiscal Services Acronyms, which is an excerpt from the FAQ on Fiscal Services Terms. At Gloria Fisher's suggestion, and after a brief discussion, the following changes were made to page 2 and the committee unanimously decided to email the FAQ on Acronyms districtwide, and post the FAQ on Terms.

~~**FTE Employees – Full-Time Equivalent Employees:** Ratio of the hours worked based upon the standard work hours of one full-time employee. For example, classified employees may have a standard work load of 40 hours per week, if several classified employees worked 380 hours in one week, the FTE conversion would be 380/40 or 9.5 FTE.~~

FTE Faculty – Full-Time Equivalent Faculty: Ratio of the standard work load for a full-time faculty, (e.g. 15 units).

- FAQ Expenditure of One-Time Money: Jose is still developing this communication and will send it to committee members via email when a draft is ready.

Update – Accreditation/RAM Forums

Jose working with Rebecca Warren-Marlatt at CHC and Celia Huston at SBVC to setup a time to speak at the campuses. He and some DBC representatives will be invited on both flex days to join in the accreditation discussion.

Enterprise Resource Planning (ERP)

Jose apprised committee members about the planned purchase of an ERP solution by the District. He mentioned that Goal 4 of the District Strategic Plan directs the District to improve its processes and efficiencies, and this procurement was ranked 2nd in last year's program review process. Jose reviewed the pricing data with committee members but asked them to keep the information confidential until the January Board agenda item is formalized. The overall cost of startup is approximately \$2.2 million, which matches what was in program review. Oracle is the vendor being recommended for the business and finance processes and ADP for the human resources and payroll pieces. This step will take the District to another level in terms of efficiency, accuracy and service; and will enable it to begin the process of becoming fiscally independent from the County, which is targeted for 7/1/2017.

Ongoing annual fees for these two systems total \$508,000, however we will be eliminating approximately \$312,000 in current system costs, which will result in an increase of about \$196,000 in operating expenses annually. After this discussion Jose asked if there were any questions and concerns and there were none.

Early Retirement

Jose projected information for committee members regarding an Early Retirement Incentive Plan that is being forwarded to the Board of Trustees for approval in January. The goal of the incentive is to reduce expenditures and increase full-time faculty to meet the challenge of next year's FON requirement. It is hoped that the plan will enable the District to retire and replace at least 15 faculty positions while converting five part-time positions to full-time. Jose mentioned that this is not a supplemental early retirement plan since no health benefits are being offered. He added that it has been recommended in Chancellor's Cabinet that the cost of the incentive be paid out of one-time funding. This plan, if successful, might cause the District's fund reserve to initially dip below 15%, but that it will, over five years, save the District approximately \$1.5 million. Jose asked if there were any questions or comments. There were none.

Enrollment Management

It was reported that the District Enrollment Management Committee is working on an outline for a Plan. One objective for the committee is to make a recommendation to the DBC on FTES and growth. Then it will be up to the DBC to accept the recommendation and/or modify it and work it into the RAM.

2016-17 Budget Directives

The Board Directives for the 2016-17 budget were discussed by way of an information item at the December Board meeting. It is anticipated that the Board will take a formal vote by February 2016.

Adjournment & Next Meeting

The meeting adjourned at 3:04. The next meeting of the DBC is scheduled for January 21, 2016 at 2:00 p.m. in PDC 104.