

Official Minutes of the Planning and Budgeting Council (PBC)
Ocean Avenue Campus, Room R518
2006 February 7

Present: John Bilmont, Ron Bixler, Ann Clark, Carlota del Portillo, Robert Gabriner, David Gallerani, Gus Goldstein, Peter Goldstein, Don Q. Griffin, Chris Hanzo, Stephen J. Herman, Marc Kitchel, Joanne Low, Susan Lopez, Keith McAllister, Madeline Mueller, Ed Murray, James Rogers, Aly Satterlund, Fred Teti, David Yee

0. Approval of Minutes

The PBC approved as amended the 2006 January 23 minutes.

I. Reserve Update

Vice Chancellor Goldstein reviewed recent changes in the District's reserve. On 2005 June 30, the reserve was \$3.775M, later augmented to \$6.075M by transferring \$2.3M from the rent-collection fund. One Board action took \$800K out of the reserve. Another action, based on today's presentation, would take an additional \$450K, leaving \$4.825M. This will be perhaps the size of the reserve at the end of the academic year.

- It is possible CCSF will not receive the budgeted \$1.5M in growth funds, nor the \$900K one-time basic skills reallocation from the State. That would leave only \$2.425M in the reserve.
- It is possible CCSF will have to pay plaintiff attorney fees from an ADA-compliance lawsuit. (A judicial decision disqualified us from using insurance to cover such costs.) The reserve is insufficient to cover those fees.
- It is possible CCSF will receive an increase of ~\$4.5M in noncredit funding per FTES, reallocated from unspent growth statewide. That would change these predictions.

II. Proposed Cost Reductions

The vice chancellors distributed a list of cost-saving measures (some subject to negotiation) recommended by the PBC's "short term" working group.

2006.02.07.01 That the PBC encourage the administration to pursue the following budget reduction recommendations, for implementation as soon as possible, and to bring the details of that implementation for review by the PBC:

- Eliminate grade mailers
- Reduce the Outreach and Recruitment Program
- Reduce legal fees and consultants' fees
- Offer reduced paid work calendar for administrators
- Further reduce non-instructional reassigned time

Also, the administration will pursue remaining items (eliminate pay stubs, reduce number of classified supervisory managers, eliminate tenure review compensation, eliminate cafeteria deficit spending, reduce child development subsidy) in negotiations with the appropriate bargaining agents. Members suggested seeing an org chart showing administrators and classified management together.

III. Retiree Health Benefits Report

Vice Chancellor Goldstein distributed copies of an actuarial report on the District's retiree health benefits (as required by GASB 43 and 45). In that report, the District's liability is calculated based

on current retirees and employees eligible for future benefits; it does not try to make predictions about future employees. The unfunded accrued liability is ~\$134M.

- The report does project retiree health benefit spending into the future. Goldstein says the fraction of the budget represented by retiree health benefits will continue to increase.
- Other districts have pursued such measures as: giving new hires no such benefits, joining j.p.a.'s sponsored by the Community College League or by Keenan & Associates, and selling bonds. Such actions would have to be negotiated.

IV. Budget Review Process Update

Vice Chancellor Goldstein distributed the latest version of the Chancellor's proposed Budget Review timetable. AFT2121 rep Marc Kitchel felt we should start fact-finding stage without delay. Various people felt that the PBC needs more discussion of the data collection, analysis, and criteria.

V. Mid-Year Assessment Report Highlights

Vice Chancellor Gabriner distributed copies of the Mid-Year Assessment Report Highlights (July - December, 2005). He invited comments and feedback. Dr. Griffin noted an understatement in the number of schedules mailed.