

**Minutes of the Planning and Budgeting Council (PBC)**  
**Ocean Avenue Campus, Room R518**  
**2007 April 25**

**Present:** John Bilmont, Philip R. Day, Jr. (Chair), Carlota del Portillo, Dave Gallerani, Don Griffin, Stephen Herman, Marc Kitchel, Donald Lind, Madeline Mueller, Dennis Piontkowski, David Yee

I. Status Report: Budget Review/Recommendation Process

Chancellor Day explained that the Budget Review Process was cancelled for the remainder of the semester so that the District could address more immediately pressing matters. Members agreed that it made sense to postpone that Budget Review Process until the fall.

II. Board Resolution for a Performance Audit on Capital Projects

Chancellor Day and Vice Chancellor Goldstein introduced Board of Trustees Resolution 070426-B2, as amended on 4/23/07, for the Council's information. The resolution was originated by Trustees Marks, Ramos, and Rizzo and called for a performance audit of the District's bond funds. Prop 39 calls for both a financial audit and a performance audit. The District has already done the financial audit and now will need to do the performance audit. This is the District's responsibility, not the Oversight Committee's. The District will follow the LACCD model of a performance audit. It was clarified that the selection of the winning proposal would be on the basis of the overall quality of the proposal and not simply on price.

III. Status Report: Budget For Fiscal Year 2007-08

Vice Chancellor Goldstein gave an update on the District budget for the coming fiscal year. He distributed the monthly cash report relating to the State Budget as well. State General Fund Revenues were down in March 2% below expectations. Personal income tax revenues will be critical to the State but as of the date of the report appeared to be nearly 5% below projections. One positive regarding the state budget was that the Governor does not favor decreasing CCC's portion of the Prop 98 split.

The CCSF budget will depend in part on how we handle FTES to maximize revenues. Peter handed out a spreadsheet that showed the implications of maximizing the amount of FTES possible in 2006 vs. shifting some of that forward to 2007–2008 (to earn growth money), and the group agreed that shifting some of it forward made more sense strategically. The expectation is that we will earn growth money next year, although we will also have to add sections as well as simply move FTES on paper. It will cost ~\$1M to add more sections in the summer and at the new Mission Campus.

The District has received an unprecedented and unexpected letter from the City and County Department of Elections instructing CCSF to remit over \$300K for our share of costs in the election of trustees in November 2006. Administration is looking into the legal rationale for the unprecedented expectation.

The preliminary estimate of the District's 2007–08 Budget shows a total of ~\$190M in revenues, not including any additional increment in noncredit funding that we may get.

The District's cost-to-continue budget is \$179.5M plus additional expenditures in various personnel and other categories bringing total expenditures up to \$186.3M. While our projected revenues are seen as increasing by \$8M (4.38%) or possibly more, our expenditures are planned to increase by a lesser \$6M (3.59%). So our budget situation is much improved over the last few years.

A question was raised as to how the College can implement any of its developmental objectives if there is no additional funding provided for that. Vice Chancellor Goldstein said that in cases where departments are or will be implementing developmental objectives, it is done by means of reallocation of their cost-to-continue funding.

IV. Progress Report to WASC on Financial Planning and Stability

The College submitted a progress report to WASC on March 15, 2007 regarding CCSF's financial planning and stability. Council members were provided with copies of the report. The feedback from WASC was that the District still needs to find an on-going revenue stream for addressing retiree health benefits and that we have made little progress in shifting from personnel to non-personnel expenses with regard to overall percentages of outlays in those areas.

V. FPAC Report

The Council approved the FPAC resolution to replace one Math instructor with an LTS position in Fall 2007 and Spring 2008.

Respectfully submitted,  
Susan Lopez