Changes submitted after publication of 2-7-2012 draft for DPC
NOCCCD 2012 Integrated Planning Manual


Page 17 Learning Management System Steering Team ✓
The wording in the final version will be revised to:
“Two faculty representatives of the campus instructional technology committee – CC, FC, and SCE.”

NOCCCD 2012 Integrated Planning Manual

The Mission Statement, Comprehensive Master Plan and District Strategic Directions define where we are headed as a district as directed by the Board. This is in keeping with the ACCJC standard which states:
“Standard IV.B3.: In multi-college districts or systems, the district/system provides primary leadership in setting and communicating expectations of education excellence and integrity throughout the district...” The District Strategic Directions are the means by which the District sets expectations of educational excellence. However, the process for developing these broad goals is collaborative and this point should be better stressed in this document. Therefore, the description of District Strategic Directions on page 5 will be revised to read:

- Based on information obtained through the preparation of the Comprehensive Master Plan, District Strategic Directions are collaboratively developed and approved by the Board of Trustees to serve as institutional goals that articulate how the District intends to address current and anticipated challenges.

And on page 13 in the description of the Comprehensive Master Plan, this sentence will be added:

- The District Strategic Directions are collaboratively developed through district-wide dialogue and are recommended to the Board of Trustees for approval. These institutional goals articulate how the District intends to address current and anticipated challenges.
DISTRICT PLANNING COUNCIL/CHANCELLOR'S CABINET  
February 13, 2012

SUMMARY

MEMBERS PRESENT: Mike Acierno, Santanu Bandopadhyay, Lisa Campbell for Toni DuBois, Ken Collins Dale Craig, Claudette Dain, Maria Duque, Pat Ganer, Terry Giugni, Martha Gutierrez, Jeff Horsley, Mike Kasler, Deborah Ludford, Patty Lujan, Rod Lusch, Candace Lynch Thompson, Michael Perez, Ken Robinson, Fred Rocha, Bob Simpson, Chris Terry, Rajen Vurdien, Fred Williams, Marcus Wilson, and Gary Zager. Ryan Billings for Michael Fugard-Hill

VISITORS: Jorge Gamboa, Rodrigo Garcia, Vanithia Hubbard, Jennifer Perez, Valentina Purtell, Dennis Sauers, Andrea Sibley-Smith,

SUMMARY: The summary of the January 23, 2012, meeting was accepted as submitted.

PLANNING ITEMS:

Budget Update: Vice Chancellor Fred Williams and District Director of Fiscal Affairs Claudette Dain provided a budget update. Mr. Williams noted a recent communication from the State Chancellor's Office indicating a $5 million deficit due to the enrollment fee/property tax shortfall for a total budget deficit of $11,055,791 for 2011-12 for the District. Ms. Dain outlined the District's financial status for the current year and projections for 2012-13 as follows:

Deficit Reserve: As of June 30, 2012, the deficit reserve balance is expected to be $7,944,209.

Funded FTES: Funded FTES expected in the best case scenario is 32,091.10 and worst case scenario is 30,306.83.

The FTES targets for each campus for 2012-13 reflect a 3.18% reduction to account for some over-cap, unfunded FTES; leaving a projected 2% over-cap as follows:

Cypress College: 10,515.68 FTES minimum credit FTES
Fullerton College: 15,589.35 minimum credit FTES; 1,092.74 non-credit FTES
School of Continuing Education: 2,752.71 CDCP minimum FTES; 2,782.43 non-credit FTES.

2012-13 Structural Deficit: The District’s structural deficit is expected to be $19,801,435 with a best case scenario and $27,902,592 in the worst case scenario.

Ongoing Expenses Not Budgeted: A total of $11,221,000 will not be budgeted for ongoing expenses related to scheduled maintenance, self insurance, retiree benefits, and for the number of full-time faculty positions short of the expected obligation when the Board of Governors declares sufficient resources.

2012-13 Budget Plan: With the postponement of the $11,221,000 in ongoing expenditures, the 2012-13 deficit is expected to be $6,580,435 in the best case scenario and $14,681,592 in the worst case scenario.

Chancellor's Cabinet/DPC Summary  
February 13, 2012  
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District Deficit Reserve: It is anticipated that the District's deficit reserve balance as of July 1, 2013, will be $1,363,774 in the best case scenario and ($6,737,383) in the worst case scenario. However, this may be subject to change based on factors surrounding campus expenditures, faculty vacancies, and enrollment fee/property tax shortfalls.

State Revenue:

A. **FTES**: For 2011-12, the funded FTES is expected at 32,091.10
B. **FTES Workload Measure Assumption**: For 2012-13 the funded FTES reflects an additional 5.56% workload measure reduction expected if the Tax Initiative does not pass.
C. **Apportionment Base**: The apportionment based for 2012-13 is expected to be $137,603,105, based on if the Tax Initiative does not pass.
D. **Unrestricted Lottery**: The unrestricted lottery is projected at $117 per FTES and the restricted lottery is projected at $23 per FTES.
E. Estimated Reimbursement: The estimated reimbursement for part-time faculty hours and benefits is $223,671 and estimated SB739 funding for part-time faculty compensation is estimated at $769,652.
F. **Categorical Programs**: These programs will continue to be budgeted separately, matching revenues and expenditures.
G. **Fee Waiver Administration**: The 2% fee waiver administration is projected at $343,922.

Local Revenue:

H. **Non-Resident Tuition**: The non-resident tuition will continue to be budgeted at $1,000,000.
I. **Interest Earnings**: Interest earnings estimated at $250,000.
J. **Miscellaneous Income**: Miscellaneous income estimated at $10,000.
K. **Mandated Cost Reimbursement**: No mandated cost reimbursement is budgeted.

Appropriations and Expenditures:

A. **Personnel**: No salary increases are included for 2011-12.
B. **Personnel**: No salary increase, salary roll-back, nor furloughs are budgeted for 2012-13.
C. **Salary and Benefits**: Estimated salary and benefits costs are $117,222,422.
D. **Retiree Medical**: This cost is estimated at $5,433,705, which reflects a 5% increase.
E. **Full-Time Faculty Obligation**: For fall 2012 the full-time faculty obligation is estimated at 522.8 but is expected to decrease to 515.8 based on the 2011-12 Scenario B+ Trigger reductions. The District expects to be 24.8 positions below the obligation, which could result in a penalty of about $1.5 million.
F. **Backfill**: The backfill adjustment amount has not changed at this time and is equal to $55,125 for Librarians, $55,584 for Counselors, and $30,511 for all other positions. Extended day budget adjustments are based on $1,286 for credit FTES and $863 for noncredit FTES. Estimated benefit costs for part-time faculty and other hourly employees is estimated at $2,177,740.
G. **Operating Allocation**: The operating allocation is $12,499,305, which reflects no increase for COLA for 2011-12; and no one-time allocation for 2012-13.
H. **District-wide Expenses**: District-wide expenses for recruiting, memberships, child care, audit, emergency notification, sewer, attorney, electricity, gas, water, waste disposal, election, hospitality, ride share, student insurance, Employee Assistance Program, and
interest expenses are projected at $6,383,849, which includes a 10% increase for utilities and also includes $204,783 projected for the Fullerton College Child Care fund shortfall.

I. Scheduled Maintenance: No ongoing budget is established for scheduled maintenance.

J. Insurance: Property and liability insurance of $1,221,000 is suspended.

K. Sabbaticals: The cost for sabbatical is estimated at $150,000.

L. Additional Duty Days: Additional duty days costs for faculty is projected at $350,000.

M. Memberships and Mileage: Memberships for contract employees is projected at $5,000 and mileage at $61,200.

N. Unfunded Liability: The unfunded liability for retiree benefits is estimated at $115 million; a $1.5 million contribution is suspended for 2012-13.

O. Growth: No increase is proposed for growth Beyond Extended Day.

Unrestricted General Fund On-going Resource Summary:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Projected Revenues for 2012-13:</td>
<td>$143,902,748</td>
</tr>
<tr>
<td>Total Projected Expenditures for 2012-13:</td>
<td>$160,584,340</td>
</tr>
<tr>
<td>Revenue less Expenditures</td>
<td>$(16,681,592)</td>
</tr>
</tbody>
</table>

Other Recommendations to Consider for 2012-13:

- Reduce FTES targets to 2% over cap (already included in assumptions)
- Cash out non-faculty vacancies not currently advertised – credit budget centers then reduce operating allocations across the board
- Eliminate faculty vacancies and budget potential penalty

Other Budget Considerations:

- Cap medical benefits
- Furloughs
- Reduce months of employment
- Salary roll-backs
- Increase faculty load
- Child care contribution
- Memberships

In the ensuing lengthy discussion, much concern was expressed with the ideas of cutting more classes, faculty, and classified positions, which in turn means less students being served. In addition, discussion is needed regarding future restoration of any positions lost, although the positions may not necessarily be filled when funding becomes available in the future if different positions are needed than those that were eliminated.

Vice Chancellor Jeff Horsley emphasized that it is difficult for most employees to grasp the magnitude of the structural deficit, which could reach $16 million and is more than all of the discretionary funds available. The majority of the budget is in personnel, however, everything needs to be on the table at this time due to the dire budget situation looming over the District. The District has a structural deficit and is still spending and cannot continue to do so. Regardless of what decisions are made, everyone has to get on board with the decisions made.
When funds become available in the future, there needs to be a balance between positions being filled and salary increases. Budget development discussions will continue at future meetings.

**Accreditation:** Deborah Ludford, District Accreditation Coordinator, led a review of the three Accreditation recommendations, the proposed 2012 *Integrated Planning Manual*, the proposed 2012 *Decision Making Resource Manual: Structure, Function, and Alignment*; and the proposed 2012 *Budget Allocation Handbook*, which were all developed in response to the Accreditation recommendations. Ms. Ludford noted the following summary of changes as suggested at the January 23, 2012, DPC meeting and are included in the most recent versions of the documents distributed:

- The *Budget Allocation Handbook* was updated to add a few more decision diamonds to the flowchart.
- The *Budget Allocation Handbook*, *Integrated Planning Manual* and *Decision-Making Manual* were updated to change the name of the Budget & Facilities Coordinating Council to Council on Budget & Facilities.
- The *Budget Allocation Handbook* and the *Integrated Planning Manual* were updated to indicate that site CEO's or designee will be responsible for presenting the progress report on the District Strategic Directions each year.
- The *Decision-Making Manual* was updated to clarify that the Instructional Coordinating Council and the Student Services Coordinating Council will make recommendation to the District Consultation Council only after items have been vetted at the campuses.
- The *Integrated Planning Manual* was updated to more clearly describe the District-wide Strategic Plan and its relationship to the campus Strategic Plans. (Note this was also requested by the Expanded Strategic Plan Workgroup).
- List of changes to manuals distributed.

The Fullerton College Faculty Senate representatives expressed the Senate’s objections to the establishment of the ad hoc Student Services and Instruction coordinating councils in the *Decision Making Resource Manual* as it is perceived as a movement at the District level to remove local level authority. The Fullerton Senate representatives also objected to the consideration of DPC granting approval of the three documents as they believe the documents (specifically the establishment of governance councils) have to be mutually agreed upon by the Board of Trustees and the Academic Senates per Administrative Procedure 2510, Participation in Local Decision Making.

In the following discussion, it was stated that 1) the manuals/handbook are to be re-evaluated annually and revised as necessary; 2) that mutual agreement is related to the process not to the outcome and the process has been fluid through DPC; 3) that the Board does not approve operational procedures; and 4) the Fullerton Senate’s objection is to the designated standing ad hoc committees with a designated membership, which instead should be established as needed with the adequate expertise.

Upon conclusion of discussion and consideration of several suggestions for revising the Decision Making Resource Manual as it relates to the ad hoc councils, consensus was reached to delete the Student Services and Instructional coordinating councils and add a reference that ad hoc groups will be established as needed. No further revisions were offered for the three documents.
Establishment of a Workgroup to Study a Structural Reorganization and Alignment of the District's Credit and Noncredit Programs: Marcus Wilson introduced a discussion on the Fullerton College Faculty Senate's recommendation that DPC establish a workgroup to Study a Structural Reorganization and Alignment of the District's Credit and Noncredit Programs, especially in the light of proposed budget-cutting recommendations for 2012-13 and 2013-14, and the fact that 70 other college districts have non-credit programs under the colleges' purview not as a separate entity could save the District on administrative costs.

In the ensuing discussion, it was noted that the Fullerton Senate's recommendation was offered in the work groups during the development of the recently-approved Comprehensive Master Plan. However, it was also noted that there was no support during deliberations for the Fullerton Senate's recommendation, nor was there any consultation with the School of Continuing Education. During discussion of the Fullerton Senate's recommendation there were no other comments in support of the recommendation. The group acknowledged that difficult budgetary times are ahead but the campuses/entities should be left to do what they can within their own structures to respond to the budget reductions. Faculty also noted that members of the Board of Trustees have shown no inclination to restructure the School of Continuing Education, which may have to change once the Trustees are elected and accountable to the population in their respective new trustee areas.

POLICY ITEMS:

Administrative Procedure 2510, Participation in Local Decision Making: Vice Chancellor Jeff Horsley presented for a first reading proposed, revised AP2510, Participation in Local Decision Making. The revisions are found in sections 1.2.1 through 1.2.5 replacing "...recommend the appointment of..." with "appoint" as suggested during the January 23, 2012, DPC meeting. The revisions would also be reflected in the proposed Decision Making Manual. Consensus was reached on the revisions and revised AP2510 will now be posted on District's web site.

OTHER ITEM:

ADJOURNMENT: The meeting was adjourned at 4:06 p.m.