



SAN DIEGO COMMUNITY COLLEGE DISTRICT

CITY COLLEGE • MESA COLLEGE • MIRAMAR COLLEGE • CONTINUING EDUCATION

DISTRICT GOVERNANCE COUNCIL

May 17, 2017

3:00 p.m. – Room 245

AGENDA

- *1.0 Review Minutes of April 26, 2017
- 2.0 No Review of Board Agenda
- 3.0 Additional Agenda Items
- *4.0 State Budget Update Carroll, Dowd
- 5.0 Final Review of AP 4200.1 Surbrook
 Employment of Faculty
- 6.0 Roundtable

*Attachments

Next DGC MEETING scheduled: Wednesday, June 7, 2017 – 3:00 p.m.
District Office – Room 245

Visitors and observers are welcome. The District Governance Council (DGC) follows an open process and conducts open meetings. However, because of limited space, we ask that visitors sit in the extra chairs provided against the walls to leave room available at the table for voting DGC members. Your help is appreciated.



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DISTRICT GOVERNANCE COUNCIL MINUTES

April 26, 2017

Present: Akers, Bell (for Hsieh), Bocaya, Bulger, Cortez, Dowd, Fremland, Hubbard, Kovrig, Larson, Luster, Manis, Marin, McMahon, Milligan-Hill (for Surbrook), Neault, Payne, Watkins, Weinroth and Whisenhunt

Absent: Beresford, Carroll, Hsieh, Surbrook

1. **APPROVAL OF MINUTES**

The minutes of April 5, 2017, were approved.

2. **REVIEW OF BOARD AGENDA**

The agendas for the April 27, 2017, and the May 11, 2017, Board Meetings were opened for review by Executive Vice Chancellor Dowd. Each item was discussed and satisfied.

3. **STATE BUDGET UPDATE**

Executive Vice Chancellor Dowd walked the council through the report of the SDCCD 2017-2018 preliminary budget which will be presented at the April 27, 2017, Board of Trustees meeting. The preliminary budget is based on the Governor's budget that was presented in January. After the Governor's May Revision budget is revealed, the SDCCD tentative and adopted budgets will show any changes that are made. Dr. Dowd indicated that there may be additional one-time monies and also an increase within Proposition 98 funding.

4. **BOARD POLICY REVISIONS**

Executive Vice Chancellor Dowd opened discussion on Chapter 2 Board Policy revisions and received comments from the academic senates to remove two of the policies from the list going for Board approval. BP 2355 – Decorum, and BP 2436 – President Selection, were removed and will come back to DGC at a future meeting for further review.

5. **EEO FUND MULTIPLE METHOD ALLOCATION MODEL FORM**

Director of Employment & Professional Development, Erin Milligan-Hill brought forward the certification form for the EEO Fund Multiple Method Allocation Model stating that a district must meet 6 of the 9 multiple methods in order to be considered. She announced that the SDCCD has met all nine, with details on each within the document. Council members agreed to move forward by submitting the form to the State Chancellor's Office for consideration.

Adjourned 4:01 p.m.

Chancellor's Office & Board of Trustees



**San Diego Community College District
Office of the Chancellor**

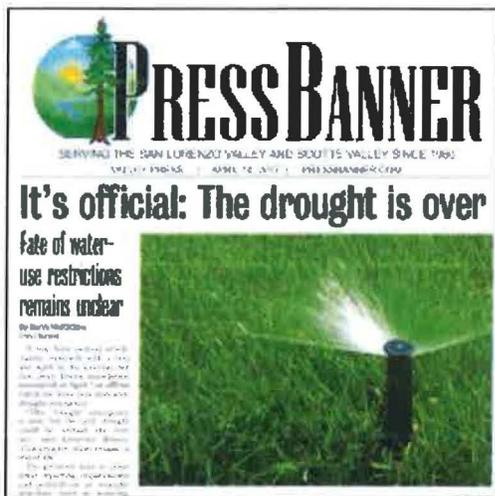


State Capitol building

May 11, 2017

Chancellor's Budget Message: Governor's May Revision

**THE CALIFORNIA BUDGET 2017-18
THE DROUGHT IS OVER, BUT . . .**



As all Californians know, the drought has been a defining issue in all aspects of the state's economy, planning, activities, and social life. Literally everything has revolved around the drought for many years. While the drought actually began in 2012, Governor Jerry Brown did not declare a "drought emergency" until January 2014. From farming to the maintenance of recreation areas to personal property and landscaping, California's regulations and plans were earmarked to conserve water and minimize its waste. For many years, it seemed as though no amount of rain was able to make an appreciable dent in the drought situation.

I joined the rest of the state in my delight in the torrential rain storms of the past year, seeing the snow pack grow to enormous depths, seeing rivers and reservoirs slowly increase to their maximum levels, and having restrictions lifted on the irrigation of private landscaping. Then, last month, Governor Brown made it official. "The drought emergency is over," he said. However, in characteristic, cautious fashion, he added, "but the next drought could be around the corner. Conservation must remain a way of life."

At a press conference this morning, Governor Brown announced his May Revision Budget, which is the second major step in the process toward developing a state budget for the next fiscal year, 2017-18. Much of his budget strategy mirrors the situation California experienced with the drought. Following a five-year, severe recession, the California budget rebounded quickly due to the passage of Proposition 30 in 2012, which, through two temporary tax measures, provided a sudden infusion of funding to the public sector, preventing a continuation of the slide into fiscal decline and refilling coffers that had been depleted. However, the sudden influx of money did not fully offset the loss of purchasing power during the recession years nor did it buttress the enormous, new budget demands to come, especially the steep increase in the employer contribution to the retirement systems CalSTRS and CalPERS. The governor's

budget strategies and messages during this time have consistently been aimed at new investment, but also aimed at conservation to prepare for future economic downturns.

The Governor's Overall Budget and Process



Governor Jerry Brown at budget press conference

Compared with the previous year, the governor's \$124 billion general fund spending plan for California makes a few augmentations in critical areas, calls for some reductions, and also proposes new approaches and cautions. In his press conference, Governor Brown reminded us that "there have been ten recessions and ten recoveries since World War II," and that "while we have a modestly improved fiscal outlook since January," we must always plan for the next recession, further noting that "even a recession of moderate intensity

will drop state revenue by \$55 billion." He added that "it is important for us going forward to think about the past. At 79, I think a lot about the past."

The May Revision Budget takes into account some general state priorities, such as the gradual increase in the minimum wage to \$11 per hour in 2018, and ultimately to \$15 over time. The budget proposal also has a strong focus on education. It calls for reducing the "cost structure" of the University of California, as well as calling for an agreement to increase community college transfers to the UC, requiring that "each campus (except Merced and San Francisco) will enroll at least one entering transfer student for every two entering freshmen." Regarding the California State University system, the governor has proposed both reductions and some increases. The California Community Colleges and K-12 are slated for increases, as well as a few reductions. For both systems, the Proposition 98 funding guarantee is addressed in the governor's proposed budget, providing a funding guarantee of \$74.6 billion, of which community colleges will receive 10.90%, an increase of \$1.1 billion above the Governor's Budget in January and \$2.7 billion above the 2016-17 Budget Act. There will still be a need to "settle-up" funding since the statutory split of the Proposition 98 funds should be 10.93% for community colleges.

Overall, the governor's plan is very supportive of community colleges, motivating the new California Community Colleges Chancellor, Eloy Ortiz Oakley, to state, "The governor's revised budget provides a welcomed increased investment in our colleges to improve the success of our students and their social mobility in California."

The next steps in the process will include the development of responsive budgets by the Senate and the Assembly, and a Conference Committee, which will lead to some modifications in the budget proposal and will be informed by local advocacy efforts. In June, it is hoped that all budget differences will be resolved so that the governor can approve the budget and sign it into law on or before the July 1 deadline.

The California Community Colleges (CCC) and the San Diego Community College District (SDCCD)

Many funds, such as the special student success and equity funds, integrated library funds, and other initiatives are continuing at their current level of funding. A number of new positions have been proposed in the May Revision Budget to strengthen the State Chancellor's Office. The governor is also proposing a distance education approach, "requesting the Community College Chancellor's Office to develop a proposal by November 2017 for a completely online community college."



Michael Cohen, Director of Finance

Below are the key elements of change in the May Revision Budget that affect community colleges in general and the San Diego Community College District in particular.

First are the categories of new ongoing funding.

- **Cost-of-Living Adjustment or COLA.** The May Revision increased the January Budget Proposal's COLA of 1.48% to 1.54%, or \$97 million.

SDCCD Impact. The COLA will be \$3.4 million in ongoing revenue and will be processed through the Resource Allocation Formula (RAF).

- **Apportionment – Base Increase.** There is an increase in base funding from the January proposal of \$160 million to \$183.6 million.

SDCCD Impact. The SDCCD will receive approximately \$7.12 million, which will be processed through the District's Resource Allocation Formula (RAF).

- **Apportionment – FTES Growth.** The May Revision includes a growth target reduction from 1.34% in January to 1%, or \$57.8 million, recognizing that, unlike the SDCCD, most districts are not growing and many have actually declined in enrollment. (Full-Time-Equivalent Students = FTES).

SDCCD Impact. The SDCCD will receive \$2 million in continuous funding, which will be processed through the RAF. City, Mesa, and Miramar colleges, and Continuing Education have done extremely well within the District's enrollment-management plan. In view of the prospect of additional growth funding next year and the possibility of even more funding if many other districts do not achieve their growth targets, the SDCCD is planning to continue its enrollment-management plans that support growth, but will be somewhat less aggressive than during the current year given the relaxation of the state's growth target.

The total amount in new ongoing funding under the May Revision is \$12.52 million.

Second are the categories of new one-time funding.

- **Deferred/Scheduled Maintenance and Instructional Equipment.** The May Revision includes a continuation of \$43.7 million, with the strong possibility of increased funding in the subsequent year.

SDCCD Impact. The SDCCD will receive \$1.53 million, with a 60%/40% split between the two uses, and with the possibility of an additional \$3.22 million in funding retroactively in the subsequent year.

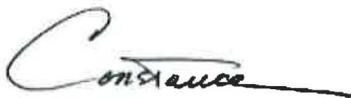
- **Proposition 39.** Proposition 39 funds energy-efficient projects. The May Revision includes a reduction from \$52.3 million in January to \$46.5 million for this purpose.

SDCCD Impact. The SDCCD is eligible for \$1.6 million for projects submitted and approved.

The total amount in new one-time funding under the May Revision is \$3.13 million.

The total increase in all new funding under the May Revision is \$15.65 million.

Let me close by saying that the Board of Trustees and I are optimistic about the Governor's May Revision Budget. Although there are modifications that we and our leadership team will be seeking during the advocacy period, we support this budget and appreciate the governor's sincere and evident support for community colleges. Executive Vice Chancellor Bonnie Dowd continues to monitor and refine our budget figures. The College and Continuing Education Presidents, Vice Chancellors, Governance Leaders, and Collective Bargaining Leaders also remain supportive and involved in this process. Because of the District's overall vision of service and close attention to detail, the San Diego Community College District has an excellent budget development and management process that supports its instructional programs, operations, and innovation. Stay tuned



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