

EXECUTIVE COUNCIL MEETING MINUTES

April 24, 2019

(Approved by Executive Council on May 8, 2019)

Executive Councilors present (noted by *):

*Karen Frindell Teuscher, <i>presiding</i>	*Dianne Davis	Bud Metzger	*Mike Starkey
*Filomena Avila	*Claire Drucker	*Terry Mulcaire	*Erin Sullivan
*Paulette Bell	*Robert Jackson	*Jessica Paisley	*Sarah Whyllly
*Shawn Brumbaugh	*Sean Martin	*Margaret Pennington	*Albert Yu
*Ted Crowell	*Molly Matheson	*Karen Stanley	

Negotiators/Appointed Positions present: Mark Ferguson, Warren Ruud, Julie Thompson

Staff members present: Carol Valencia

Councilors-Elect present: Deirdre Frontczak

The meeting was called to order at 3:10 p.m. in Lark #2004, on the Santa Rosa campus.

CLOSED SESSION REPORTS

1. **Negotiations Report.** This report and discussion were conducted in Closed Session.
2. **Conciliation/Grievance Report.** This report and discussion were conducted in Closed Session.
3. **Confidentiality Policy.** This report and discussion were conducted in Closed Session.

Closed Session adjourned at 4:18 p.m.

OPEN SESSION

Open Session reconvened at 4:19 p.m.

MEMBER CONCERNS WITHIN AFA'S PURVIEW

1. Paulette Bell recommended that AFA send out another reminder to faculty about the Canvas conversion compensation since the deadline is coming up on June 30 (see http://www.afa-srjc.org/Misc/canvas_conversion_compensation.pdf).
2. Paulette stated that many adjunct faculty members do not know about their flex obligation. She asked whether AFA should send out a communication explaining the flex obligation of adjunct faculty members. In response, it was stated that the District has recently sent two reminders to faculty, and department chairs also have a list of faculty members who are missing their spring semester flex credit. (See http://www.afa-srjc.org/adj_profdev.shtml for an explanation of flex obligations for adjunct faculty members.)
3. Warren Ruud reminded the Council and guests that tomorrow (April 25) is Mike Meese's birthday (see http://www.afa-srjc.org/Mike/MikeMeese_PD_091125.pdf).

MINUTES

There being no corrections or additions, the Council approved a motion made and seconded to approve the minutes from the April 10, 2019 Executive Council meeting as submitted (17 in favor, 0 opposed, 0 abstentions).

(Approved minutes are posted at <http://www.afa-srjc.org/minutes.shtml> .)

PRESENTATION

1. **How Big is the SRJC Deficit? (Robert Jackson, AFA Budget Analyst)**

- Robert introduced the topic by stating that we have heard much about the financial condition of the college and, in particular, deficits. He will present data on the history of SRJC's financial condition.
- This presentation will specifically look at the Unrestricted General Fund (UGF) since this is the fund from which all instructional activities are paid as well as 94 percent of faculty salaries. The fund is equal to \$125 million.
- There are a number of other funds that are sustained by the UGF and monies go to and from these funds to the UGF: Shone Farm, Child Development, Retirement Benefits, Dental Insurance, Food Services, Parking. The only fund that has a positive income balance before a transfer in of funds from the UGF is Food Services.
- For UGF revenue, apportionment provides 90 percent of the revenue. For UGF expenses, 89% are for personnel (salaries and benefits).
- When looking at the last 10 years, the college had a surplus for five of those years (2009-13 and 2015-16) and had a deficit for four of them (2008-09, 2014-18). A surplus occurs when revenue is greater than expenses for a given year, and a deficit occurs when expenses are greater than revenue. This is computed for one year only. Each year's surplus or deficit then adds to or subtracts from the cumulative fund balance.
- The "reported surplus/deficit" differs from actual revenue minus expenses because of transfers of reserves that occur between funds.
- During the years 2010-15 "projected deficits" were very high and were not realized. This is due to very conservative projections on the revenue side.
- When looking at 2017-18 apportionment divided by a two-year average of FTES, SRJC is 1.3 percent below the state average (rank 40 of 66, excluding basic aid districts). The conclusion reached from this data is that SRJC is not starved for revenue in comparison to other colleges in the state.
- In looking at the employee FTE divided by student FTES for the various employee groups in comparison to state medians, the total faculty FTE is 2 percent above the state median, while the total classified FTE is 7.1 percent above and the total management FTE is 26.9 percent above. These percentages are based on "head count" numbers, not actual salary dollars.
- 85 percent of the total salaries for all employee groups are paid for out of the UGF budget.
- SRJC revenue is expected to decrease in 2020-21 (when the fire waiver expires) and again in 2021-22 (when the hold-harmless period of the new Funding Formula will expire).
- The decline in faculty payroll as a percentage of the UGF over the last 12 years shows that Rank 10 was not the stressor on the budget that was alleged when the District declared impasse with AFA. The lowest percentage was in 2015-16 (43.1%) and the highest was in 2005-06 (52.4%). The percentage was very low during the recession years, and is just now starting to grow again (2018-19 is projected at 48.6%).
- We are far from the salary cap we agreed to this year (see http://www.afa-srjc.org/Contract/MOU/mou_art26_revenue-cap.pdf), but this could change in the near future if revenue falls off dramatically.
- One issue is that the District has a hard time fully implementing its stated plans to cut expenses.
- One other sign of future problems is that the year-end reserve on 6/30/18 was only 5.3 percent. The minimum reserve is 5 percent.
- The Board has not questioned the District's past classified/management hiring. A review of the Board minutes, did not find any no votes in the approval of new positions.

OTHER REPORTS

1. **President's Report.** Karen reported briefly on the following items:
 - Six Councilors/Officers will be attending the CCCI conference this weekend. We will be hearing from our attorneys, FACCC leadership, our CCCI lobbyist, and the 13 other CCCI colleges.
 - Last Friday, Terry Mulcaire and I met with a staff member from Marc Levine's office. She took notes on our concerns about the Chancellor, AB 705, the new funding formula, and SRJC's bond spending. She will be preparing a report for Levine. We also hope to meet with Mike McGuire soon.
2. **Treasurer's Report: March 2019.** Sean Martin reported briefly on the following items:

- We spent money on office supplies including the printing of our membership posters this month (*Offices Supplies and Expenses*).
- We paid our yearly CCCI dues (*Professional Dues: Other*). This is money well spent and much less than what the affiliated unions (CTA/CFT) pay to their state organizations.
- We spent money for legal advice related to grievance and negotiations items (*Professional Fees: Legal*).
- Our impasse legal fees (*Impasse Legal Fees*) this and last year were in effect a "tax" imposed on AFA by the District due to their unilateral declaration of impasse.

The meeting was adjourned at 5:00 p.m.

Minutes submitted by Carol Valencia.