

CONSENT AGENDA NO. 3

Approval of Minutes of the April 24, 2007 Planning and Budget Committee Meeting

It is recommended that the Board approve the minutes of the April 24, 2007 Board of Trustees Planning and Budget Committee Meeting.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOL
BOARD OF TRUSTEES
PLANNING AND BUDGET COMMITTEE MEETING MINUTES
APRIL 24, 2007**

Attendees: Ms. Diana Flores (Committee Chair), Ms. Charletta Compton, Mr. Bob Ferguson, Mrs. Martha Sanchez Metzger, and Mr. JL Sonny Williams

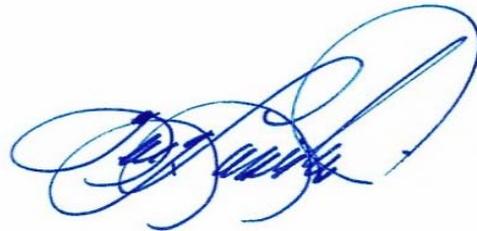
Absent: Mrs. Kitty Boyle and Mr. Jerry Prater (Board Chair)

Staff: Dr. Wright Lassiter, Mr. Ed DesPlas, Mr. Denys Blell, Mrs. Kathryn Tucker, and Mr. Robert Young

Committee Chair Ms. Diana Flores convened the meeting at 12:16 PM. Dr. Wright Lassiter certified to the posting of the meeting notice.

**CERTIFICATION OF POSTING OF NOTICE APRIL 24, 2007
PLANNING & BUDGET COMMITTEE MEETING OF THE
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOL
BOARD OF TRUSTEES**

I, Wright L. Lassiter, Jr., Secretary of the Board of Trustees of the Dallas County Community College District, do certify that a copy of this notice was posted on the 20th day of April, 2007 in a place convenient to the public in the R.L. Thornton, Jr. Administration Building, and a copy of this notice was provided on the 20th day of April, 2007 to John F. Warren, County Clerk of Dallas County, Texas, and the notice was posted on the bulletin board at the Frank Crowley Courts Building, all as required by the Texas Government Code, §551.054.



Wright L. Lassiter, Jr., Secretary

Spring Budget Revision

Vice Chancellor Ed DesPlas presented proposed revisions to the 2006-07 budgets. Discussion topics during Mr. DesPlas' presentation included the following:

- DCCCD's fund balance is the surplus of revenues over expenditures at the end of the fiscal year. Professional college business officers' associations recommend maintaining a fund balance equivalent to a minimum of three months operating expenses (approximately \$75 million in the 2006-07 budget). DCCCD's Board has generally advised a minimum of three and not more than six month range.
- Although there are not legal restrictions on the size of fund balance, prudent management suggests a level that conveys stable, responsible financial management to credit rating agencies and also conveys careful stewardship of public funds to students and taxpayers.
- DCCCD has closed approximately \$12, \$21 and \$18 million to fund balance the past three years.
- Administrative practice in DCCCD has been to permit colleges to retain their budget surplus at the end of the fiscal year in the form of a subsidiary fund balance. Some colleges accumulate fund balance for planned, significant reinvestments in their physical plants or for equipping new programs.
- College subsidiary fund balances are approximately \$39 million, roughly one-third of DCCCD's total fund balance.
- In that DCCCD's seven colleges are separately accredited, there are certain regional accreditation requirements that influence DCCCD's administrative practices, including but not limited to permitting colleges to retain their budget surplus at the end of the fiscal year.
- Fund balance may not be used for operating expenses.
- Fund balance is similar to a savings account. The District fund balance may be thought of as a safety net for the colleges.
- Cost-per-student as a measure of productivity has limited value unless it is informed by student readiness, completion rates, retention rates and other variables. From a strictly financial perspective, a low cost-per-student compared to other colleges may be seen as positive. From an educational perspective, a high cost-per-student compared to other colleges might be interpreted favorably, as an investment rather than an expense.
- Historically, DCCCD's Board has looked at trends in percent of expenditures for instruction, student services, and institutional support (administration). More for instruction and student services, less for institutional support have been the goals.

- Of the \$1.5 million increase in non-mandatory transfers from the unrestricted fund, approximately \$1.3 million is a loan to Mountain View College for construction of its athletic complex.
- Providing laptops for students in the Richland College High School was part of the original plan since the curriculum is science and technology intensive.
- Most of the projected decrease in continuing education tuition is from El Centro College's Bill Priest Campus.
- Of the \$91,000 decrease in unrestricted general revenue, \$65,000 is due to there being fewer children enrolled in Eastfield's child care center.
- The LeCroy Center's revenue from national sales is shrinking because more and more colleges have and are using the capability to develop their own courseware.
- Dr. Lassiter will discuss organizational changes at El Centro's Bill Priest Campus and the LeCroy Center at the Board's Planning and Budget Committee meeting in July.
- Richland Collegiate High School budgeted for 200 students, enrolled 175 and have lost six to attrition. For 2007-08, RCHS has over 200 applicants and will accept 185.
- The \$45 million scholarship line in the operating budget is primarily Pell grants, not Rising Star.
- DCCCD is required to estimate and budget for uncollected taxes. The County Tax Assessor-Collector collects taxes for DCCCD.
- The Small Business Development Center (SBDC) received a bump in funding last biennium.

Mr. JL Sonny Williams moved and Mrs. Martha Sanchez Metzger seconded a motion to place the proposed revisions on the agenda of the May 1, 2007, Board meeting. Motion passed.

Update on Planning Assumptions for 2007-08 Budget

Vice Chancellor Ed DesPlas presented planning assumptions for the 2007-08 budgets. Discussion topics during Mr. DesPlas' presentation included the following:

- A corollary to the proposed K-12 teacher pay-for-performance legislation may be pay-for-retention.
- DCCCD's minimum salary for a master's degree faculty member is less than DISD's minimum salary for a bachelor's degree teacher.
- The difficulty in ascertaining what is fair when evaluating enrollment increases, since it is possible for enrollment to increase without the college doing anything, for example, if news homes are built in the neighborhood.

- 2007-08 budgets for District office and service center (central administration) are expected to be flat at best.
- Using fund balance to finance major repair and rehabilitation projects may be a strategy for the future.
- Marketing budgets were increased a few years ago and should be re-evaluated now to be certain they are adequate.

Other Notes from the Meeting

Dr. Lassiter will provide Board members with information about the trend in revenue from contracts and grants, a dashboard or shorthand explanation of fund balance (perhaps in the form of an insert for the Board's fact folder), a closer analysis of seemingly different pay rates for DISD and DCCCD faculty that includes looking at hours per work week and days per contract period, and an examination of factors affecting enrollment in the child care centers at Brookhaven and Eastfield Colleges.

Dr. Lassiter will send Board members a more readable 2007-08 college budget allocation in the April 27 weekend packet, and he will include looking at ways to cut waste as an agenda item for the next Board retreat.

Adjournment

Committee Chair Flores adjourned the meeting at 2:10 PM.

Approved:

A handwritten signature in blue ink, appearing to read "Wright L. Lassiter, Jr.", written in a cursive style.

Wright L. Lassiter, Jr., Secretary