



STRATEGIC PLANNING COUNCIL AGENDA

Date: July 27, 2004
Starting Time: 2:00 p.m.
Ending Time: 4:00 p.m.
Place: SU-18

CHAIR: Richard Jones

MEMBERS: Akins, Barton, Bishop, Cuaron, Doran, Dowd, Frady, Gordon, Halttunen, Ivey, Jay, Jones, Kelber, Kovrig, Madrigal, McCluskey, Miyamoto, Newmyer, Owens, Snow, Snyder, Townsend-Merino, Versaci, Waite

RECORDER: Josie Silva

| | Attachments | Time |
|--|-------------|---------|
| A. <u>ACTION ITEM/SECOND READING</u> | | 60 min. |
| 1. Faculty Priority Hiring List | Exhibit A1 | |
| B. <u>ACTION ITEM/FIRST READING</u> | | |
| 1. Financial Stability Task Force Recommendation | Exhibit B1 | 60 min |



**STRATEGIC PLANNING COUNCIL
MEETING MINUTES
July 27, 2004**

A special meeting of the Palomar College Strategic Planning Council was held on Tuesday, July 27, 2004, in SU-18. The meeting was called to order at 2:10 p.m. by Dr. Richard Jones.

ROLL CALL

Members Present: Akins, Barton, Bishop, Cuaron, Doran, Dowd, Gordon, Halttunen, Jay, Jones, Kovrig, McCluskey, Miyamoto, Newmyer, Snow, Townsend-Merino, Versaci, Waite
Members Absent: Frady, Ivey, Kelber, Madrigal, Owens, Snyder
Recorder: Josie Silva
Guests: Members of the Fiscal Stability Task Force

A. ACTION ITEMS/SECOND READING

1. Faculty Priority Hiring List

MSC (Bishop/Dowd) to suspend the rules in order to move this item to action item.

The vote was unanimous.

MSC (Townsend-Merino/Dowd) – Accept recommendations of IPC to move the Chemistry position from the Faculty Hiring Recommendations List for 2005-2006, priority #6 Chemistry Department, to Fall 2004. **(Exhibit A1)** Funding for the four vacant positions approved for Fall 2004, identified as Business Education, Spanish, EME, and Fire Technology, will not be jeopardized.

Berta Cuaron reported that IPC had an emergency meeting last week resulting from a request from the Chemistry Department to get special consideration to allow the department to hire an additional faculty position for Fall 2004 instead of waiting for Fall 2005. She stated that for Fall 2004, 18 faculty positions were slated to be hired. Of those 18 positions, 14 new contract faculty were hired to begin Fall 2004, four of the 18 positions will go out for re-recruitment. The earliest that those four positions will be hired would be Spring 2005. One of those 14 positions that were hired for Fall 2004 is in the Chemistry Department. The Chemistry Department currently has an active pool of applicants available. That department has grown in the last few years with additional sections. The contract faculty that are in the department currently are all at maximum overload. The Department has had extreme difficulty identifying qualified adjunct faculty despite some extensive recruitment efforts through the newspaper, through the personnel office, through contacts with the local CSU's, UC's, and community colleges in the county. There are currently between six and eight unstaffed sections for the Fall semester. Most of the chemistry sections are closed to capacity or nearly full for fall semester. The Chemistry Department asked if IPC would take into consideration allowing them to hire the position that is slated for Fall 2005, listed as priority number six on the Faculty Hiring Recommendations for 2005-06 priority list approved by the Instructional Planning Council and Student Services Planning Council on May 12, 2004. It is the recommendation from IPC to allow the Chemistry Department to proceed with hiring a second position for Fall 2004.

Bonnie Dowd expressed her concern and inquired where the funds for this position will come from. Berta Cuaron answered that the savings will come from four unfilled positions and the savings from one of those four would be applied towards hiring this position now. For Spring 2005, it is uncertain whether or not all four positions will be filled, so there may or not be a need for additional money to be used for any of those positions. Jack Miyamoto asked what the function of a priority list is if somebody can just pull a position out because they can demonstrate a greater need. Joe Newmyer explained that the projection for the 2005-06 budget that Jerry Patton had prepared did include adding an additional twelve faculty. The four that are vacant right now, that money will be there next year as well. The money would continue ongoing for all those positions.

Bonnie Dowd proposed that the four vacant positions be identified in the motion to recognize that any savings that's going to take care of this next year is not at the expense of those four positions. At this point Berta Cuaron identified the four positions: Business Education, Spanish, EME, and Fire Technology. It was agreed to include this verbiage into the motion.

Michelle Barton stated that we will still be a little over our FTEF for Fall 2004, but it's in the best interest of the District to have a bit of a cushion because you never want to fall short on FTEF. Bruce Bishop expressed his concern whether or not the other departments on the priority list, listed as numbers one through five, were given the opportunity to express their needs. Berta Cuaron said that IPC members representing various constituents made the exception because there is a current existing pool of applicants since one was already hired for Fall 2004, so that does cause the difference as opposed to these other five positions that don't have an existing pool, because the hiring committee can go back and pull a second qualified candidate already interviewed. That's part of the criteria that IPC used and felt it was appropriate to forward. Bonnie Dowd wanted confirmation that the four positions that have not been hired are not at risk. She wanted confirmation and that we will be hiring without a doubt rather than saying that it is likely we will hire the other five positions on the priority list. Joe Newmyer answered that no one can guarantee the next five positions on the list will be hired. There is a 90% chance we will hire those five positions next year, but it depends on the numbers.

The Vote was Unanimous.

B. ACTION ITEMS/FIRST READING

MSC (Bishop/Dowd) - Move the following items to action today.

The vote was unanimous.

1. Financial Stability Task Force Recommendations (Exhibit B1)

a. Retiree Medical Funding

MSC (Dowd/Bishop) - Move to accept the Fiscal Stability Task Force recommendation as follows:

It is proposed that a charge be assessed against all programs for current employees to cover the liability for retiree medical that is incurred during their years of service in the District.

With this proposal the charge could be made against all programs for employees including those funded with restricted or categorical funds. The consultant who did the last actuarial study for the District has informed us that the annual charge to the District for this liability would be \$3,570 for each classified employee and \$5,302 for each academic employee. If all programs that are funded with restricted funds made this contribution for each of their employees, then an additional \$450,000 would be provided to the Retiree Medical Fund. In the first year not all programs will be able to accommodate the charge and in those instances a phasing period will be allowed.

The fund to cover the cost of medical premiums for retirees from Palomar contains significantly less funds than is **actuarially** required. Currently the cost for retiree medical premiums is paid totally from the unrestricted General Fund. This is true even if the employee's salary was paid from restricted funds. For 2004-05, \$2,780,000 is allocated from the unrestricted General Fund for this purpose. Joe Newmyer reported that the retiree medical Board, called the Governmental Accounting Standards, has proposed and passed a motion that indicates that by 2007, a District of our size would have to be making annual payments into the retiree medical fund that would not only take care of the current employees, but would also start covering the liability that we have for current retirees. We have to start making that payment in 2007. When the study was actually conducted in 2002, it was indicated that our annual payment would be about 3.5 million dollars. The District is not quite there yet, but with this proposal we would be getting closer to it. If this proposal is approved, the District would actually be over 3 million dollars, or very close to it, depending on how many programs are able to participate and most of them will.

Jack Miyamoto stated that currently we have 247 retirees that the District is paying health benefits for. The 247 retirees are getting full time benefits and there are an additional 100 (spouse benefits) that are receiving dental. We have approximately 396 current employees that are eligible for Group I benefits. When these 396 employees become eligible for Group I, there will be approximately 645+ employees that the District will have to have funding for. There are also Group II people and when they retire, we pay their medical until they are 65 years old, that's not included in this number. The District's liability is costly and this is a real prudent step to help defray the cost.

The vote was unanimous.

b. CHILD DEVELOPMENT SUBSIDY

MSC Bonnie Dowd/Lynda Halttunen - Accept the Child Development Subsidy as follows:

For Fiscal year 2004-05 the Child Development Center will contribute \$53,211 to the unrestricted general fund for indirect costs with future contributions subject to review.

Joe Newmyer reported that at the present time the Child Development Center does not pay any indirect costs to the District for that operation as is standard with other operations within the District. In addition, they do not pay the full cost of their utilities. The District will make the contribution to the Child Development fund to cover the grant, it comes from the General Fund. Then the Child Development Center fund will pay an equal amount back to the General Fund to cover these indirect charges that they currently are not paying. Discussion followed.

The Vote was unanimous.

C. ADJOURNMENT

There being no further business for this special session, the meeting was adjourned at 2:40 p.m.

FACULTY HIRING RECOMMENDATIONS FOR 2005-06

INSTRUCTIONAL PLANNING COUNCIL
AND
STUDENT SERVICES PLANNING COUNCIL

APPROVED MAY 12, 2004

The following new faculty positions were approved by the Instructional Planning Council and Student Services Planning Council 5/12/04, as first priority:

1. Music/Choral
2. Speech/Forensics/ASL
3. Radio and Television
4. History
5. Sociology
6. Chemistry
7. English as a Second Language
8. Philosophy
9. Library/Escondido
10. Counseling
11. Graphics
12. Physical Education/Women's Soccer
13. Physics
14. Mathematics 1
15. Africana Studies

IPC Criteria for Exception for Chemistry Department to hire a second position for 2004-05:

- Appropriate discussion and process for recommendation was followed: IPC recommendation to SPC
- Efforts have been unsuccessful in identifying a good number of qualified adjuncts to teach unstaffed Chemistry sections for Fall 2004
- Chemistry Department currently has the #6 position on the 2005-06 Faculty Position Priority list that is highly likely to be hired for Fall 2005, based on the projected Full-time Faculty Obligation (FTFO) for 2005-06. This Chemistry position will be removed from the 2005-06 Faculty Position Priority List if hired for Fall 2004
- Other positions on the 2005-06 Faculty Position Priority List are not negatively affected by the early hiring of this position
- Chemistry Department has an active, existing pool of applicants that was used to fill one position for Fall 2004 and can also be used to fill this second position
- Funding exists to budget for second Chemistry position. Four (4) faculty positions scheduled to hire for Fall 2004 have postponed hiring until Spring 2005

July 21, 2004

To: Strategic Planning Council
 From: Financial Stability Task Force
 Date: July 27, 2004

The Financial Stability Task Force has held two meetings and has approved the two recommendations described below. One recommendation was approved unanimously and the other had one abstention.

RETIREE MEDICAL FUNDING

The fund to cover the cost of medical premiums for retirees from Palomar contains significantly less funds than is actuarially required. Currently the cost for retiree medical premiums is paid totally from the unrestricted General Fund. This is true even if the employee's salary was paid from restricted funds. For 2004-05, \$2,780,000 is allocated from the unrestricted General Fund for this purpose.

It is proposed that a charge be assessed against all current employees to cover the liability for retiree medical that is incurred during their years of service in the District. With this proposal the charge could be made against all employees including those funded with restricted or categorical funds. The consultant who did the last actuarial study for the District has informed us that the annual charge for this liability would be \$3,570 for each classified employee and \$5,302 for each academic employee. If all programs that are funded with restricted funds made this contribution for each of their employees, then an additional \$450,000 would be provided to the Retiree Medical Fund. In the first year not all programs will be able to accommodate the charge and in those instances a phasing period will be allowed.

CHILD DEVELOPMENT SUBSIDY

For the 2004-05 fiscal year the unrestricted General Fund contains an allocation of \$53,211 to the Child Development Fund. Since the Child Development Fund contains a reserve of over \$500,000, **it is proposed that the subsidy be eliminated and that the current reserve be used to accommodate this shortfall.**