

MISSION-WEST VALLEY LAND CORPORATION

Allocation of Funds Policy Review

Meeting Summary

April 16, 2014

An Allocation of Funds Policy Review Meeting of the Mission-West Valley Land Corporation was called to order by Committee Chair Nick Heimlich at 5:04 p.m. in the Board Room, West Valley College, Saratoga CA

Members present: Adrienne Grey, Nick Heimlich, Bob Owens

Others present: Rick Bennett, Randy Castello, Javier Castruita, Pat Fenton, Ed Maduli, and Patrick Schmitt

1. Call to order/Roll Call

2. Review of the Allocation of Funds Policy

Mr. Heimlich provided an overview of the Land Corporation's annual budget and its current allocation policy.

Ms. Grey commented that it makes her uncomfortable that other Board members do not feel that Land Corporation money should be used to help the District fund its needs. She stated that the Land Corporation was created to make money off of the land in order to benefit the District, not benefit the Land Corporation itself. Mr. Owens stated that the District is an entity unto itself and needs to be fiscally solvent and self-sufficient; it should not rely on the Land Corporation to stay afloat. Mr. Maduli agreed that the District needs to operate within the funding guidelines established by the State allocation model, which does not include Land Corporation funds. Land Corporation funds should be used for "extra" items – items that would make the District better. Mr. Heimlich agrees that Land Corporation money should not be used for on-going items, but rather one-time requests.

Ms. Castello asked for clarification on how the District came to own the land that the Land Corporation oversees. If the land was donated to the District, should not the monies earned from it be included in the District's revenue stream? Mr. Heimlich replied that, legally, the District could not do what the Land Corporation is doing with long-term leases if the land had stayed under its purview, which is why the Land Corporation was established. Mr. Owens added the land was not gifted to the District, but rather purchased through a directive from the Legislature.

Mr. Heimlich asked those in attendance what they would like to see funded with Land Corporation monies. Responses included:

- Discretionary funds for the Chancellor and college Presidents to be used for small projects.
- Technology Endowment Fund
- State Scheduled Maintenance
- Innovation Fund
- Special Projects
- Capital Outlay
- Student Retention
- Accreditation findings

Mr. Castruita provided information on State Scheduled Maintenance (SSM). The State has not provided SSM monies in many years and the District has had to rely on the Land Corporation for its funding. Mr. Castruita stated his belief that SSM monies will eventually no longer exist and asked that the Land Corporation consider permanent annual funding for this need.

Mr. Owens voiced his opposition to 10% of the Land Corporation's annual ground lease revenue going to the Advancement Foundation Endowment Fund. He stated that the Advancement Foundation does not provide enough information on how the funds are used to justify continuing this transfer amount. He would prefer to see the money spent on other items, such as emergency books loans, tuition, retention, etc. Funding would be established and provided using set criteria.

Ms. Castello indicated that she would like to see the Land Corporation funding process tied to the colleges' funding process. Timing for grants should be such that Land Corporation funding is finalized prior to the start of the college budget request process. She also stated that a long-range plan for technology refresh is needed. Until the plan is developed, the true cost for technology replacement will not be known. Plans for the replacement of instructional equipment are also needed.

Mr. Heimlich, based on the information provided, asked that categories for funding be established. The following categories were identified:

- Maintenance Match
- Technology Refresh and Instructional Equipment
- Students
 - Scholarships
 - Retention
 - Strategic student funding (homeless students)
 - Textbooks
- Capital Improvements
- Innovation Fund
- Discretionary Funds for the Chancellor and college Presidents

- Research Funding

Land Corporation funding is currently provided once per year. Mr. Maduli mentioned that he would like to change the process so funding is provided quarterly. Mr. Owens stated that items funded on an annual basis will first need to be identified before funding for special projects is determined. Mr. Heimlich added that, of the unallocated funds, there will need to be a determination as to how much, or what percentage, will be allocated. Mr. Maduli suggested the following for the timing of allocations:

- January – look at revenues
- March – allocate to categories
- June – set the budget the fiscal year

Mr. Heimlich asked that the identified funding categories be distributed to the administration and that they provide feedback, including projected amounts needed for each category. Once feedback is received, the Allocation of Funds Policy can be revised. Ms. Grey suggested that the Land Corporation not over-commit its funds so that it can deal with emergency requests, if any.

3. Adjournment

The meeting was adjourned at approximately 6:25 p.m.