



**Planning and Budget Committee
2002-03 Minutes**

June 25, 2003
May 28, 2003
April 30, 2003
March 26, 2003
March 12, 2003
February 26, 2003
February 12, 2003
February 19, 2003
January 22, 2003
November 27, 2002
July 24, 2002

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

UNADOPTED MINUTES

June 25, 2003

Present:

Carlos Fletes, Chair
Dr. Victor Jaime
Eric Jacobson
Maria Trejo
Miriam Trejo, ASG Representative
John Abarca, for Lisa Cross

Absent:

Craig Blek
Dennis Carnes
Lisa Cross
Jim Pendley
Director Fiscal Services

Visitors:

Nina Blair
John Hunt
Jan Magno
Gonzalo Huerta
Eileen Ford
Tony Salcedo

Chairman Carlos Fletes called the regular meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, June 25, 2003 in the Board Room.

M/S/C Jaime/Miriam Trejo to approve the minutes of the May 28, 2003 meeting as presented.

2002-03 Budget Update

Chairman Fletes reported that the State Controller has stated that he will not be making payments to community college districts until a state budget is adopted. Legislation could be introduced that would allow payments to continue. The College is expecting a June apportionment of approximately \$1.4 million, and \$1.4 million in July. The College has about \$1.6 in cash reserves, but that will only last a month or so. The College must prepare for a worst case scenario by exploring alternative financing methods, such as loans. The chairman proposed a recommendation from the committee to refrain from initiating any purchases until a state budget is adopted. *M/S/C Jaime/Maria Trejo to recommend that there be no new purchases out of any State apportionment funded program until either a State budget is adopted or State apportionment payments are received, whichever comes first.*

It was noted that federally funded programs are not affected by the recommendation.

Partnership for Excellence

Chairman Fletes reported that the current allocation for 2002-03, after mid year cuts, was \$1.273 million. The projected expense is \$1.223 million for staff (fulltime staff \$985,224 and non-contract part-time staff \$238,000), and \$49,426 for one-time expenditures (mostly equipment). The allocation for 2003-04 is estimated at \$1,089,174, with a carryover of \$79,106, adding back in one-time expenditures of \$49,426, the available balance is estimated at \$1,217,706. The lease revenue bond payment of \$150,000 due July 1 is not included in the estimated expense. The payment will have to be made from District funds because there is no other source of funding. The only alternative is to cut PFE programs. *M/S/C Jaime/Jacobson to recommend the funding of the Lease Revenue Bond payment from District funds, contingent on the 2003-04 PFE allocation.*

The committee noted that there is one full-time temporary instructor included in the PFE expenditures, the funds can be re-allocated for 2003-04.

Meeting adjourned at 2:45 p.m.

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

**UNADOPTED MINUTES
May 28, 2003**

Chairman Carlos Fletes called the regular meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, May 28, 2003 in the Board Room.

2003-04 Budget Update

Chairman Fletes presented the latest information on budgets proposals being considered by the Senate and Assembly, which are more favorable to community colleges than earlier proposals (no cuts to general apportionment, 1.6% growth factor and 10% reduction to PFE).

2003-04 Tentative Budget

The tentative IVC budget was distributed for review. The committee will meet again prior to the June 11 Board meeting with feedback on the budget. The tentative budget includes cuts to Public Relations, Scheduled Maintenance, consultant lines, elimination of the Desert Museum budget, savings from Brawley Extended campus lease. Health insurance may increase between 12 and 29% increase, depending on the recommendation of the Insurance Committee and agreements with bargaining units. Increases to other employer costs (unemployment insurance, retirement, workers comp) are included in the budget.

June 4, 2003

It was the consensus of the committee to recommend the 2003-04 IVC Tentative Budget for approval at the June 11, 2003 Board meeting.

The next regular meeting of the Planning & Budget committee will be Wednesday, June 25, 2003 at 2:00 p.m.

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

UNADOPTED MINUTES

April 30, 2003

Present:

Carlos Fletes, Chair
Craig Blek
Janell Hodgkin
Dr. Victor Jaime
Eric Jacobson
Jim Pendley
Maria Trejo

Absent:

Dennis Carnes
Lisa Cross
ASG Representative

Visitors:

Eileen Ford
Jan Magno

Chairman Carlos Fletes called the regular meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, April 30, 2003 in the Board Room.

M/S/C Pendley/Hodgkin to approve the minutes of the March 26, 2003 meeting as presented.

2002-03 Mid Year Cuts

Chairman Fletes reported that the district is still proceeding on the worst case scenario of a \$26 billion state budget deficit; there is some encouraging news from Sacramento in regards to legislation moving forward to guarantee the property tax backfill for Community Colleges (AB 1417), and the continuing advocacy efforts on behalf of community colleges. The Governor's May revise is anticipated around May 14. The committee will begin meeting more frequently due to the need to review the 2003-04 District budget. The Tentative Budget is due to be presented to the Board of Trustees on June 11. Chairman Fletes stated that health & welfare and workers comp rates have not been settled for 2003-04, the rates may have to be revised for the Final Budget to be adopted in September.

Partnership for Excellence Funds

Chairman Fletes presented a worksheet on projected PFE funds for 2003-04 as a clarification that no funds are available even though mid-year cuts were not as deep as expected. Eric Jacobson stated that he would prefer to see the payment for the Lease Revenue Bonds come from another source. It was noted that the Humanities instructor is a one-year temporary, so \$71,000 will be available for next year. *M/S/C Jaime/Blek to give priority to projects that have already been approved if PFE funding is restored.*

Board Policy Manual

Chairman Fletes presented draft copies of the Board Policy Manual that affect the budget process and/or impact the activities of the committee, and requested feedback for the Board Policy Review meeting on May 7.

Other

Jim Pendley asked about the revised cost of retirement incentives; Chairman Fletes stated that he should have the new information tomorrow.

Meeting adjourned at 2:50 p.m.

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

**UNADOPTED MINUTES
March 26, 2003**

Present:

Carlos Fletes, Chair
Craig Blek
Dennis Carnes
Janell Hodgkin
Dr. Victor Jaime
Lisa Cross
Eric Jacobson
Jim Pendley
Maria Trejo
Miriam Trejo, ASG

Absent:

none

Visitors:

Kathy Berry
Lara Davis
Eileen Ford
Saul Hom
John Hunt
Jan Magno
Tony Salcedo
Sandra Standiford

Chairman Carlos Fletes called the regular meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, March 26, 2003 in the board room.

M/S/C Jaime/Cross to approve the minutes of the February 26 and March 12, 2003 meetings, as presented.

2002-03 Mid Year Cuts

Chairman Fletes presented information on the mid-year cuts, recently approved by the legislature and signed by the governor. Cuts to various categorical programs were proposed at 10-20% by the governor, the legislature's counter proposal averaged 3.6%, but the final result was no cuts to Foster Care, Faculty & Staff Diversity, Part-time Faculty compensation, EOPS, DSPS, CalWorks, and Financial Aid Administration.

PFE was cut 2.2%, down from 10%, and Scheduled Maintenance and Instructional Equipment were funded at 38.4 and 39.5 %, instead of being totally eliminated. Instructional equipment grants funds in the amount of \$72,000 had already been expended by the District, when spending was frozen. Actual funding is \$77,780, so there is \$5,000+ remaining for reallocation. Mr. Hunt will be discussing this issue at the next division chairs meeting.

Partnership for Excellence

Janell Hodgkin, Director of Fiscal Services, presented an analysis of projected salaries payable from PFE funds in 2002-03 and 2003-04. Salaries in 2002-03 amount to \$1,058,550. Commitments for 2003-04 equal \$1,277,915 (including a \$150,000 payment on Lease Revenue Bonds). Funding is projected at \$1,157,412, leaving a deficit of \$120,502 if the worst-case scenario is realized.

| PFE | 2002-03 | 2003-04 |
|----------------------------|---------------------|---------------------|
| Salaries & Benefits | 1,058,550.59 | 1,127,915.76 |
| Lease Revenue Bond payment | | 150,000 |
| Total | <u>1,058,550.59</u> | <u>1,277,915.76</u> |
| Carry-over | | 224,852.78 |
| Projected allocation | | <u>932,560.00</u> |
| Projected 03-04 Funds | | 1,157,412.78 |
| Underfunding | | (120,502.98) |

Jan Magno asked for direction regarding whether she should alert students and department of the possibility of not being able to fund the district match (35%) for federal work study funds (\$40,000 allocation from PFE in 2002-03). Many offices on campus will be unable to provide the same level of service without workstudy students. Perhaps the District will have a better idea of PFE funding by the May revise. Carlos Fletes stated that the committee needs to make provision for the lease revenue bond payment in case PFE funds are not available. The committee discussed the payroll costs being charged to PFE and noted that one instructor is a temporary, who will not be renewed for next year. Some of the increased costs for payroll include step increases and the estimated 9.25% employer's contribution to PERS for 2003-04 (2.894% in 2002-03). Three positions are classified/classified managers and require a 30-day lay-off notice, as opposed to the March 15 notice required for faculty.

Chairman Fletes stated that the 50% reduction to student employment funds will also have a big impact. Funds are already drying up in this year's budget in student employment accounts. Department heads need to monitor their budgets; the fund balance will determine how much carry over money will be available for next year. Other costs may increase for 2003-04, including workers comp. Departments are advised to be very frugal in developing their budgets.

Janell Hodgkin advised the committee members that her department is making transfers to clean up overages. Some accounts are running in the red because purchases orders are exceeded due to taxes and shipping not being included, price changes, etc. Her department has information on 2003-04 salary and benefits costs for departments developing their budgets.

The next committee meeting will be April 30, 2003.

Meeting adjourned at 2:45 p.m.

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

**UNADOPTED MINUTES
March 12, 2003**

Present:

Carlos Fletes, Chair
Dennis Carnes
Janell Couchman
Dr. Victor Jaime
Eric Jacobson
Jim Pendley
Maria Trejo
Quincy Cavers, ASG representative

Absent:

Craig Blek
Lisa Cross

Chairman Carlos Fletes called the special meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, March 12, 2003 in Room 2131.

2003-04 Proposed Cuts

Carlos Fletes reported on revisions to the proposed budget cuts. There will be approximately \$90,000 in savings on copy machine (includes maintenance charges), and that as a result of the March 1 Board Retreat, the recommendation has been made to maintain some level of security. The College will shortly be going out to bid for security services. The cut to contingency has been reduced by 4%. Eric Jacobson asked about the four day work week for Summer 2003, and how the savings were calculated. The cost of electricity is approximately \$1,400 per day (2 days a week x 10 weeks), for a projected savings of \$28,200.

The remaining cuts to make up the \$2.9 million target, will be made in each of the three vice presidents' areas. Business Services will ask the state for a waiver of \$200,000 in matching funds for scheduled maintenance, and has \$19,000 in savings for financial services from the County Office of Education.

John Hunt reported that the Instruction area needs to cut \$461,052. There will be some savings in printing the schedule and catalog. Most of the savings will result from not replacing open positions (resignations and retirements).

In the Student Services area, Dr. Jaime reported that some 199 day counselors may reduce their contracts to 177 days, extra duty will be eliminated, there is one classified employee reducing hours, memberships have been reduced and there is relief from mandated DSP&S services and the required match on various Financial Aid programs.

M/S/C Jaime/Couchman to approve the revised recommended budget cuts

| <i>Recommended Budget Cuts</i> | | |
|---------------------------------------|-------------------------------|------------------|
| SEOG District Match | 100% | 160,000 |
| Museum | 100% | 52,402 |
| Security | 50% | 44,000 |
| Contingency | 96% | 526,608 |
| Overtime | 100% | 83,624 |
| Travel | 50% | 86,819 |
| Student Help | 50% | 54,484 |
| Reserve | 50% (reduce from 6% to 3%) | 882,309 |
| Consultants | 50% | 72,500 |
| Consultants-Instructional | 50% | 10,175 |
| Consultants-non instructional | 50% | 20,213 |
| Extended Campus lease (Brawley) | 100% | 33,000 |
| Public Relations | 50% | 34,670 |
| 4 day week--2003 Summer school | 100% | 28,200 |
| Copy Machine Contract (Danka) | 100% | 90,820 |
| Business Services | 4% | 219,074 |
| Instructional Services | 4% | 461,052 |
| Student Services | 4% | 93,177 |
| | Total recommended cuts | 2,953,127 |

2003-04 Budget Process

Janell Couchman, Director of Fiscal Services, presented information on the 2003-04 budget process and budget development calendar. Access to the budget program is available through April 15. Departments are advised to see their vice presidents regarding the 4% cuts from each area. Line items that are higher than last year will require an explanation that will be included in the notes that accompany the summarized budget. ***M/S/C Jacobson/Jaime to approve the budget development memo and calendar.***

2002-03 Mid Year Cuts

Chairman Fletes reported on the latest information on the proposed mid-year cuts: 2002-03 is looking better due the probability of the increase to vehicle license fees, there are no cuts anticipated to categorical programs, and no property tax backfill guarantee. Jan Magno asked if there is some sense of whether PFE funds will be sufficient to cover salaries. Janell Couchman stated that there is enough PFE money due to carryover funds; she will present information at the next committee meeting on a projection of PFE expenses/funding over the next two years.

The next committee meeting will be March 26, 2003.

Meeting adjourned at 2:45 p.m.

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

**UNADOPTED MINUTES
February 26, 2003**

Present:

Carlos Fletes, Chair
Craig Blek
Dennis Carnes
Janell Couchman
Dr. Victor Jaime
Lisa Cross
Eric Jacobson
Jim Pendley
Maria Trejo
Quincy Cavers, ASG representative

Absent:

None

Chairman Carlos Fletes called the special meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, February 26, 2003 in the Room 2131, with all committee members and numerous visitors in attendance.

Approval of Minutes

M/S/C Jaime/Couchman to approve the minutes of the February 19, February 12 and January 22, 2003 meetings as presented.

Public Relations

Bill Gay, of Reliance Communications, made a presentation to the committee regarding the public relations program and its contribution to the college. He stated that results are difficult to quantify, but the college needs to continue with a pro-active outreach program in order to increase FTES. Ron Schoors, Sandra Standiford and Victor Jaime spoke regarding the value of the public relations program. ***M/S/C Jacobson/Pendley (No: Jaime, Carnes, Blek) to recommend that the Public Relations budget be cut by 50% for 2003-04.***

Action by Administrative Council

Chairman Fletes reported that Administrative Council has eliminated most of the cellular phones; annual savings is from \$12,000 to \$17,000. Most pagers are being retained, as they are more cost effective. Administrative council unanimously decided that if a pay cut is negotiated with staff, administration will accept a pay cut in the same proportion.

First Principal Apportionment Report

Chairman Fletes reported that the general apportionment has been increased by the state to \$12,346,410 due to a projected increase in FTES of 139 (or 2.8%); therefore, the 6% reserve amount increases to \$1,764,617 and unrestricted contingency increases to \$548,550. When these new amounts are applied to the budget reductions recommended by the committee, the total cuts increase to \$2.95 million. A \$2.95 million reduction to the 2003-04 general apportionment would equal 23.95%.

M/S/C Couchman/Jaime to recommend that the 2003-04 budget cut amounts previously approved be updated to reflect information received in the First Principal Apportionment report: Reserves (50% reduction = \$882,309) and Contingency (\$548,550).

| Recommended Budget Cuts | | |
|--------------------------------|----------------------------|------------------|
| SEOG District Match | 100% | 160,000 |
| Museum | 100% | 52,000 |
| Overtime | 100% | 83,624 |
| Travel | 40% | 69,455 |
| Security | 100% | 88,000 |
| Student Help | 50% | 54,484 |
| Reserve | 50% (reduce from 6% to 3%) | 882,309 |
| Consultants | 50% | 49,102 |
| Consultants-Instructional | 50% | 7,378 |
| Consultants-non instructional | 50% | 16,282 |
| Contingency | 100% | 548,550 |
| Total recommended cuts | | 2,011,184 |

FTES: The state has certified 5,122 FTES for the College, leaving room for growth of 134 FTES. Jim Pendley asked if the summer session FTES would count for 2002-03; according to Sandra Standiford it would.

Fees: Dennis Carnes asked when the new fees would be in effect; Sandra Standiford stated that it would probably be July 1, and the College may have to collect fees retroactively because enrollment for Fall would already be in progress.

Janell Couchman presented information on the impact of the first principal apportionment information on categorical funding, and reported that Fiscal Services would be meeting individually with special programs to make the needed adjustments.

P-1 REVIEW 2002-2003

| | ORIGINAL BUDGET | P1 | REDUCTION | Actual | NOTES: |
|--------------------------|-----------------|-----------|-----------|---------|--|
| BFAP | 74,206 | 71,589 | (2,617) | -3.53% | 3.66% Reduction across the board |
| DSPS | 520,959 | 498,800 | (22,159) | -4.25% | 3.66% Reduction across the board |
| ENR FEE WAIVER ADMIN FEE | 20,069 | 20,069 | 0 | 0.00% | |
| PFE | 1,452,232 | 1,307,009 | (145,223) | -10.00% | 10% Reduction across the board |
| CALWORKS | 427,280 | 329,780 | (97,500) | -22.82% | 3.66% Reduction across the board |
| INSTR EQUIP GRANT | 197,042 | 77,780 | (119,262) | -60.53% | **PENDING** |
| PART TIME FACULTY COMP | 267,471 | 257,678 | (9,793) | -3.66% | 3.66% Reduction across the board |
| TTIP | 114,597 | 68,539 | (46,058) | -40.19% | 4CNET data and video are only costs covered. |
| EOPS | 1,006,018 | 977,718 | (28,300) | -2.81% | 3.66% Reduction across the board |
| CARE | 122,682 | 118,753 | (3,929) | -3.20% | 3.66% Reduction across the board |
| STAFF DIVERSITY | 11,492 | 11,492 | 0 | 0.00% | 3.66% Reduction across the board with BOG absorbing the reduction - no affect to districts |
| TANF | 75,375 | 75,375 | 0 | 0.00% | |
| ECON DEV GRANT | 63,327 | 48,313 | (15,014) | -23.71% | Based on College Work Group Plan. |
| VATEA | 387,707 | 193,854 | (193,853) | -50.00% | Certified for 1/2 year only. |
| MATRICULATION | 315,370 | 261,257 | (54,113) | -17.16% | NO REDUCTION AT THIS TIME. Only a limited amount has been certified. |
| | 5,055,827 | 4,318,006 | (737,821) | -15% | |

Proposed Budget Cuts

The committee discussed further cuts to address a worst case scenario of a \$2.95 million cut. It was the consensus of the committee that direction is needed from the board regarding personnel before the committee can recommend further cuts, and that the institutional priorities should be student needs and preservation of staff. ***M/S/C Pendley/Blek (No: Carnes) that barring any significant information from the State, the Planning & Budget committee not meet again until after the next board meeting.***

The committee discussed moving the cut off date for purchase orders from April 15 to March 15 as a cost savings measure, but no action was taken. The committee agreed that it is reasonable to try to cut back, especially in the area of special orders out of office supply accounts. ***M/S/C Jacobson/Jaime (No: Blek) to recommend that office supply items (object code 4550) only be obtained from the warehouse, effective immediately.***

The committee discussed the possible costs savings that may be realized by partnering with high schools, other entities, to save in lease costs for Extended campus sites. Renee Fenn, Dean of Extended Campus, reported that a lot of headway has been made in regard to free space in Brawley, which would save \$33,000-\$36,000 annually. ***M/S/C Jacobson/Blek to recommend that partnerships be encouraged (with no reduction in services to students and staff) to save on lease costs.***

M/S/C Jaime/Trejo to recommend that the potential savings on the Brawley Extended Campus lease (\$36,000) be included in budget cut scenarios.

Meeting adjourned at 4:05 p.m.

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

MINUTES
February 12, 2003

Present: Carlos Fletes, Chair, Craig Blek, Dennis Carnes, Janell Couchman, Dr. Victor Jaime, Lisa Cross, Eric Jacobson, Jim Pendley, Maria Trejo and Miriam Trejo, ASG representative. **Absent:** None

Chairman Carlos Fletes called the special meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, February 12, 2003 in the Transfer Center, with all committee members and numerous visitors in attendance.

Proposed Budget Cuts for 2002-03 and 2003-04

Chairman Fletes presented information on the proposed mid year cuts to the 2002-03 state budget, which is based on a \$26 billion state deficit and amounts to a \$648,847 cut to various categorical programs. For 2003-04, the projected loss in funding for IVC is \$3.9 million, which includes a \$1.1 million cut to categorical programs. The State is also proposing increasing enrollment fees to \$24/unit which will have an impact on enrollment.

Chairman Fletes stated that \$3.9 million is the target number for budget reductions; numerous suggestions have been received by the committee and are presented as a starting point for discussion, with the assumption that layoffs are to be avoided. Dr. Victor Jaime noted that a \$1.1 million reduction in categorical programs may mean layoffs, and some employees in categorically funded positions are tenured and have bumping rights that may impact other district funded employees.

Dr. Jack Fujimoto applauded Chairman Fletes efforts in involving stakeholders; he reminded the committee that at other colleges the CEO and the board make the budget decisions. He stated that the committee has the opportunity to work with the Board, and he encouraged the committee to continue the process. He wouldn't wish to see things go backwards, and have the Board make all the decisions.

Possible Budget Cuts

Chairman Fletes reported that various suggestions have been received by committee members for budget cuts. The "target number" for 2003-04 is \$3.9 million.

| <i>Possible Budget Cuts</i> | |
|--|------------------|
| Categorical programs | 1,105,995 |
| Summer school | 570,980 |
| Overtime | 83,624 |
| Travel (30% of \$173,637) | 52,091 |
| Student help (50% of \$108,968) | 54,484 |
| Security | 88,000 |
| Museum | 52,000 |
| Public Relations | 69,339 |
| Reserves—reduce to 3% (from \$1,620,000) | 810,000 |
| 5% pay cut | 700,000 |
| Balance from Contingency | 322,358 |
| Total proposed cuts | 3,908,871 |

Discussion: Chairman Fletes stated that these suggestions are just a starting point for discussion and are not listed in any order of priority.

Summer School: Jim Pendley stated that summer school generates the cheapest FTES. Chairman Fletes stated that it costs about \$570,000 and generates about 300 FTES @ 3700 = \$1.1 million. However, under a restoration agreement with the state, IVC has three years to make up a drop in FTES, so revenue is not lost immediately. FTES can be made up at any session, not just through summer school. Currently the college is right below its 5100 FTES cap, but new information will be received from the state in late February in the first principal apportionment report. The state may adjust the cap downward, and the college may already be over cap and not know it. I

Copiers: Eric Jacobson asked about the cost of copy machines, Chairman Fletes stated that copy machine leases run about \$260,000 annually. The College is in the process of getting out of the lease on the big Kodak copier, and getting a smaller machine as part of a cost savings plan.

Travel: Chairman Fletes stated that 30% cut in travel is a figure used by other colleges. The committee discussed how much travel is required (i.e. Nursing), whether more teleconferencing could be done, and the possibility of increasing the cut to 50%. Jim Pendley asked how much athletic travel costs; \$86,000, but it is separate from district travel.

Reserves: The committee discussed reducing the 6% reserve; Chairman Fletes reported that the Chancellor's Office recommends a 5% reserve as the "prudent level" to maintain. If a district dips below 3%, it is put on a "watch list" by the Chancellor's Office. Dennis Carnes asked how many community colleges have a 3% reserve; Chairman Fletes stated that the Chancellor's Office does not track that information.

Pay Cut: Jim Pendley asked how long it took for the employees to accumulate a 5% increase in pay; according to Chairman Fletes it took about 4 years.

Other: Craig Blek suggested that a contingency plan based on cuts of 5%, 10%, etc., be developed. Eileen Ford suggested adding retirement incentives. Jan Magno suggested asking all areas for ideas—little things add up (recruitment, orientation, festivals, air dryers vs. paper towels, etc).

Jim Pendley suggested that the "top three" suggestions be discussed at the next meeting: summer school, 5% pay cut and reducing the reserve.

Hiring Freeze

Jim Pendley stated that it makes no sense hiring new employees at this time. He proposed a total hiring freeze on all positions, with the exception of the CEO. *M/S/Pendley/Cross to recommend a hiring freeze for all positions, except for the CEO, effective immediately.* Discussion: the committee discussed the need for some flexibility in hiring because of key positions, impact on programs and potential loss of grant funds. *No: Jaime, Carnes, Blek, Miriam Trejo, Fletes; Yes: Pendley, Couchman, Jacobson, Maria Trejo, Cross. Motion did not carry.*

M/S Pendley/Cross to recommend a hiring freeze on all District funded position, except for the CEO, effective immediately. Discussion: The committee discussed the need for some flexibility in hiring, but that the committee would not be the appropriate body to make decisions regarding hiring specific positions. ***No: Jaime, Blek, Maria Trejo, Miriam Trejo, Fletes, Yes: Pendley, Carnes, Couchman, Jacobson, Cross. Motion did not carry.***

M/S/C Blek/Jaime (abstain: Pendley, No: Carnes) to recommend a hiring freeze (except for the CEO and except in a dire emergency, as deemed by the CEO), on all District funded positions, effective immediately.

Human Resources Consulting Services

Janell Couchman stated that the contract with Sereno Group on the current board agenda was for consulting services. She suggested that the committee communicate to the Board that a freeze has been placed on consultant services. Discussion: It was noted that the agreement with Sereno Group would be on an “as-needed” basis, because of the absence of a Director of Human Resources. The committee discussed the appropriate method of communicating with the board on this issue, since it is on the agenda for today. It was noted that the use of public comment or directing Chairman Fletes to communicate directly to the Board would be inappropriate. The motion was amended to state that the committee recommends placing a specific dollar amount limit on the contract, and that the recommendation be communicated to the President. ***M/S/C Couchman/Jacobson to recommend to the President that the a dollar limit be put on the agreement with the Sereno Group for H/R consulting services.***

Next Meeting

The committee will meet on Wednesday, February 19, at 3:00 p.m.

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

UNADOPTED MINUTES

February 19, 2003

Present:

Carlos Fletes, Chair
Craig Blek
Dennis Carnes
Janell Couchman
Dr. Victor Jaime
Lisa Cross
Eric Jacobson
Jim Pendley
Maria Trejo
Quincy Cavers, ASG representative

Absent:

None

Chairman Carlos Fletes called the special meeting of the Planning and Budget Committee to order at 3:00 p.m. on Wednesday, February 19, 2003 in the Board Room, with all committee members and numerous visitors in attendance.

Minutes of the February 12, 2003 meeting were distributed, and Chairman Fletes asked the committee to review the minutes prior to the next regular meeting on February 26, 2003.

Proposed Budget Cuts

The committee began the discussion of proposed budget cuts, as suggested at the last meeting, by concentrating on three issues: summer school, pay cuts and reducing the reserve fund.

Summer School: Dr. Victor Jaime and Sandra Standiford, Dean of Admissions, shared information on the summer classes needed by students who have petitioned for graduation. Jim Pendley stated that of the items on the "hit list", only summer school generates more income than it costs. ***M/S/C Blek/Pendley to recommend that the 2003-04 Summer session be eliminated from the list of budget cuts.*** Chairman Fletes stated that information from the state on the cap will be received soon; if the cap is reduced, the issue of enrollment management will need to be revisited for future semesters (beyond Summer 03) in order to avoid unfunded FTES.

Pay Cut: ASG Representative Miriam Trejo stated that the students are being hit hard by the increase in enrollment fees, and that a pay cut should be proposed to the unions. Dennis Carnes stated that employees might take a pay cut in exchange for other incentives; the alternative is some employees may lose their jobs, a pay cut would spread the hit. ***M/S/Carnes/Miriam Trejo to recommend a 2% across-the-board pay cut be negotiated. No: Blek, Pendley, Cross, Maria Trejo, Couchman, Jacobson, Yes: Carnes, Fletes, Jaime, Miriam Trejo. Motion DID NOT CARRY.***

The committee reviewed various scenarios, based on cuts ranging from \$2.8 million (23.95%) to \$1.1 million (10%). Chairman Fletes stated that a recommendation is needed from the committee in advance of the March 12 board meeting (due to the need to issue "March 15" lay-off notices); the Board will be ultimately responsible for making a decision based on recommendations from the committee, or its own findings.

M/S/C Couchman/Pendley to recommend the following cuts:

| <u>Scenario #3</u> | | |
|---|-------------------------------------|--------------------|
| SEOG District Match | 100% | 160,000 |
| Museum | 100% | 52,000 |
| Overtime | 100% | 83,624 |
| Travel | 40% | 69,455 |
| Public Relations | 100% | 69,339 |
| Security | 100% | 88,000 |
| Student Help | 50% | 54,484 |
| Reserve | 50% (reduce from 6% to 3%) | 810,000 |
| Summer School | 50% | 285,490 |
| Supplies | 10% | 66,577 |
| Consultants | 50% | 49,102 |
| Consultants-Instructional | 50% | 7,378 |
| Consultants-non instructional | 50% | 16,282 |
| Athletics | 20% | 72,742 |
| Contingency | 100% | 322,358 |
| Salary Cert. & Classified | 1.5% | 210,000 |
| Lay-off/Attrition Classified | 4 employees | 136,000 |
| Lay-off/Attrition Certificated | 4 employees | 252,000 |
| | <i>\$2.8 Million or 23.95% Cuts</i> | <i>2,804,831</i> |
| | Total recommended cuts | 1,712,683 |

Reserve: A reduction to the reserve fund, from 6% to 3%, is included in the approved budget cuts.

The committee will consider further cuts, in the amount \$1 million, at its next meeting.

Public Relations Program

Chairman Fletes reported that Bill Gay, from Reliance Communications, had asked to make a presentation to the committee at its next meeting regarding the public relations program. Discussion: Elise Bryant from Reliance Communication stated that \$17,000 of the budget is for paid advertising. Several members of the committee stated that public relations was previously handled in-house. **M/S/C Carnes/Blek to postpone discussion of the Public Relations program until the next committee meeting.**

Freeze on Spending

Janell Couchman suggested moving the deadline for entering requisitions to March 15; some K-12 districts have already implemented a spending freeze. Discussion: Some committee members stated that they wanted to avoid micromanaging the budget. The committee asked how cost centers are able to overspend their accounts. No action taken.

Chairman Fletes stated that the \$2.8 million deficit is the worst case scenario. If the state budget cut is only 15%, the committee has already accomplished its goal. He thanked Dawn Chun for her work on the budget cut scenarios. Dennis Carnes stated that he would like to re-address salary cuts at the next meeting, in order to give unions a chance to vote on the issue.

Next Meeting

The next committee meeting will be held Wednesday, February 26, 2003 at 2:00 p.m. in room 2131, and on a weekly basis for the near future.

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

MINUTES
January 22, 2003

PRESENT:

Carlos Fletes
Craig Blek
Dennis Carnes
Janell Couchman
Jan Magno (for Victor Jaime)
Jim Pendley
Larry Welch (for Eric Jacobson)

ABSENT:

Lisa Cross
Dr. Victor Jaime
Maria Trejo
Eric Jacobson
ASG Representative

Visitors: Olga Artech, Kathy Berry, Mary Kay Borchard, Dawn Chun, Leonard Fabian, Renee Fenn, Eileen Ford, Dr. Jack Fujimoto, Harold George, STRATA, Richard Hann, Gonzalo Huerta, John Hunt, Mary Lofgren, Bruce Marcuson, Patricia Robles, Sandra Standiford, and Cathy Zazueta

Chairman Carlos Fletes called the monthly meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, January 22, 2003 in the Board Room.

Approval of Minutes

M/S/C Welch/Carnes to approve the minutes of the November 27, 2002 and December 17, 2002 meetings, as presented.

2002-03 Mid Year Budget Cuts

Chairman Carlos Fletes presented information on the mid-year budget cuts being proposed by the Assembly and the Senate; both proposals exclude general apportionment and matriculation but target special programs with an average cut of 3.6%.

The proposed cut for Partnership for Excellence is 10%--a \$145,000 reduction for IVC. Funding for scheduled maintenance (\$197,000) and Instructional Equipment (\$197,042) is totally eliminated. These cuts are very likely since they are contained in both the Senate and Assembly proposals. Action is needed immediately to stop spending, \$109,000 has already been expended or encumbered from the Instructional Equipment grant.

Under the scheduled maintenance program, \$40,000 has already been spent to replace an electrical transformer; these expenses will now have to be paid with district funds. A hold has been put on the transformer project and the replacement of automatic doors due to the loss of funding.

Nothing can be done about items already received, but orders in process need to be cancelled. Most of the expenses in PFE are ongoing (salary and benefits); about \$50,000 has already been expended or encumbered for equipment. The bulk of the carryover PFE funds consists of the \$41,000 final payment on the Reading/Writing Lab and the \$85,000 allocation for the firing range. According to Gonzalo Huerta, the firing range is not likely to be operational by June 30.

Chairman Fletes asked for direction/recommendations from the committee on steps to take to stop spending since the budget cuts are imminent. PFE and Instructional Grant funds are special monies; the district does not automatically backfill the loss. Decisions regarding the cuts to other special programs (EOPS, DSP&S, etc) are made within the programs.

Discussion: Jim Pendley stated that he didn't like making cuts one by one, he wants to see a package of cuts; all areas should share in cuts; all items, including personnel should be considered; departments that did not spend their funds already are being penalized; what about using the reserve? Jan Magno stated that it is no longer "business as usual", next year cuts of 40-50% are anticipated. Dr. Fujimoto stated that he had no difficulty in freezing expenditures now, and building "fairness" into next year's budget.

M/S/C Blek/Magno (No: Pendley) to freeze spending from Instructional Equipment Grant and Partnership for Excellence funds, effective immediately.

M/S/C Pendley/Welch (Abstain: Blek) to recommend that allocations from the Instructional Equipment Grant and Partnership for Excellence funds be reinstated when funds become available, and have priority over any other allocations.

Janell Couchman proposed looking at the \$109,000 already spent from the Instructional Equipment Grant to see if any of the expenditures meet PFE triggers. ***M/S/C Couchman/Magno (No: Pendley) to transfer qualified expenditures from the Instructional Equipment Grant to Partnership for Excellence.***

Jim Pendley proposed putting personnel on the table. Discussion: Various "key" positions are in the process of hiring (i.e. Director of Technical Services), there is also the need for a Spanish teacher, LVN personnel and others to meet grant requirements. Larry Welch stated the College needs a plan for dealing with cuts, and a priority list based on the percentage of budget to be cut. Other strategies such as freezing overtime, voluntary reduction in hours, freezing travel were suggested. Dennis Carnes stated that a rational approach is needed, backed up by data, and that radical ideas should be considered including increasing teacher load, operating four days a week (6:00 a.m., 10:30 p.m.), etc. Jim Pendley stated that the Board needs to shoulder part of the load and use the reserve.

M/S/DID NOT CARRY Pendley/Welch (No: Blek, Carnes, Fletes, Magno; Yes: Couchman, Pendley, Welch) to recommend an immediate freeze on all hiring of District funded positions (with the exception of the Superintendent/President), until further notice.

M/S/C Couchman/Welch to recommend a freeze on expenditures for overtime/extra help, non-contract consultants and conference travel (new), effective immediately.

M/S/C Couchman/Carnes (No: Blek) to recommend that voluntary reduction in hours with pro-rata pay and medical benefits and no loss of seniority be made available to classified staff, and that supervisors be encouraged to support the program.

M/S/C Pendley/Carnes to recommend to the President and the Board of Trustees that the 6% reserve be reduced to 4%; funds to be released July 1, 2003.

The committee discussed the impact of the proposed increased enrollment fees on FTES, the procedure for notifying staff in case positions have to be cut, the need for an action committee to plan for budget cuts. It was noted that the 2003-04 budget process will begin in February and a lot of difficult decisions will have to be made. Carlos Fletes stated that he will contact legal counsel and the Chancellor's Office for more direction regarding layoff notification procedures.

Chairman Fletes thanked all in attendance for their contribution to the discussion.

Meeting adjourned at 4:00 p.m.

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

MINUTES
November 27, 2002

PRESENT:

Carlos Fletes
Dennis Carnes
David Chavez, ASG
Janell Couchman
Jim Pendley
Dr. Victor Jaime
Maria Trejo
Larry Welch (for Eric Jacobson)

ABSENT:

Craig Blek
Lisa Cross
Eric Jacobson

VISITORS:

Eileen Ford
Dr. Jack Fujimoto
Gonzalo Huerta
John Hunt

Chairman Carlos Fletes called the regular monthly meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, November 27, 2002 in the Board Room.

Approval of Minutes

M/S/C Jaime/Welch to approve the minutes of the October 23, 2002 meeting.

PFE Proposals

Discussion: The allocation for the Language Lab/Learning Services should be \$23,635. Larry Welch noted that there was not a request from Humanities to replace the chairs in room 409; Chairman Fletes responded that chairs do not meet PFE triggers but the Instructional Equipment Grant funds could be used. Jim Pendley stated that he did not understand that the proposals were for one-time funding, the math lab position meets triggers and is a student driven item. Chairman Fletes stated that it is important for the committee to clarify what will happen if PFE funds are lost, anything is fair game right now in the State budget. The committee discussed bumping rights of faculty hired with PFE funds; PFE is categorical funding in one sense but district in another sense. Faculty hired with PFE funds are counted toward the 50% law, whereas staff paid from restricted funds are not counted. The committee agreed to discuss at its next meeting whether to continue to fund on-going activities or to limit funding to one-time items, which could be carried over year to year. Speakers hired under Academic Senate proposal will be available to students as well as faculty and staff.

M/S/C Pendley/Carnes to approve PFE proposals submitted by Academic Services (\$184,000) and Student Services (\$38,000).

PFE Local Investment Survey

The PFE survey is due January 24, 2003. PFE proposal that go into the budget become part of the PFE plan. Dr. Victor Jaime proposed that all PFE requests be sent back to their originators to indicate what percentage of each trigger is met in order to facilitate completion of the survey.

State Budget Outlook

Chairman Fletes reported that the state is estimating a \$15-\$20 billion shortfall for next year. He will have more information after the budget workshop on January 14. There is concern that the Prop 98 guarantee may be lifted. PFE, instructional equipment grant, and part time faculty compensation are all fair game. Dr. Fujimoto listed three strategies that IVC could use if the governor cuts the budgets: 1) consolidate, 2) contract (maximize FTE, explore non-credit, grants), and 3) RIF (reduce work force). The committee discussed the possibility of consolidating the various computer labs in order to maximize equipment, time and support staff. Chairman Fletes stated that he may call a special meeting to discuss mid year cuts (there is no regularly scheduled December meeting).

Hiring of Full-time Temporary Staff for Spring 2003

John Hunt reported on the list of recommended hires for Spring 2003 (Astronomy/Mathematics, English, ESL and History). He stated that the five full time temporary faculty members hired for Fall 2002 had 31.5, 37.5, 46, 31 and 36.75 FTES. The committee discussed how many of the FTE were additional. Mr. Hunt stated that the institutional researcher is working on determining the actual increase and how close the college is to cap. M/S/C Jaime/Couchman to approve hiring of the full-time temporary staff.

Meeting adjourned at 3:20 p.m.

**IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE**

MINUTES
July 24, 2002

PRESENT:

Carlos Fletes
Janell Couchman
Dr. Victor Jaime
Jan Magno
Jim Pendley
Maria Trejo
Anna Vicuna

ABSENT:

Craig Blek
Eric Jacobson
ASG Representative

VISITORS:

Dr. Jack Fujimoto
Larry Welch

Chairman Carlos Fletes called the regular meeting of the Planning and Budget Committee to order at 3:00 p.m. on Wednesday, July 24, 2002 in the Board Room.

Approval of Minutes

M/S/C Jaime/Pendley to approve the minutes of the June 26, 2002 meeting.

2002-03 State Budget Update

Carlos Fletes reported that there is still no State budget and a \$9.8 billion deficit is projected for 2003-04. The State will be paying the July 29 apportionment (which will include \$528,000 withheld from IVC's June payment). If the budget is not adopted and state checks are withheld, the College has \$3 million in TRANS (Tax Revenue Anticipation Notes) to draw on. The College does not have any Prop 27 projects due to IVC being over capacity for classroom and lab space; however, the College may qualify for modernization funds in the future. The Campus Operations Committee will need to look at which building need modernization and the College needs to determine whether it will pursue a bond issue for a new science building or upgrade current facilities.

ATAC and ITAC Membership on Committee

The committee re-visited its previous recommendation to extend membership to the chairs of the ATAC and ITAC committees; it was the consensus of the committee not to change the present composition of the Planning & Budget committee

TTIP Budget Cuts

Carlos Fletes reported that TTIP funds have been cut; only funding for the 4Cnet line will be ongoing, Total Cost of Ownership and Technology Training (HR) will not be funded. The 4Cnet line is only used for teleconferencing and the funding equals IVC's cost for the line. There are some carryover funds from last year; Fiscal Services will determine the impact of the funding cut on this year's activity and report back to the committee. The HR component was used for travel, equipment, the Technology Center and for a technician in the Technology Center. TCO funds were used mainly for computers for

student access. Funding for Library Automation was not mentioned. It is estimated that \$160,000 (\$40,000 HR and \$120,000 TCO) in funding has been lost.

The committee discussed the cost of the County Office of Education's fiber optic line; Chairman Fletes explained that IVC pay \$4,000 for one demarcation point and the Extended Campus sites are connected to IVC via T-1 lines. He will look at the cost of switching Extended Campus to the T-3 line.

Other

Chairman Fletes reported PFE funding will probably be the same as last year and part-time faculty compensation will continue. PFE proposals are due October 15.

Dr. Fujimoto, Interim Superintendent/President asked for clarification on the structure of the new Information Technology committees (ITAC, ATAC, Planning and Website Development) and the flow of recommendations to the Executive Board, College Council and Planning & Budget Committee. Planning is a short term committee that will develop a vision statement and goals. ATAC and ITAC will be ongoing advisory committees. College Council will be making the ultimate technology recommendations. There is \$3.5 million available over three years for technology, if the budget is exceeded, Planning and Budget will have to make recommendations. Carlos Fletes suggested that another function of the Planning Committee would be to establish the flow of technology recommendations. Dr. Fujimoto stated that it is very critical that ITAC come forward with recommendations on the Instruction side.

Meeting adjourned at 4:00 p.m.