



Planning and Budget Committee  
2008-09

August 27, 2008  
September 24, 2008  
September 30, 2008  
October 22, 2008  
November 17, 2008  
December 10, 2008  
December 12, 2008  
January 28, 2009  
February 25, 2009  
March 11, 2009  
March 25, 2009  
April 22, 2009  
May 13, 2009  
May 27, 2009  
June 5, 2009  
June 10, 2009  
June 12, 2009



## Planning and Budget Committee

August 27, 2008

### Members Present:

✓John Lau, VP for Bus Svcs, chair  
✓Dr. Victor Jaime, Admin. Rep.  
✓Dr. Bruce Seivertson, Academic  
Senate President  
\_John Abarca, College Council Chair

✓Eric Jacobson, Faculty Rep.  
✓Dr. Lianna Zhao, Faculty Rep.  
✓Carlos Fletes, Director of Fiscal Svcs  
✓Dawn Chun, CMCA Representative  
✓Betty Kakiuchi, CSEA Rep.

Recorder: Mary Carter

✓Gail Parish, CSEA Representative  
✓Chantilee Mendenhall, ASG  
Representative

### Non-Voting

✓Kathy Berry, VP Academic Services

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**Call to order:** The meeting was called to order by John Lau, committee chair at 1:30 p.m. on Wednesday, August 27, 2008 in the Board Room.

**Approval of minutes:** *M/S/C Parish/Zhao (abstain: Seivertson) to approve the minutes of the June 11, 2008 meeting as presented.*

**State Budget Update:** John Lau reported that there is still no State Budget, possibly the State will pass a budget by October 1.

**Status of 2007-08 budget closing/ending balance:** Carlos Fletes reported that 2007-08 budget closing will be finalized by this weekend. There is more than \$300,000 variance in budget to actual due to departments not spending their full allocations and transfers to one-time and categorical funds. The budget is still in a deficit mode, with a \$3 million gap between revenue and expense. Next year, programs will be asked to close their budgets as close to July 1 as possible. This year, adjustments are still being made by programs. Mr. Fletes is working on the quarterly report, which will show the fund balance. John Lau stated that bond rating agencies are concerned over the College's use of reserves to balance the budget, and that it will be critical for revenues to equal expense in future years.

**Deadline for adoption of Final IVC budget: October 15, 2008, per State Chancellor's Office:** The State has extended the deadline for community colleges to adopt their budgets, and IVC will send its final budget to the board for adoption at the October 15 meeting.

**Budget presentation to Board of Trustees:** John Lau reported that he will make a three part presentation to the Board on October 15, consisting of recent budget history, the budget itself (which is fixed) and impact on future years. Mr. Lau will also make the presentation to Planning and Budget and Academic Senate. Jan Magno stated that the board should be educated that they have the final fiscal responsibility and that raises should not be paid from reserve funds. Suzanne Gretz stated that unions should not be blamed for being greedy; if an offer is made, it is illegal for union representatives to turn it down. John Lau stated that use of reserve funds takes flexibility away for the College. The College left the premise of revenue equaling expense and relied on one-time monies.

**Update on cash flow financing (TRANS):** John Lau reported that in response to the lack of a state budget and no apportionment payments being made, the College has done short term financing of \$7.5 million at 1.62% interest through Tax Revenue Anticipation Notes (TRANS). These funds can be reinvested at 3% to help offset the cost of borrowing. The \$7.5 million should meet the College's cash needs through November.

Update on Student Accounts Receivable/Registration Policy for Students Owing Fees: John Lau reported that the College has instituted a new policy that students must pay old fees before they can register. This policy will address collections of current fees. Old debt will be referred to a collection agency. The College has significant bad debt (\$1.7 million); of that \$300,000 to \$500,000 is very old and probably uncollectible. The College will be writing off \$300,000 in bad debt over the next three years. This debt will not be written off individual student accounts, but will be accounted for using the allowance method. Carlos Fletes reported that after late registration, fee letters will be sent to students. This will be their third notification of their fees, and they will be asked to pay by December. If they do not pay they will be unable to enroll, and will be sent to collections.

Response to Accreditation recommendations/Report by sub-committee: John Lau reported that a sub-committee has been created to meet the response date for the accreditation recommendations. The sub-committee is meeting every Friday at 8:30 a.m., with the response due by September 29.

The Planning and Budget Committee is isolated on the current organization chart, the committee needs to communicate with everyone in order to be effective. It is important that every member understand the mission and role of the committee. There are two distinct parts to the committee's role: strategic planning, which is critical in the response to accreditation and budget. Due to the growth the college has experience and new demands on management; it is time to assess those roles and change to meet those demands. The College can't do strategic planning in isolation, and the sub-committee is working on making recommendations.

Kathy Berry reported that it is critical to demonstrate to WASC that the College has taken the accreditation recommendations seriously. Two issues are SLOs and planning not being integrated. The College has program reviews that are not used. Program reviews have to be tied to the budget and program reviews have to feed into the educational master plan. Kathy Berry discussed the program review form that was developed by division chairs; budget changes must be justified and long term needs must be captured and put on the radar. The form includes sections for maintenance needs, new facilities, marketing and compliance issues. Victor Jaime stated that not everything will be funded, but that a document is needed to show that planning has taken place. John Lau stated that the College must consider the total cost of new programs.

Mr. Lau stated that he is looking into training for committee members, to educate them on strategic planning.

Update on Classified hiring prioritization procedure: John Abarca was not present to report.

Meeting adjourned at 3:00 p.m.



## Planning and Budget Committee

September 24, 2008

### Members Present:

✓John Lau, VP for Bus Svcs, chair  
✓Dr. Victor Jaime, Admin. Rep.  
✓Dr. Bruce Seivertson, Academic  
Senate President  
✓John Abarca, College Council Chair

✓Eric Jacobson, Faculty Rep.  
✓Dr. Lianna Zhao, Faculty Rep.  
✓Carlos Fletes, Director of Fiscal Svcs  
✓Dawn Chun, CMCA Representative  
✓Betty Kakiuchi, CSEA Rep.

Recorder: Mary Carter

✓Gail Parish, CSEA Representative  
✓Chantilee Mendenhall, ASG  
Representative

### Non-Voting

✓Kathy Berry, VP Academic Services

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### Call to order

The regular meeting was called to order by John Lau, committee chair at 1:30 p.m. on Wednesday, September 24, 2008 in the Board Room.

### Approval of minutes

***M/S/C Parish/Jaime to approve the minutes of the August 27, 2008 meeting as presented.***

### "Program Review as Recommended by WASC"

Dr. Ed Gould presented information on the model for an effective Program Review. The PowerPoint presentation was obtained from WASC, and shows what the accrediting commission is looking for from colleges. IVC is currently on warning status from the accrediting commission, and needs to show continuous quality improvement, integration of systems, and resource allocation that is tied to Program Reviews. The College has not been continuously planning, and living by that plan. The College must also measure what it does. It is an SLO requirement to provide proof of outcomes (i.e. degrees, certificates). The College is currently looking at improving the flow of communication and changing committee structures. Allocation of resources, human, physical, technical and financial must be allocated appropriately, and finance needs to support institutional objectives.

Discussion: Kathy Berry stated that Program Review is not a top down process, information must come up from the programs, and decision must be made based on data. Dr. Gould stated that programs usually ask for more resources regardless of data, now data is going to run rampant. The next wave will be accountability, and measurement of outcomes.

### State Budget Update

Dr. Gould reported that the budget has been signed by the Governor, and that state funds will be released. John Lau stated that the budget contains a .68% COLA (cost of living adjustment) and 2% enrollment cap. There is a partial property tax backfill, with a possible \$350,000 coming to the College. Cash flow during the budget impasse was covered by TRANS (Tax Revenue Anticipation Notes) financing. If the economy worsens, mid-year adjustments are possible, as well as further delays in state payments.

### 2007-08 Budget Closing/Four-Year Budget Analysis

John Lau reported that in order for the budget to be a reliable management tool, the variance between actual and budgeted amounts need to vary (favorably) by no more than 2%.

Carlos Fletes reported that while variances in revenue were small, there were large variances in expenditures. There was a \$88,000 variance in certificated salaries, and a \$180,000 overrun in overload

salaries. Services, supplies, and capital outlay had smaller differences, but still had a 4% variance. Mr. Fletes stated that Lottery funds, which have not been spent over the past two years, should be used to relieve the District instructional supply accounts. These are funds that can only be used for classroom supplies.

Expenditures continue to exceed revenues, and the reserve fell from 27% in 2006-07 to 19% at the end of 2007-08. Due to the variance from budgeted amounts, the ending deficit for 2007-08 was \$1.6 million, down from the original estimate of \$3 million.

The 2008-09 budget is projected to be \$3.2 million in the red, bringing reserves down to 9%. There has been a 7% increase in expenses, but only a 2.29% increase in revenue.

John Lau stated that there are concerns about the significant variance in adjunct/overload salaries. Kathy Berry stated that enrollment management is a complex process, but that the budget is finite and while divisions must work to satisfy needs, they must have targets as to how much overload and how much adjunct funds are available

John Lau stated that in the future, more justification will be needed for supply accounts. Also, the College will be returning to centralized purchasing.

**Adjustments to Tentative Budget:**

Carlos Fletes reported on adjustments to the 2008-09 budget that have been made since the Tentative Budget was adopted in June:

1. Transfer of district instructional supplies to restricted lottery carry-over	135,114	
2. Staff welcome back event		-6,800
3. Health and Welfare actuarial study		-6,000
4. Brain Trust contract		-71,900
5. Four Classified Management positions (starting Jan. 2009)		-177,262
Director of Research, Planning and Grants		
Director of Purchasing		
Director of Admissions & Records		
Director of Public and Media Relations (1/2 time)		
6. Community outreach		-18,000
7. Two cash registers for cafeteria		-3,500
8. President's Office furniture		-6,700
9. Nursing department office furniture		-14,000
10. Net fund balance adjustment	1,458,441	
11. Board elections		-75,626
12. One counselor position missed in tentative budget		-107,000
13. Title IX officers		-3,983
<b>Adjustments to be made</b>		
Programmer position	73,258	
Director of Campus Safety and Security (district share)	48,479	
One half of PR contract	27,000	

New classified management positions include: Director of Research, Planning and Grants, Director of Purchasing, Director of Admissions and Records, Director of Publicity and Media Relations (1/2 time), and Director of Campus Safety and Security. The Director of Admissions and Records will overlap with the Associate Dean, in order for training to take place. The Public Campus Safety and Security is needed to address security issues and disaster and emergency planning.

Discussion: Dawn Chun asked about the cost of borrowing (TRANS), Carlos Fletes stated that the College will repay the TRANS in May. John Lau stated that there is a possibility that the College will earn enough interest to offset the cost of borrowing. Dr. Lianna Zhao asked about the process for making budget adjustments; John Lau stated that requests go through the area vice president to the President. Vice Presidents are held accountable for their areas.

Carlos Fletes stated that no further changes to the District budget are anticipated, and the Final budget will go to the board for approval on October 15. A special meeting of the Planning and Budget committee will be needed next week in order to make a recommendation on the budget.

#### Accreditation Response

Kathy Berry reported that the sub-committee has been meeting since August. The committee reviewed the "Planning Process Committee Flow Chart" which provides a formal means of communication and information sharing. A Strategic Planning Committee has been created which will report to College Council. The Strategic Planning and Budget and Fiscal Planning will be two separate entities. The Budget and Fiscal Planning Committee will be responsible for the plan for resource allocation. "Budget" is short term and reactionary, while "fiscal planning" is long term. "Strategic" Planning is very long term planning. The strategic plan will need to be updated every year, with major surveys every six years to fit the accreditation cycle. All recommendations will be fed to the College Council, which will report to the Superintendent/President. The Strategic Planning Committee will have representation for all areas. Next week the whole strategic planning packet will be available.

The non-functional committees shown on the chart will be addressed later, and over the next year all committees will be evaluated. Dr. Gould stated that each committee has to work, that the planning process should not be allowed to stagnate.

Discussion: Dawn Chun asked what the process is for new grants. Dr. Gould stated that the process starts with a division, and that all three vice presidents will need to sign off on a grant.

Meeting adjourned at 3:15 p.m.



## Planning and Budget Committee

September 30, 2008

### Members Present:

√John Lau, VP for Bus Svcs, chair  
√Dr. Victor Jaime, Admin. Rep.  
\_Dr. Bruce Seivertson, Academic  
Senate President  
\_John Abarca, College Council Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs  
√Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Rep.

Recorder: Mary Carter

√Gail Parish, CSEA Representative  
\_Chantilee Mendenhall, ASG  
Representative

### Non-Voting

√Kathy Berry, VP Academic Services

Alternate: Norma Nuñez for Dr. Bruce Seivertson

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### Call to order

The special meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 3:00 p.m. on Tuesday, September 30, 2008 in the Transfer Center.

### Recommendation to approve the Final 2008-09 Budget

Carlos Fletes reported on additional adjustments to the 2008-09 budget that have been made since the since the September 24 committee meeting:

#### **Most recent requests**

Community Outreach – Public relations	20,000
Adjunct Faculty, sexual harassment education	15,000
Capital improvements – portable building for tv/communications	180,000

- Public Relations: \$20,000 to expand IVC visibility in the community (i.e. Cattle Call and other events).
- Sexual harassment education for Adjust Faculty, \$15,000: The College is non-compliant in this area, funds are needed for training.
- Portable Building for TV station: This is a one-time expenditure for a modular building to house a local television station that wants to partner with the College. The t.v. station will pay rent of \$2,000 month over the next eight years. The program will offer the College publicity and community exposure, and in the future the College could offer classes in communications. This is an arrangement that the t.v. station's ownership has done with other colleges.

Discussion: Eric Jacobson asked if these requests are included in the Master Plan, and didn't Human Resources know that the College was out of compliance regarding the adjunct faculty before. Kathy Berry stated that there is a communications major in the Humanities Division, although journalism classes are currently on hiatus. Some things can't be anticipated, i.e. the need for ergonomically correct furniture for Nursing. John Lau stated the t.v. station approached the College because their current lease was up, and there is a very narrow window in order to accommodate their needs. The move in date would be the end of October or early November. Human Resources also needs to be moved to temporary offices, with a modular building in place by April or May. John Lau stated that although these are new costs, new ideas are being introduced. There are challenges going forward to tighten the budget and make choices in allocation of funds. New ideas are being introduced, but administration felt they were needed. The President has a strong sense of community, and the strategy is for IVC to be more a part of the community. John Lau stated that the committee has the ability to vote no on the

budget, and that recommendation would go to the President. Eric Jacobson asked if there was any alternative to payment of the COP and LRB debt, John Lau stated that it is a legal debt incurred by the College. The money has been borrowed and spent, and that although the payments were diverted to the Bond Fund for several years, the obligation was not included in the Bond ballot language, and the payments have been returned to the General Fund. Betty Kakiuchi asked when GASB 45 funding would start. John Lau stated that the College has a \$42 million unfunded liability, which is \$1.3 million per year on a pay-as-you-go basis. This is a large amount for a college our size, and would while the College could live with it for awhile, it will continue to grow. The true costs of benefits must be realized. Eric Jacobson cautioned that with an unstable economic outlook, it is not the best time to add positions. John Lau stated that the state budget could get worse, and that cost containment might be needed.

***M/S/C Parish/Chun to recommend approval of the 2008-09 Final Budget to the Superintendent/President (No: Jacobson, abstain: Nuñez)***

#### Strategic Plan

John Lau stated that the issue of classified representation on the Strategic Planning Committee has arisen, but that the make-up of the committee is based on committee representation. Kathy Berry stated that the committee composition should state representative not chair, and the document will be corrected. Kathy Berry reported that the sub-committee has been meeting since early August to develop the Strategic Planning document, which addresses integrated planning. Page 3 shows a conceptual drawing for the planning process on campus. All existing committees are either under the Academic Senate or College Council, with communication flowing both ways.

***M/S/C Jaime/Fletes to recommend approval of the Strategic Planning Process (as amended) to the Superintendent/President.***

Kathy Berry reported that the Accreditation Progress Report is currently in its 5<sup>th</sup> draft, and is being reviewed by the Brain Trust consultants. The document will be sent out to the campus soon, and comments are welcomed. Eric Jacobson asked about the contributions made by the consultants, and Kathy Berry reported that the consultants have suggested significant changes to the report. In addition to the two consultants assigned to the College, they also share the report with the 30 other consultants who work with the Brain Trust for their input and expertise. John Lau stated that next year will be critical for the College to show evidence that the plan is being implemented.

Meeting adjourned at 4:05 p.m.



## Planning and Budget Committee

October 22, 2008

### **Members Present:**

✓John Lau, VP for Bus Svcs, chair  
✓Dr. Victor Jaime, Admin. Rep.  
✓Dr. Bruce Seivertson, Academic  
Senate President  
✓John Abarca, College Council Chair

✓Eric Jacobson, Faculty Rep.  
✓Dr. Lianna Zhao, Faculty Rep.  
✓Carlos Fletes, Director of Fiscal Svcs  
✓Dawn Chun, CMCA Representative  
✓Betty Kakiuchi, CSEA Rep.

*Recorder: Mary Carter*

✓Gail Parish, CSEA Representative  
✓Chantilee Mendenhall, ASG  
Representative

### **Non-Voting**

✓Kathy Berry, VP Academic Services

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### **Call to order**

The regular meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:30 p.m. on Wednesday, October 22, 2008 in the Board Room.

### **Approval of Minutes**

***M/S/C Abarca/Zhao to approve the minutes of the September 24 and September 30, 2008 meetings as presented.***

### **Budget Discussion**

John Lau reported that the 2008-09 budget was adopted at the last board meeting. This year the State's financial issues make a mid-year budget adjustment in February very likely. The State budget problems will carry forward into next year, so the expectation is for low enrollment caps and zero COLA. IVC is facing challenges, the biggest of which is the need for change while meeting current demands.

IVC's reserve fund was 18.21% in 2005-06 and grew to 27.21% in 2006-07 due to unanticipated one-time State funds received late in the year. The one-time money built the reserve fund, but money was committed to ongoing expenses such as contractual agreements rather than one-time expenses. The strategy for one-time funds should be to spend them on critical one-time needs. The projected reserve at the end of 2008-09 is 8% to 12%; by the end of 2009-10, the reserve could be from 4% to less than 1%. IVC must return to the philosophy of revenue equaling expense, and not use reserves to balance the budget. Currently, expenses exceed revenue. How does the College make that change? Mr. Lau stated that the College must avoid knee jerk reactions, but it must be pro-active. Supplies and services are two "soft" areas in the budget; \$135,000 in instructional supply accounts has been switched from District funds to one-time money. The P&B Committee is a recommending body, and it needs to start talking about options. The situation will require "thinking outside the box". The Business Office can produce budget reports and do straight line projections through the end of the year.

The Strategic Planning Committee will be formed in November with representation from all areas, and will begin meeting in December. One representative will come from the P&B Committee. VP Lau asked the committee to think about whom to nominate at the next meeting. He stated that the person should represent the committee as a whole and not his or her individual area.

**Discussion:** John Abarca asked why the push for new management positions? Eric Jacobson stated that the added expense for the t.v. studio and new positions doesn't make sense and hurts the District's credibility. Gail Parish stated that CSEA at the state level is saying not to plan on COLA or growth. Carlos Fletes stressed the need for department heads to monitor their budgets. Kathy Berry stated that the committee should set the budget direction, not micro-manage. Betty Kakiuchi stated that

categorical money needs to be taken into consideration by departments. Carlos Fletes stated that departments with both district and categorical funds do need to maximize the use of categorical funds.

It was the consensus of the committee that it would like to see the budget summary reports as well as detailed budget reports. The committee wants to be able to compare expenditures with previous years in order to have meaningful data to look at in order to see trends. The comparison will start with FY 2006-07 when the college had a 27% reserve. Mr. Lau will work with Dawn Chun to generate reports. Mr. Lau stated that the committee needs to look at what the college has to pay for (contractual) and at variable expenses (that are needed for operations). The challenge is how to pay for expenses, and to evaluate if the expenditure will make the institution better.

#### Accreditation Update

Kathy Berry reported that the Accreditation committee has acknowledged receipt of IVC's report and that IVC's accreditation web page is now live.

By next year's accreditation visit, the committee needs to have a fiscal plan and a process for developing the fiscal plan. VP Berry will provide samples of one-year and multi-year plans from schools that were successful with their accreditation. The Strategic Planning Committee will have a different role than P&B; it will look at planning over the next five years, as well as over-arching funding issues, while the P&B committee will look at current financial issues and assess fiscal implications of plans.

#### Next meeting

The next meeting will be held on Monday, November 17 at 1:30 p.m. This will be in place of the November 26 date.

At the November 17 meeting, the committee will nominate a representative to the Strategic Planning Committee and review budget reports.

Meeting adjourned at 2:25 p.m.



## Planning and Budget Committee

November 17, 2008

### **Members Present:**

✓John Lau, VP for Bus Svcs, chair  
✓Dr. Victor Jaime, Admin. Rep.  
✓Dr. Bruce Seivertson, Academic  
Senate President  
✓John Abarca, College Council Chair

✓Eric Jacobson, Faculty Rep.  
✓Dr. Lianna Zhao, Faculty Rep.  
✓Carlos Fletes, Director of Fiscal Svcs  
\_Dawn Chun, CMCA Representative  
✓Betty Kakiuchi, CSEA Rep.

*Recorder: Mary Carter*

✓Gail Parish, CSEA Representative  
✓Steven Sciaky, ASG Representative

### **Non-Voting**

✓Kathy Berry, VP Academic Services

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### **Call to order**

The regular meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:30 p.m. on Monday, November 17, 2008 in the Board Room.

### **Approval of Minutes**

***M/S/C Seivertson/Parish to approve the minutes of the October 22, 2008 meeting as presented.***

### **Representative to Strategic Planning Committee**

Betty Kakiuchi was selected to represent the committee on the new Strategic Planning Committee.

### **Budget Discussion**

Dr. Ed Gould presented the "2008-09 Town Hall Budget Status" report that was given to the campus community at town hall meetings on November 13 and 14, 2008.

**Governor's Proposal:** Due to the statewide budget crisis, the Governor is proposing mid-year budget cuts of an additional 6% for K-12 (10% for the year when below statutory COLA is included). In addition, \$4.7 billion in new taxes are being proposed. Budget impact for IVC would be cuts of \$1.73 to \$2 million this year.

**Legislative Analyst's recommendation:** The Legislative Analyst's proposal would have more impact in 2009-10, with less mid-year cuts. The budget impact for IVC in FY 2008-09 is estimated at \$300,000. Other recommendations include: fee increases to \$26 in January 2009 and \$30 in July 2009, reduced funding for some PE classes, elimination of COLA, restoration of part of the "car tax"

These are just recommendations; final decisions will be made by the state legislature, and the legislature is unlikely to act immediately. Implementation of a fee increase in January is also questionable due to the short time frame.

### **President's Recommendations:**

- Every full-time employee will keep their job.
- The budget will be balanced in 2009-10; revenues will equal expense with no use of reserve funds to balance the budget.
- The process to reduce the budget will be open and led by the Planning and Budget Committee.

- A hiring freeze will be instituted, effective immediately. A “Thaw Committee” will be created with representation from CTA, CSEA, administrators, classified managers and confidential groups to make recommendations regarding the hiring of essential positions.
- The five recently approved classified manager positions will be frozen, although the Director of Admissions and Records will be needed when the Associate Dean retires. The Director of Campus Safety and Security can be funded from non-general fund monies. Dr. Gould stated that all five positions are needed and would have resulted in savings or would have been relatively cost neutral; however, all hiring has been frozen.
- Voluntary reductions will be sought, with job sharing, furloughs and four-day work week being explored. It is estimated that \$200,000/year could be saved with a four-day work week and a total campus shutdown on off-days.
- A review of categorical funds will be conducted to look for possible General Fund relief (without supplanting).
- Summer and Winter session class sections may be reduced.
- Contractual issues will be explored, such as the reduction of instructional hours per unit, increased class size, reduced release time and increased numbers of on-line sections full-time faculty can teach.
- The College needs to look a ways of increasing revenue, especially in the Applied Sciences area, through public private partnerships, continuing education and grants.

Budget Reports: Carlos Fletes distributed a budget report as of October 31, 2008. There are some seasonal expenditures such as benefits, which includes retirement incentive payments that are paid upfront and are not related to wages. Overload and adjunct salaries are hard to predict, and must be monitored closely. John Lau stated that Business Services, IT and HR are working on a system that will give better data on payroll and position control. “Other outgo” includes debt payments for Lease Revenue Bonds and Certificates of Participation, as well as uncollectible student fees of \$150,000. John Lau stated that he will be meeting with IT to develop an easier to read format for budget reports that will quickly spotlight problem areas. It is important for department to stay within their budgets, and start looking for areas of possible cost containment.

<b>2008-09 Unrestricted General Fund</b>	<b>Budget</b>	<b>Balance as of 10/31/08</b>	<b>Percent expended</b>
Certificated Salaries	17,776,064	12,321,238	31%
Classified Salaries	7,330,353	4,982,472	32%
Benefits	8,200,908	5,284,166	36%
Supplies	964,242	643,963	26%
Services	3,718,597	2,394,866	34%
Capital Outlay	510,829	362,989	16%
Other Outgo	911,109	294,187	68%
Unrestricted Ending Reserves	3,823,747		
<b>Total</b>	<b>43,235,849</b>	<b>26,283,882</b>	

Carlos Fletes reported that the College used \$4 million of the \$7.5 million in TRANS financing. He noted that although the budget report (page two) shows \$15 million in cash, \$7.5 is committed to paying back the TRANS financing.

#### New Board Policy regarding Cell phones

The committee reviewed the proposed language for a cell phone policy. The language is recommended by CCLC (Community College League) and contains IRS regulations regarding use of District paid cell phones, and tax implications for employees assigned a District paid cell phone. The committee approved the policy, but since the item was not an action item, it will be brought back at the next meeting for approval and recommendation to College Council.

#### Accreditation Update

Kathy Berry reported that the Accreditation Commission informed the college that it will conduct a visit on December 10. She encouraged everyone to look at the IVC accreditation web page.

#### Next meeting

The next meeting will be held on Wednesday, December 10 at 1:30 p.m.

Meeting adjourned at 2:45 p.m.



## Planning and Budget Committee

December 10, 2008

### **Members Present:**

John Lau, VP for Bus Svcs, chair  
Dr. Victor Jaime, Admin. Rep.  
Dr. Bruce Seivertson, Academic  
Senate President  
John Abarca, College Council Chair

Eric Jacobson, Faculty Rep.  
Dr. Lianna Zhao, Faculty Rep.  
Carlos Fletes, Director of Fiscal Svcs  
Dawn Chun, CMCA Representative  
Betty Kakiuchi, CSEA Rep.

*Recorder: Mary Carter*

Gail Parish, CSEA Representative  
Chantilee Mendenhall, ASG  
President

### **Non-Voting**

Kathy Berry, VP Academic Services

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### **Call to order**

The regular meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:30 p.m. on Wednesday, December 10, 2008 in the Board Room.

### **Approval of Minutes**

***M/S/C Zhao/Seivertson to approve the minutes of the November 17, 2008 meeting as presented.***

### **State Budget Update**

John Lau distributed a budget update from the Community College League of California dated December 10, 2008; however, there is nothing definitive yet from Sacramento. Mr. Lau stated that the College faces both internal and external budget challenges: 1) how to balance the budget without using reserves (internal) and 2) state budget cuts (external). Mr. Lau stated that the President will look to this committee for substantive recommendations on how to balance the budget; however, the committee is a recommending body and does not have the final say on budget decisions.

### **2008-09 Budget**

John Lau reported that expenditures are on track. The Business Office will be meeting with division chairs and budget managers in early January. Reports will be developed in Banner that will help managers monitor their budgets more closely.

### **2009-10 Budget Process**

Kathy Berry stated that the Accreditation team has indicated that the College needs a resource allocation plan. The plan must balance college needs yet adhere to legal requirements. The Accreditation team will look for documents that substantiate how the budget was developed. By next October, the college must be able to document the fact that resources are allocated based on outcomes. John Lau stated that a taskforce is needed to develop the resource allocation plan. Once the plan is developed, an evaluation process will also be needed.

The proposed Budget calendar for 2009-10 was presented for discussion.

### **Next meeting**

A special meeting was set for Friday, December 12, 2008 at 1:00 p.m. to appoint the resource allocation taskforce, make recommendations regarding the budget calendar and the proposed Cell Phone policy.

Meeting adjourned at 2:30 p.m.



Planning and Budget Committee  
December 12, 2008

**Members Present:**

√John Lau, VP for Bus Svcs, chair  
√Dr. Victor Jaime, Admin. Rep.  
\_Dr. Bruce Seivertson, Academic  
Senate President  
\_John Abarca, College Council Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs  
\_Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Rep.

*Recorder: Mary Carter*

√Gail Parish, CSEA Representative  
\_ASG representative

Non-Voting

√Kathy Berry, VP Academic Services

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Call to order

The special meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:05 p.m. on Wednesday, December 12, 2008 in the Board Room.

Appointment of Resource Allocation Plan taskforce

***M/S/C Fletes/Parish to appoint John Lau (chair), Jan Magno, Dr. Bruce Seivertson, Dr. Lianna Zhao, Carlos Fletes, Betty Kakiuchi and Efrain Silva to the Resource Allocation Plan taskforce.***

Approval of Board Policy 6450 and Administrative Procedure 6450, Cell Phone Use

***M/S/C Fletes/Zhao to approve BP 6450 and AP 6450, Cell Phone Use.***

2009-10 Budget Calendar

***M/S/C Jaime/Kakiuchi to approve the 2009-10 Budget Development Calendar, as amended.***

- (1) Development of Resource Allocation plan, December 12, 2008 – January 31, 2009
- (2) Development of budget guidelines, by February 12, 2009
- (3) Budget development by departments and divisions, February 17 – April 1, 2009
- (7) College council meeting, May 11; Academic Senate meeting, May 20, 2009
- (9) Planning and Budget meeting, May 27, 2009

Kathy Berry noted that the timeline is compressed due to the need to develop a resource allocation plan and to comply with accreditation recommendations.

Meeting adjourned at 1:30 p.m.



Planning and Budget Committee  
January 28, 2009

**Members Present:**

√John Lau, VP for Bus Svcs, chair  
√Dr. Victor Jaime, Admin. Rep.  
√Dr. Bruce Seivertson, Academic  
Senate President  
\_John Abarca, College Council Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs  
√Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Rep.

*Recorder: Mary Carter*  
\_Gail Parish, CSEA Representative  
\_ASG representative

Non-Voting  
√Kathy Berry, VP Academic Services

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**Call to order**

The regular meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:05 p.m. on Wednesday, January 28, 2009 in the Board Room.

**Approval of Minutes**

***M/S/C Seivertson/Fletes to approve the minutes of the December 10 and December 12, 2008 meetings as presented.***

**2009-10 Budget Calendar**

***M/S/C Jaime/Zhao to approve the revised 2009-10 Budget Calendar.*** John Lau reported that the revised budget calendar includes suggestions made by Dr. Gould to clarify the budget process.

**DISCUSSION AND INFORMATION ITEMS**

**State Budget Update:** John Lau reported that there is little movement in Sacramento on the state budget, but it is anticipated that some form of the governor's proposed budget will be adopted. It is likely that the COLA will be taken back and that there will be a 2% growth cap. The state is facing time constraints in order to avoid issuing IOUs. The College's cash flow is okay through June, but the College will be looking into a second TRANS for financing during the summer. The President is developing a memo to the campus community on budget conditions.

**2008-09 Budget:** John Lau reported that winter session is \$400,000 over budget. Kathy Berry stated that the Winter session grew 11% over last year. Also, the budget was based on lower cost salaries. It is not certain that the college will be paid for all the FTES. The growth cap will be an issue going forward, and the Summer session will also have to be evaluated.

**Thaw Committee:** John Lau reported that the Thaw Committee has met to determine criteria for thaw requests. A form is being developed so that requests can be evaluated in a consistent manner.

**Resource Allocation Plan:** John Lau reported that the sub-committee has been meeting and looking at resources from other colleges, especially the method used by Los Rios CCD. The Los

Rios plan is formula driven; it is tied to FTES and square footage and has safety nets so that the available resources are not exceeded. Los Rios has been using this method for over 20 years. It would be at least a two year project to implement a similar plan, and would require consultation with Los Rios staff. Adopting a resource allocation plan would force the College to stay within its budget and provide a game plan for budgeting.

2009-10 Budget Process: Budget input will begin in February. The Business Office will meet with division chairs this week, and will meet individually with budget managers every three months. The goal is to work with the budget managers so that they understand the process and are able to support their budget requests.

Other: John Lau reported that a 10 year building plan is being developed to address modernization and infrastructure needs. The plan will identify goals for the next ten years and include cost estimates and funding possibilities. Mr. Lau reported that the State has approved two modernization projects in the amount of \$7 million (400 building and various other buildings). Kathy Berry reported that a taskforce is looking at standardizing furniture. John Lau reported that the College is looking at solar energy projects. The College could partner with a private company to install the equipment in exchange for the tax credits. There is also the possibility to offering alternative energy classes. Mr. Lau will keep the committee informed.

Meeting adjourned at 2:20 p.m.



Planning and Budget Committee  
February 25, 2009

**Members Present:**

√John Lau, VP for Bus Svcs, chair  
\_Dr. Victor Jaime, Admin. Rep.  
\_Dr. Bruce Seivertson, Academic  
Senate President  
√Michael Heumann, Alternate (A.S.)  
\_John Abarca, College Council Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs  
√Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Rep.

Recorder: Mary Carter  
√Gail Parish, CSEA Representative  
\_ASG representative  
Non-Voting  
\_Kathy Berry, VP Academic Services

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Call to order

The regular meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:35 p.m. on Wednesday, February 25, 2009 in the Board Room.

ACTION

1. Approval of Minutes  
***M/S/C Zhao/Kakiuchi to approve the minutes of the January 28, 2009 meeting as presented.***
2. Appointment of Taskforce to develop standing rules for committee and to re-evaluate mission and purpose statement for submission to College Council by March 16  
***M/S/C Jacobson/Heumann to have standing rules evaluated by entire committee; and M/S.C Jacobson/Heumann to have entire committee re-evaluate mission and purpose statement.***
3. Meeting date to approve standing rules, mission and purpose statement During the discussion of item #2, no special meeting date was set, but later in the meeting, Gail Parish stated that a second meeting would be needed in March due to the workload facing the committee. The committee agreed to meet on **Wednesday, March 11, 2009**, as well as the regular meeting date of March 25.

DISCUSSION AND INFORMATION ITEMS

1. Financial Overview

State Budget Update: John Lau reported that an 18-month state budget has been passed. The College will have a better idea of the impact of the budget once a revised P-1 report is issued by the State in March. The monthly budget report as of December 30, 2008 was distributed; the report shows that expenditures appear to be on track versus budgeted amounts.

Two year funding analysis: The committee reviewed a two-year (2008-09 and 2009-10) funding analysis (see last page of these minutes). John Lau stated that this information is

being presented to show the magnitude of the challenge facing the college. The budget must be balanced with on-going revenue in order to achieve financial stability. Key points include:

- \$3,093,736 of reserve funds were used to balance the 2008-09 budget:
- The 2009-10 projected budget was developed using 2% growth and no COLA. The recently adopted State budget contains 3% growth. The additional 1% of growth would equal approximately \$270,000; however, Carlos Fletes cautioned that IVC may not get the full 3% if the cap is lowered.
- The 2009-10 budget will require cost containment and/or increased revenue.
- Revenue is not projected to grow significantly due to the cap on growth.
- Other outgo includes \$500,000 to fund GASB 45. The last \$500,000 payment to the State will be made in 2008-09, and those funds could be used toward beginning to fund the College's liability under GASB 45. This is shown as a possible use of funds, the decision to fund GASB 45 has not been made.
- The College will end with a 3% reserve for 2009-10 if there are no changes to expenses from 2008-09; however, the estimated cost of step raises, increases in benefit costs and other contractual issues is \$1,360,682, resulting in an estimated ending reserve of **-0.41%** (minus .41%).
- The challenge: where do we look for \$3.8 million in cost containment?

Discussion:

- Eric Jacobson asked for a detail report of all "services" (5000) accounts.
- Retirement incentives are paid over 5 to 8 years, the estimated expense in 2009-10 is \$200,000.

Budget concepts for the future: The Resource Allocation taskforce is developing a new method for budgeting that will help the College achieve the following goals

- Balanced budget
  - Equitable process for each bargaining group
  - Address all the needs of the college
2. Resource Allocation update: John Lau reported that a draft "Resource Allocation Plan" has been developed by the taskforce, and will be brought to the Planning and Budget Committee for a recommendation. Mr. Lau stated that the plan may be controversial because it is a formula driven.
  3. Thaw Committee update: John Lau reported that the Thaw committee has developed a form for requesting an exception to the hiring freeze. Travis Gregory stated that the Thaw committee has until this Friday to make final comments before the form goes out to departments. The form will be given to the Planning and Budget Committee as an information item.

4. First Principal Apportionment analysis: A report was released yesterday by the State, but it was based on September budget numbers, not the adopted State budget. A revised report will be issued about the middle of March. This will be IVC's the first real information on its state funding based on statewide enrollment information, deficit, enrollment growth funding, and other factors. There will also be information on the impact of cash deferrals, but IVC does not anticipate cash flow issues this fiscal year due to the TRANS financing. The revised P-1 report should be available for the next committee meeting.

Discussion: In response to the question "when will IVC know exactly what we are getting?", Carlos Fletes stated that state budget information is not final until February of the subsequent fiscal year. Final information, including all recalculations, is shown on P-1 of the next year.

5. Budget Development Process: John Lau stated that program reviews drive the budget; therefore, all numbers in the first budget should come from each department's program review. The Business Office is currently meeting with all department heads regarding the budget process. Carlos Fletes reported that a detailed e-mail on the budget input process has been sent. Departments have until April 1 to input their budgets based on their program reviews. Mr. Fletes encouraged users to read the entire e-mail, and to adhere to the April 1 deadline. The budget will be compiled in April, reviewed in May, and adopted in June.

Departments are to input all non-fulltime salaries and benefits, including adjunct, overload, coaching stipends, intersession salaries, student help and overtime. Departments will be able to project their non-fulltime salary commitments because it is part of their recently completed program reviews. A taskforce has been formed to develop a tool to capture program review data into Banner in order to tie program review to budget and help automate the process. Another project that is currently in process is the implementation of Banner "position control" which will give HR and the Business Office the capability to capture salary information, link it to budget, and run salary increase scenarios. Hopefully, position control will be in place in about a year.

PO cut-off: Purchase orders will be cut April 20, for all district unrestricted programs. The cut-off will be adhered to more firmly than ever before due to current circumstances; however, there will have to be some exceptions. Departments will be encouraged to place orders for all necessary supplies/materials as early as possible to ensure delivery before June 30 as well as to enable the District to determine how much savings there will be this fiscal year.

John Lau stated that Program Review is the first step in the budget process. It will be especially critical in view of the Accreditation visit in October to link Program Review to budget. Jan Magno noted that program reviews have not been approved yet. It was agreed that an e-mail be sent to departments telling them to input their budgets based on their accepted Program Review data.

Meeting adjourned at 2:44 p.m.

**Two-year Funding Analysis  
Unrestricted General Fund Only**

<u>Current 2008-09 Budget</u>			<u>Proposed 2009-10 Budget</u>
0% COLA			0% COLA
Projected FTES 7,309 3.16% Growth			Projected FTES 7,528 3% Growth
Projected funded FTES 6,963 w/2% Growth (6,827 Base FTES)			Projected funded FTES 7,102 w/2% Growth (6,963 Base FTES)
Total of 346 projected unfunded FTES w/2% Funded Growth			Total of 426 projected unfunded FTES w/2% Funded Growth
	2008-09		2009-10
Federal Revenue	2,906		2,906
State Revenue	28,840,139		29,891,314
Local Revenue	7,558,024		7,558,024
<b>Total Revenue</b>	<b>36,401,069</b>		<b>37,452,244</b>
Certificated Salaries	17,776,064		17,776,064
Classified Salaries	7,383,605		7,383,605
Benefits	8,193,939		8,193,939
Supplies	962,204		962,204
Services	3,756,555		3,756,555
Capital Outlay	511,329		511,329
<b>Total Expenses</b>	<b>38,583,696</b>		<b>38,583,696</b>
Other outgo	911,109		1,411,109
<b>Total expense/other</b>	<b>39,494,805</b>		<b>39,994,805</b>
<b>Surplus/deficit</b>	<b>-3,093,736</b>		<b>-2,542,561</b>
Beginning Reserves	6,828,764		3,735,028
Ending Reserves	3,735,028		1,192,467
Reserve % of unrest. Gen Fund	9.46%		2.98%
<u>2009-10 additional expenses</u>			
Est. cost of Cert. step inc 3%			321,852
Est. cost of admin step inc 2.5%			52,025
Est. cost of CL step inc 5%			370,525
Est. cost of CL mgmt step inc 2.5%			16,280
Est. cost of H&W for addtl. retirees			100,000
Est. cost of H&W increase 9%			300,000
Est. cost of retirement incentives			200,000
<b>Revised total 2009-10 expense</b>			<b>41,355,487</b>
<b>Revised 2009-10 surplus/deficit</b>			<b>-3,903,243</b>
<b>Revised 2009-10 ending reserves</b>			<b>-168,215.48</b>
<b>Revised 2009-10 Reserve % of Unrest. Gen. Fund</b>			<b>-0.41%</b>

These costs are projected to be the same as 08-09 for discussion purposes

This amount includes \$500,000 towards the GASB 45 liability

Total of \$1,360,682



Planning and Budget Committee  
March 11, 2009

**Members Present:**

√John Lau, VP for Bus Svcs, chair  
\_Dr. Victor Jaime, Admin. Rep.  
√Dr. Bruce Seivertson, Academic  
Senate President  
√John Abarca, College Council Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs  
√Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Rep.

**Recorder: Mary Carter**

\_Gail Parish, CSEA Representative  
√Steven Sciaky, ASG representative

**Non-Voting**

√Kathy Berry, VP Academic Services

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**Call to order**

The special meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:35 p.m. on Wednesday, March 11, 2009 in the Board Room.

**ACTION/DISCUSSION**

1. **Approval of Minutes**  
***M/S/C Abarca/Zhao to approve the minutes of the February 25, 2009 meeting as presented.***

2. **Discussion/approval of standing rules for the committee**

John Lau stated that all committees have been asked to review their standing rules and submit revisions to College Council by March 16. Eric Jacobson stated that the committee's bylaws were adopted by the Board of Trustees in 1998 and address most of the standing rules items. No action taken.

3. **Discussion/approval of the committee's mission and purpose statement**

No action taken.

4. **Discussion/recommendation regarding name change to "Budget and Fiscal Planning Committee"**

VP Lau stated that in the Accreditation Report and in the organization chart submitted with the Accreditation Report, the committee is listed as the "Budget and Fiscal Planning" Committee. He asked if the committee wanted to formally change its name in order to be consistent. Considerable discussion followed regarding where the Planning and Budget Committee should be on the new organization chart. Eric Jacobson stated that board approval would be needed for any change, and that the committee should fall under Academic Senate. He stated that the shared governance planning process should be clarified, and that Planning and Budget should report to Academic Senate with information only being shared with College Council. It was noted that in previous organization charts, the committee didn't report to either body, but directly to the President. Maintaining the

status quo would mean that the committee would remain in the middle of the org chart and report to both groups, with recommendations sent directly to the President.

Kathy Berry, VP for Academic Services, was asked for clarification on the new organizational chart (dated 9/12/08). VP Berry stated the organizational chart was approved by the board last September in response to Accreditation. Committees dealing with global issues were placed under College Council and those dealing with academic affairs were placed under Academic Senate. VP Berry stated that a plan is needed before money is spent, and that the College needs a circular process. ~~To the Accreditation team, the Planning and Budget Committee looked as if it stood alone with no information being fed into it.~~

Suzanne Gretz suggested that three categories are needed: Instructional operations, non-instructional operations, and campus wide planning. Planning and Budget should be under Campus Wide Planning, along with Strategic Planning, Educational Master Plan, Facilities planning, Technology, and Staffing. ***M/S/C Jacobson/Fletes to recommend approval of the organizational chart proposed by Suzanne Gretz.***

No action taken on changing the name of the committee.

5. Next meeting: The committee will discuss cost containment at the next meeting on March 25. Mr. Lau asked members to develop a list of ideas and areas of concern. Each member will have an opportunity to present his/her ideas. The Business Office will provide information to look at areas in detail if needed.

Meeting adjourned at 2:50 p.m.



Planning and Budget Committee  
March 25, 2009

**Members Present:**

√John Lau, VP for Bus Svcs, chair  
\_Dr. Victor Jaime, Admin. Rep.  
√Michael Heumann Alternate  
√John Abarca, College Council Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs  
√Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Rep.

**Recorder: Mary Carter**

√Gail Parish, CSEA Representative  
√Steven Sciaky, ASG representative

**Non-Voting**

\_Kathy Berry, VP Academic Services

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**Call to order**

The regular meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:30 p.m. on Wednesday, March 25, 2009 in the Board Room.

**DISCUSSION**

1. **First Principal Apportionment**

Carlos Fletes, Director of Fiscal Services made a presentation on how state revenue numbers are developed using the following apportionment reports:

- Page 1: 2007-08 First Principal Apportionment (March 2008 revised)
- Page 2: 2007-08 Second Principal Apportionment (June 2008)
- Page 3: 2007-08 Recalculation Apportionment (February 2009)
- Page 4: 2008-2009 First Principal Apportionment (February 2009)
- Page 5: State apportionment revenue, banner report

In February, 2008 the P-1 report showed actual funded FTES of 6942, and revenue of \$26.4 million. In June, 2008, the P-2 report showed FTES of 7109 and funded FTES of 6826; all FTES are no longer fully funded due to various statewide factors. The unfunded FTES of 282 amounts to \$1 million. Section IV of the report shows that IVC grew beyond the growth cap because the cap was lowered.

Page 3, 2007-08 recalculation apportionment, shows the final 2007-08 calculation. This was issued in February 2009. It shows a slight change in the actual and funded FTES from P-2. The final funded FTES was 6803. This is the first time the College had unfunded FTES in several years. Carlos Fletes stated that the State can adjust revenue up or down during the year, and the final amount is not known until February of the following fiscal year.

John Lau stated that the State takes enrollment number throughout California in order to determine what they think they can fund. This is an important concept to keep in mind when budgeting State revenue. Another issue to be aware of on page 4 (2008-09 P-1), Section IV is the unadjusted growth rate of 20.27% and the constrained growth rate of 6.26%. All indications are that the 20.27% rate is unrealistic, and will be subject to change. Until 2007-08, the State used different factors. Now, the State is also using unemployment

data. The growth rates are used to allocate funds up front, then the State looks at all economic factors and data. By June, the State has a better idea of what the system is doing as a whole in regards to enrollment. John Lau reminded the committee that the State of California has an \$8 billion shortfall in projected revenue, and it would be disastrous for the College to plan on receiving 6.26% growth upfront and not have it realized. VP Lau stated that this is how the State does business, and it makes it difficult for colleges to forecast their revenue.

The State counts 98% of enrollment revenue as charged, even though the College does not collect all those funds. The State uses the County property tax estimates and is not obligated to make up the difference if all the tax revenue is not realized. These enrollment fees and property tax amounts are shown as revenue to the College on the apportionment reports. Page 5 shows the 2008-09 revenue amounts used in the budget. There was a total difference of \$1.5 million.

Eric Jacobson asked for three scenarios for the next meeting, showing revenue at increases of 0%, 3% and 6.26%.

## 2. Cost Containment/2009-10 Budget

VP Lau asked the committee for their ideas for cost containment; he asked for global items that could help address the \$3 million to \$3.5 million budget shortfall for FY 2009-10. Mr. Lau presented his list of possible cost savings items:

Use of Reserves		735,000
<u>Possible Savings</u>		
No winter session	800,000	
4 day week, summer (utilities)	200,000	
No step increases	760,700	
Reduction of services by 10%	375,000	
No capital purchases	511,300	
Net savings due to retirement	400,000	3,047,000
		<u>3,782,000</u>

Betty Kakiuchi noted that in the 5000 accounts, there are some accounts that have no activity. She suggested looking into these accounts further for possible cost savings. She also suggested that the web could be used more in order to reduce advertising expense. Mrs. Kakiuchi stated that at the end of the year, departments make numerous budget transfers in order to expend their funds. She asked if there was a possibility of cutting off transfers as well as purchase orders. VP Lau stated that the President would have to approve the recommendation.

John Abarca stated that "other expense" (5890) and consulting accounts seems to have unused funds. Mr. Abarca stated that an analysis of copiers done by Xerox showed that as

much as three times too much money was being spent on copiers/printing costs. Mr. Abarca noted that the Ag Program had several classes with less than 50% enrollment.

John Lau stated that department need to have detail in their Program Reviews to fully justify consultant costs, and that it is up to their vice presidents to prioritize the need for consultants. Mr. Lau stated that more centralization may be needed in some areas such as travel. A fixed amount per department may not work as well as allocating funds to each vice president for them to prioritize travel funds for their areas. Advertising and maintenance agreements could also benefit from being centralized, and the costs being looked at globally.

Eric Jacobson stated that program reviews seem to be wish lists for departments. Who says “no” to their requests? Mr. Jacobson noted that some of the items on Mr. Lau cost containment list are subject to negotiation. He stated that are considerable funds unused in the 5000 accounts. He asked if the College would look at everything in the budget, including “sacred cows?”

Carlos Fletes stated the college will have a better idea of how much unused funds there are after the April 20 cut-off for purchase orders.

VP Lau stated that the budget must address financial stability, achieving objectives of the institution and using one-time money for one-time expenses. The budget must work globally for the institution.

3. Agenda item for next meeting
  - Resource Allocation Plan
  - Revenue scenarios: 0%, 3%, 6.26%
  - Budget transfers
  - Possible savings, 5000 accounts
  - Cost containment



Planning and Budget Committee  
April 22, 2009

**Members Present:**

√John Lau, VP for Bus Svcs, chair  
√Dr. Victor Jaime, Admin. Rep.  
\_Dr. Bruce Seivertson, Academic  
Senate President  
√John Abarca, College Council Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs  
√Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Rep.

**Recorder: Mary Carter**

√Gail Parish, CSEA Representative  
√Steven Sciaky, ASG representative

**Non-Voting**

\_Kathy Berry, VP Academic Services

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**Call to order**

The regular meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:30 p.m. on Wednesday, April 22, 2009 in the Board Room.

**ACTION**

1. **Approval of minutes:** *M/S/C to Zhao/Abarca approve the minutes of the March 25, 2009 meeting as presented.* Approval of the minutes of the March 11, 2009 meeting was tabled pending clarification of statements made by Kathy Berry.

**DISCUSSION/INFORMATION**

1. 2009-10 Budget Update: Carlos Fletes reported that the constrained growth rate (what the State can fund) has dropped to 5.49%; however, the information is very “soft” due to the state budget situation and upcoming May 19 election. The information will probably change again in June. It appears that most colleges are growing, which means that there are more hands in the pot. Another factor is whether the property tax figures reported by the County are accurate; if taxes are not collected as anticipated the College has no guaranteed backfill. John Lau stated that it is very important to understand how revenue projections are developed and to realize that those projections are subject to change. Carlos Fletes stated that he will prepare revenue scenarios with the first draft of the budget. He reminded the committee that the State doesn’t have an alternate plan if the propositions on the May 19 ballot don’t pass. John Lau stated that the College’s growth is overcap, and the College does not have enough reserves to cover the shortfall if the growth is not funded.

Carlos Fletes reported that there are 13 departments which have not completed entering their budgets due to various issues. The Business Office will be compiling the budget in May, and the committee will need to meet a couple of times to review the budget. He stressed the importance of departments encumbering funds for their needs for the rest of the year by the April 20 purchase order cut-off in order to be able to make an accurate projection of the ending fund balance. Budget transfers are being reviewed in order to prevent the transfer of excess funds for last minute purchases that circumvent the budget process (i.e. equipment purchases).

2. Cost Containment: John Lau stated that the cost containment discussion needs to be on-going. Recommendations should address: use of reserve funds to balance the budget, funding of GASB 45, two-year plan to fully balance the budget with on-going revenue used for on-going expense and one-time revenue used for one-time expense. He asked the committee members to come back at the next meeting with their ideas on paper.
3. Resource Allocation Plan: The draft Resource Allocation Plan was distributed for committee members to review prior to the next meeting. The plan is based on what Los Rios CCD has used for over 20 years. John Lau stated that the plan is meant to address needs of the college as a whole, with the goal of establishing institutional stability. The District is currently spending more than it receives, and salaries and benefits account for 94% of the College's budget. A more realistic percentage would be 85% for salary and benefits, with 15% of the budget being allocated to other institutional needs. However, a three to four year transition plan would be needed.
4. Sale of Bonds: John Lau reported on the recent sale of the final \$8.9 million in General Obligation Bonds. This sale completes the \$58.6 million in bonds authorized by Measure L . The District was given an "A" rating. The bonds will be repaid over 28 ½ years, which will cost the District a little more in interest but will ensure that the \$24 per \$100,000 in assessed valuation will not be exceeded.
5. Next meeting: The committee will meet May 13, 2009 at 1:30 p.m.



Planning and Budget Committee  
May 13, 2009

**Members Present:**

√John Lau, VP for Bus Svcs, chair

\_Dr. Victor Jaime, Admin. Rep.

√Dr. Bruce Seivertson, Academic  
Senate President

√Michael Heumann, College Council  
Chair

√Eric Jacobson, Faculty Rep.

√Dr. Lianna Zhao, Faculty Rep.

√Carlos Fletes, Director of Fiscal Svcs.

\_Dawn Chun, CMCA Representative

√Betty Kakiuchi, CSEA Representative

**Recorder: Mary Carter**

\_Gail Parish, CSEA Representative

√Steven Sciaky, ASG representative

√John Abarca, Alternate, CSEA

**Non-Voting**

√Kathy Berry, VP Academic Services

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**Call to order**

The special meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:35 p.m. on Wednesday, May 13, 2009 in the Board Room.

**ACTION**

**Approval of minutes: *M/S/C to Abarca/Heumann (no: Jacobson) to approve the minutes of the March 11, 2009 (revised) and April 22, 2009 meetings.***

**Resource Allocation Plan:** Action on this item was tabled. More information was requested on use of reserve funds. VP Lau stated that the Resource Allocation Plan is a good beginning towards equitable distribution of funds and financial stability for the College. VP Berry reminded the committee that a resource allocation plan is needed by October in response to Accreditation.

**INFORMATION**

**2009-10 Budget Update:** Carlos Fletes distributed the first draft of the 2009-10 Tentative Budget and he asked committee members to look at the entire document for discussion at the next meeting. VP Lau stated that this is the preliminary budget and some variances have already been noted. The budget does not contain full reporting but it shows the magnitude of the challenge facing the College. The committee needs to work together to help balance the budget. The situation is urgent, because a 3% reserve is not acceptable to the State.

For the next meeting a detail report of wages and benefits by category will be provided as well as a projection of the ending balance for 2008-09. Mr. Fletes stated that the budget includes the cost of all currently occupied positions.

## DISCUSSION

Cost Containment: VP Lau stated that the committee needs to make a recommendation to the President on areas of cost containment. The suggestions will be evaluated, and a dollar value assigned to each (if possible).

### Class offering/scheduling:

Enrollment management

Hold Winter intersession but not summer to save on energy costs

No winter intersession or reduce both summer and winter

Evaluate classes offered for winter and summer

4 day work weeks year round

### Salary:

Evaluate committee meeting pay

Evaluate and adjust teaching and non-teaching release time

No step increases

Reduce or eliminate unspent fulltime and adjunct salaries by \$500,000

Only implement "cost neutral" or "cost saving" re-organization plan

### Services/Supplies/Equipment (4000, 5000, 6000 accounts):

Stop budget transfers for unplanned expenses and last minute purchases

Stop the circumventing of the purchasing and inventory process through use of personal reimbursement

Zero based budgeting (costs must be justified) for equipment, consulting and travel

Evaluate travel budgets; currently \$69,000 in travel budgets is unspent

Evaluate consultant accounts

Define the use of "5890" (other expense) account

Reduce 5000 accounts by \$500,000

### Other:

Pursue grant funds

Use grant monies first

No rollover amounts from one budget year to the next year

Include 2009-10 Program Review numbers

Evaluate Brawley campus based on "return on investment"

Next meeting: May 27, 2009.



Planning and Budget Committee  
May 27, 2009

**Members Present:**

√John Lau, VP for Bus Svcs, chair  
√Dr. Victor Jaime, Admin. Rep.  
√Dr. Bruce Seivertson, A.S. President  
√Michael Heumann, College Council  
Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs.  
√Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Representative

**Recorder: Mary Carter**

√Gail Parish, CSEA Representative  
\_ASG representative

**Non-Voting**

√Kathy Berry, VP Academic Services

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**Call to order**

The regular meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:35 p.m. on Wednesday, May 27, 2009 in the Board Room.

**Approval of minutes: M/S/C Seivertson/Kakiuchi to approve the minutes of the May 13, 2009 meeting as presented.**

**INFORMATION**

**State Budget Update:** John Lau reported that the May revise shows a 50% cut to categorical funding for next year, 1% growth and PE classes to be paid at the non-credit rate. The Tentative Budget was based on 3% growth. The College is working on another TRANS (tax revenue anticipation notes) to address cash flow issues that will occur when the State defers payments. Due to the State of California's credit rating, financing will be more costly.

**DISCUSSION**

**2009-10 Tentative Budget:**

Carlos Fletes presented a summary sheet showing \$851,646 of expenses that divisions left out of their on-line budget. In addition, one division appears to be missing \$800,000 in adjunct and overload costs. Some departments are showing substantial variances from last year's budget. The budget as entered will serve as the starting point (baseline).

The \$926,000 projected ending reserve for 2009-10 has been wiped out, and the new projected reserve amount is negative. One percent (1%) of reserve is equal to about \$350,000. The revenue projection is also being changed based on new information from the State

As requested at a previous meeting, a breakdown of salary costs by major classifications (unrestricted funds only) was presented. Information was also included on the costs of retiree insurance and incentives.

Total salary and benefits:     \$35,249,794

Full time faculty                 56%

Administrators	7%
Classified	28%
Classified managers	2%
student salaries	1%
Classified retiree benefits and GASB 45	2%
Certificated retiree benefits	2%
Retirement incentives	2%

Mr. Fletes stated the retiree cost will have to be updated based on the latest retirements. Total salary and benefits equal \$35,249,794.

#### Cost Containment

VP Lau stated that hard decisions are needed in order to preserve the core of the institution. A strategy is needed that will address large areas of the budget. The College needs to meet its functional needs but be more efficient. Savings generated by retirements need to be managed. The approximate savings would be \$1.5 million if there were no replacements. John Lau reported that the President and vice presidents will be meeting on Friday regarding budget reductions. VP Berry reported that Academic Services is looking at reducing the number of section for Summer session.

A list of cost containment suggestions, with estimated savings was presented. Carlos Fletes stated that some suggestions were hard to quantify (i.e. "enrollment management"):

Hold winter inter-session but not summer to save energy	1,211,729
No winter inter-session or reduce both summer and winter	925,004
Evaluate committee meeting pay	104,635
Evaluate and adjust teaching and non-teaching release time	1,180,233
No step increases	760,000

VP Lau stated that the District needs to deliver a budget in June (Tentative) and September (Final). He asked the committee to address global issues, such as how total resources are allocated and how budget is tied to objectives.

#### Resource Allocation Plan

In response to questions from a previous meeting regarding the different reserve funds. VP Lau stated the following regarding the three reserve funds: Board mandated reserve: 6%; Board Designated Reserve: would be used in case there is one-time money that the board designates (by resolution) for a specific purpose; Discretionary reserve: money would be earmarked for specific use, and discussion would be required. It could be used, for example, for an off-schedule payment to personnel.

Fiscal Health Risk Analysis

Committee members were asked to fill out the “Fiscal Health Risk Analysis” for discussion at a future meeting. The form is a tool that should help the committee focus on specific budget issues for the coming year. In September, the committee can begin looking at areas of concern.

Next meeting: A working meeting was scheduled for June 5, 2009.

Meeting adjourned at 2:35 p.m.



Planning and Budget Committee  
June 5, 2009

**Members Present:**

\_John Lau, VP for Bus Svcs, chair  
\_Dr. Victor Jaime, Admin. Rep.  
√Dr. Bruce Seivertson, A.S. President  
√Dr. Michael Heumann, College  
Council Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs.  
√Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Representative

**Recorder: Mary Carter**

\_John Abarca, CSEA Representative  
√Steven Sciaky, ASG representative  
√Frances Arce-Gomez, CSEA alternate  
Non-Voting  
\_Kathy Berry, VP Academic Services

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**Call to order**

The special working meeting of the Planning and Budget Committee was called to order by Carlos Fletes at 1:35 p.m. on Friday June 5, 2009 in the Board Room. Vice Presidents Lau, Berry and Jaime were not present due to a budget meeting with the Superintendent/President.

The committee made the following recommendations:

1. Budget reductions as shown on the attached chart.
2. Shut down PO system immediately.
3. No purchase permitted without PO.
4. Close American Express credit card accounts.

Meeting adjourned at 3:45 p.m.

Planning and Budget Committee June 5, 2009

For discussion purposes only

	Possible		Suggestion	P&B	
	Savings		1	Rec.	
GASB 45	500,000		200,000	200,000	Pending board approval of funding GASB 45 (fund \$300,000)
Transfer from Reserve	800,000			0	
		1,300,000			
<u>4000, 5000, 6000 accounts</u>					
Supplies (4000) except for Lottery	935,977		100,000	200,000	20% cut - by VP area and President
Travel, mileage (5000)	327,136			160,000	50% cut, remainder under control of VPs/President, 0 based
Consultants (5000)	606,227	1,055,865	200,000	300,000	50% cut, remainder under control of VPs/President, 0 based
Memberships, subscriptions (5000)	122,502			25,000	required membership to be maintained
Capital outlay (6000)	300,833		300,833	300,833	use lottery and non-district funds if possible
		2,292,675			
Summer School	1,200,000		600,000	600,000	50% cut
Winter intersession	925,000		460,000	460,000	50% cut
		2,125,000			
<u>Extended Campus</u>					
Brawley Extended Center	96,765		96,765	96,765	
Calexico Extended Center	422,194		422,194	42,219	10% cut
El Centro Extended Center	716,254		716,254	71,625	10% cut
Extended Campus administration	529,005		529,005	52,900	10% cut
		1,764,218			
Non-credit	239,788		239,788	120,000	50% cut
Athletics	437,705		106,000	106,000	Athletics to determine sports to be reduced/cut
4 day work week - energy savings	200,000			0	<i>Science Building coming on line, savings hard to determine or overstated for 4 day week</i>
		677,493			
Retirement savings	1,463,179		1,463,179	960,000	
Overload/adjunct pay at \$55.00	365,183		365,183	365,183	
Classified overtime	103,472		50,000	50,000	50% reduction, recommendation no accrual of comp time
Reduction of adjunct faculty					
Staff reduction					
Student employment				75,000	non-work study
Committee meeting pay	105,000			80,000	
Release Time	1,180,000			295,000	25% cut
Step Increases	760,000			760,000	
		3,976,834			
Savings from 2008-09				500,000	Projected fund balance, recommend immediate cut off PO program
	12,336,220	12,136,220	5,849,201	5,820,525	



Planning and Budget Committee  
June 10, 2009

**Members Present:**

√John Lau, VP for Bus Svcs, chair  
√Dr. Victor Jaime, Admin. Rep.  
√Dr. Bruce Seivertson, A.S. President  
√Dr. Michael Heumann, College  
Council Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs.  
√Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Representative

**Recorder: Mary Carter**

√John Abarca, CSEA Representative  
√Steven Sciaky, ASG representative

**Non-Voting**

√Kathy Berry, VP Academic Services

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**Call to order**

The special meeting of the Planning and Budget Committee was called to order by John Lau, committee chairperson at 1:30 p.m. on Wednesday, June 10, 2009 in the Board Room.

**Approval of minutes: M/S (Seivertson/Chun) No action taken;** Eric Jacobson asked that minutes be amended to indicate that the committee asked for input from a site visit to Los Rios CCD on how to implement the Resource Allocation Plan before taking action to approve the plan.

*Note: future meetings will be recorded using the same equipment that is used to record Board meetings.*

**Recommendation to Superintendent/President regarding 2009-10 Tentative Budget:**

**M/S (Seivertson/Heumann) to take no action on this item.** The Committee will meet again on Friday, June 12, 2009 at 9:00 a.m. to review updated budget information that includes cuts made by departments after the deadline on June 9.

John Lau reported that the goal is to balance the budget using the framework of reductions (\$5.8 million) developed by Planning and Budget Committee. The revised budget, including cuts made by departments, through June 9 is \$1.449 million short of the \$5.8 million goal; a placeholder in the amount of the shortfall is being put into the budget. The Business Office needs more details in order to load budget cuts to specific line items. Further, some items such as step increases are negotiable and cannot be taken out of the budget at this time. VP Lau stated that it may not be possible to implement all budget cuts that have been recommended. The final budget should be finalized during the first week of August. Committee members will be kept informed of significant developments via e-mail.

Carlos Fletes stated that \$4 million in cuts have been made; however, there are some areas of overlap. In order to get to a 6% reserve (\$2.4 million on \$41 million budget), further cuts of \$1.449 million are needed. The plan is still to cut \$5.8 million total. A cushion is needed because revenues are very unpredictable. State revenue may still be adjusted for 2008-09. Work on the budget will continue through the summer. A summary by departments will be provided that will give a budget overview. More analysis of department budgets and variances is needed.

VP Lau stated that the College needs to understand FTE generation, and to evaluate summer, winter and extended campus FTES. The target FTE amount is 7130 according to Dawn Chun, and the College is currently at 7400. Summer generates approximately 500 FTE. VP Lau stated that the College needs to decide how much overcap it wants to be. The committee asked for the cost of summer school last year.

Carlos Fletes stated that on June 20 the Second Principal Apportionment will be certified by the State. The college will then know what the growth funding for 2008-09 will be. Last year it was cut. A reduction from 1% growth to 0% growth results in \$500,000 in lost revenue.

The committee expressed concern that other scenarios be looked at in case negotiations are not successful. Where could additional cuts be made? The committee suggested that deeper cuts to the 4000, 5000 and 6000 accounts may be possible, especially with lottery funds available for instructional supplies. VP Berry stated that further cuts to non-credit are possible (at least 70%). Eric Jacobson suggested that GASB 45 be funded at \$100,000. VP Lau stated that the college could put funds into a board designated reserve fund (as an intermediate step) instead of an irrevocable trust.

VP Berry reported that Academic Services will know by the end of today what the actual reductions from divisions will be. Betty Kakiuchi suggested if departments did not make their budget cuts that the Business Office make the cuts across the board.

Dave Drury stated that if Athletics is cutting services and supplies and is also being asked to cut \$106,000, then it is being hit twice.

Members agreed that they wanted more information on all the budget cuts, and set a meeting for Friday, June 12 to make a recommendation on the budget.

**Recommendation regarding Resource Allocation Plan: M/S/C (Seivertson/Jacobson; no: Lau) to recommend that no action be taken on the Resource Allocation Plan until a sub-committee returns from a site visit to Los Rios CCD.**



Planning and Budget Committee  
June 12, 2009

**Members Present:**

\_John Lau, VP for Bus Svcs, chair  
\_Dr. Victor Jaime, Admin. Rep.  
√Dr. Bruce Seivertson, A.S. President  
√Dr. Michael Heumann, College Council Chair

√Eric Jacobson, Faculty Rep.  
√Dr. Lianna Zhao, Faculty Rep.  
√Carlos Fletes, Director of Fiscal Svcs.  
√Dawn Chun, CMCA Representative  
√Betty Kakiuchi, CSEA Representative

**Recorder: Mary Carter**

√John Abarca, CSEA Representative  
\_Steven Sciaky, ASG representative  
√Dave Drury, Faculty alternate

**Non-Voting**

\_Kathy Berry, VP Academic Services

**Call to order**

The special meeting of the Planning and Budget Committee was called to order by Carlos Fletes, Director of Fiscal Services at 9:05 a.m. in the Board Room.

**Approval of minutes: M/S/C Seivertson/Heumann to approve the minutes of the May 27, June 5 and June 10, 2009 meetings, as presented.**

*Note: This meeting was digitally recorded and the mp3 file is available.*

**Recommendation to Superintendent/President regarding 2009-10 Tentative Budget: M/S/C Seivertson/Zhao to recommend that the Board accept the 2009-10 Tentative budget with \$1,022,939 of placeholders, with the understanding that the placeholders will be addressed before the adoption of the final budget. The committee further recommended that if excess funds become available that the committee have input into the restoration of budget cuts.**

Program Reduced	Budgeted Amount	Planning & Budget	Actual	Place Holder
GASB 45	\$ 500,000	\$ 200,000	\$ 300,000	
Supplies (4000 except Lottery)	\$ 935,977	\$ 200,000	\$ 573,708	\$ 217,292
Travel, Mileage, Consultants, Mbshp, Subscriptions (5000)	\$ 1,055,865	\$ 485,000	\$ 301,722	
Capital Outlay (6000)	\$ 350,833	\$ 300,833	\$ 200,000	
<b>Sub-Total</b>		<b>\$ 1,185,833</b>	<b>\$ 1,375,430</b>	
Summer School	\$ 1,200,000	\$ 600,000	\$ 537,603	
Winter Intersession	\$ 925,000	\$ 460,000	\$ 349,353	\$ 110,647
<b>Sub Total</b>		<b>\$ 1,060,000</b>	<b>\$ 886,956</b>	
<u>Extended Campus</u>				
Brawley Center	\$ 96,765	\$ 96,765	\$ 96,765	
Calexico Center	\$ 422,194	\$ 42,219	\$ 42,219	
El Centro Center	\$ 716,254	\$ 71,625	\$ 71,625	
Extended Campus Admin	\$ 529,005	\$ 52,900	\$ 52,900	
<b>Sub Total</b>		<b>\$ 263,509</b>	<b>\$ 263,509</b>	

Non-credit	\$ 239,788	\$ 120,000	\$ 190,000	
Athletics	\$ 437,705	\$ 106,000		
4-Day Workweek Energy	?	\$ -		
<b>Sub-Total</b>		<b>\$ 226,000</b>	<b>\$ 190,000</b>	
Retirement Savings	\$ 1,463,179	\$ 960,000	\$ 757,927	
Overload/Adjunct Pay	\$ 3,959,028	\$ 365,183	\$ 489,856	
Classified overtime	\$ 103,472	\$ 50,000	\$ 74,965	
Reduction of adjunct fac	\$ -	\$ -		
Staff Reduction/Attrition, Furlough	\$ -	\$ -		\$ 300,000
Student Employment		\$ 75,000	\$ 185,321	
Committee Pay	\$ 105,000	\$ 80,000	\$ 80,000	
Release Time	\$ 1,180,000	\$ 295,000		\$ 395,000
Step Increases	\$ 760,000	\$ 760,000		
<b>Sub-Total</b>		<b>\$ 2,585,183</b>	<b>\$ 1,588,069</b>	
Proj fund balance		\$ 500,000	\$ 500,000	
<b>Total</b>	<b>\$ 14,980,065</b>	<b>\$ 5,820,525</b>	<b>\$ 4,803,964</b>	<b>\$ 1,022,939</b>
			<b>\$ 5,826,903</b>	

Carlos Fletes noted the following:

- Lottery funds were less than expected; \$217,000 will have to be found elsewhere.
- More work is needed to allocate budget cuts to line items before the Final Budget is adopted in September.
- There will be a projected 10% reserve if all placeholder cuts are made; 1% of reserve is equal to about \$350,000.
- The retirement savings amount is based on 60% of retirees not being replaced, but it is a variable amount because of the pay rates of the replacements. The retirement savings is not final, and the budget will be adjusted in terms of what positions are actually replaced.

John Lau reported that:

- CTA has tentatively agreed to freeze the adjunct/overload rate at \$55.00.
- It is important to look at revenue generation to be sure that classes have not been cut too much; a FTE plan is needed.
- There is \$100,000 left in capital outlay expense which is committed to projects.
- Services in Purchasing, Maintenance and the Business Office will be affected by the non-replacement of personnel. Purchasing is a one-person office, the Business Office has

three people retiring and Maintenance will have five less people, but 70,000 square feet (Science Building) is being added. The campus will be seeing a change in the level of services being provided and how business is done.

- Funds for student employment have been completely eliminated. Only work study students paid 100% from Financial Aid funds will be employed after July 1.
- GASB 45: Funding for 2009-10 was proposed at \$500,000, but has been cut to \$200,000, but it is open to discussion. VP Lau stated the money could go into a board designated reserve fund for the first year rather than an irrevocable trust so that the funds could be available in case of an emergency.
- There are other areas that may need to be re-visited and more cuts are possible.
- Revenue is uncertain, there is a possible loss of \$500,000 in state funding and the property tax revenue may be less than projected.
- The use of reserve will have to be looked at. Next year's budget situation may be worse.
- If funds are restored, it must be done by priorities and the Educational Master Plan has to be adhered to.
- The work of the division chairs is much appreciated. The Business Office will meet with them to continue to address budget challenges. The next step will be fine tuning the budget cuts; a total of \$5.8 million is needed. The money has to be found, while preserving the core services of the College.

#### Comments from Committee:

- VP Berry stated that low enrollment classes are being cancelled for the Summer session. There are few part time instructors teaching this summer.
- Eric Jacobson stated that information to staff is needed to quell rumors and address concerns about jobs.
- It was noted that there are rumors in the community that summer session has been cancelled.

Meeting adjourned at 9:37 a.m.