

Budget and Fiscal Planning Committee

May 2, 2012

VMembers present:

✓John Lau, VP for Business Services, Co-Chair ✓Kathy Berry, Administrative Representative Jessica Waddell, College Council Representative ✓Eric Jacobson, Faculty Representative ✓Dave Drury, Faculty Representative ASG Representative

Recorder: Mary Carter

VEN White, Academic Senate Rep., Co-Chair

Jeff Cantwell, CMCA representative

Frances Arce-Gomez, CSEA Representative

Marilyn Boyle, CSEA Representative

Carlos Fletes, Director of Fiscal Services

Call to Order

The special meeting of the Budget and Fiscal Planning Committee was called to order by cochair Kevin White at 3:35 p.m. on Wednesday, May 2, 2012. The meeting was held in the board room.

2012-13 Budget - First Draft

- There are no changes to the budget since the last meeting.
- All information is in the budget except for \$45,800 in night differential that still needs to be inserted.
- Some salary information is based on last year's information (adjunct, overload, extra duty, student help and professional experts).
- Bottom line: the budget is \$3.6 million short of achieving a 5.3% reserve. The projected reserve is -4.7%
- 90% of the budget is salaries and benefits (negotiable items); 10% of the budget is in services, supplies and capital outlay (4000, 5000 and 6000 accounts)
- The minimum reserve should be 5% for accreditation purposes, but the college must also be able to show it has sufficient reserves for sustainability.
- Per VP Berry, borrowing will show lack of sustainability to the accreditation team.
- The budget for student employment is \$229,000. Campus Safety has already been cut by \$60,000.
- Why is there still a budget for Calexico Extended Center in the budget? The decision to close Calexico was made after Program Review.
- ORG 831 is for retirement incentives (including payments to PERS and STRS). It is also a holding account for payment of benefits but that is an "in and out" expense.
- Account 7100 is for payment of Lease Revenue Bonds and Certificates of Participation and interest on TRANs. Debt payments are \$714,000 per year, and interest on TRANS is

- budgeted at \$150,000. Account 7100 does not include any write-off of student accounts.
- ORG 104 Public Relations: There is \$70,000 in the budget (\$20,000 from Lottery), with \$39,000 for consulting.
- ORG 333 Auto Body: \$20,000 in budget. The program is being discontinued but students have one year to complete the program.
- ORG 364 Non-credit: non-credit classes earn FTES at a lower rate; classes are free to students; not many classes are offered.
- VP Berry will be meeting with deans to review changes to budgets that have occurred since last fall when budgets were put in Program Review.
- ORGs 702 and 707: Member Boyle wanted to be sure IT manager's salaries were distributed correctly.
- VP Lau stated that costs related to grants need to be reviewed, including retiree costs and cash flow issues due to the District having to advance money for grant program expenses.
- Classified manager salaries are up 10% and Deans are up 8%; one manager was added.
- Bookstore commission is a target number only. Both the Bookstore and Cafeteria are doing poorly.
- What overall percentage of cut is needed? 10%, but an across-the-board cut is not possible because of contracts.
- VP Lau stated that the function of the reserve needs to be defined. Accreditation will be looking at sustainability now because of the state financial situation. The College needs a goal of increasing its reserve to ensure sustainability for the future. What is a reasonable level to set the reserve?
- Director Fletes stated that departments were directed to reduce 4000, 5000 and 6000 accounts by 5% overall. Most of the reduction has been in 6000 accounts (down by \$200,000.
- VP Lau stated that the college needs to find efficiencies in order to save money. The
 college needs to review the model of how it does business, e.g., looking at operational
 changes versus strictly making cuts. The answer may not always be to cut. Perhaps we
 change the work schedule since we are no longer having two inter-sessions. Traditional
 cuts are not working anymore.
- VP Lau stated that facility use should be consolidated during the summer.
- The committee asked what FCMAT's role would be. VP Lau stated that FCMAT will provide a road map for possible changes. VP Lau would like to have a workshop with the board and other interested parties to review FCMAT's recommendations. A game plan with milestones can then be established. A matrix with recommendations and accomplishments can be made to measure the implementation of FCMAT's recommendations.
- Director Fletes stated that the committee should have a recommendation on the budget by May 23. Board approval of the Tentative Budget is needed by June 15. The recommendation can be a concept such as reserve of at least 5.3%.

• The Business Office will compile a list of possible budget adjustments for review at the next meeting.

Next meeting: The committee will meet again on May 9, 2012, with additional meetings on May 16 and May 23, 2012.

Meeting adjourned at 4:45 p.m.