



**Planning and Budget Committee
2004-05 Minutes**

May 25, 2005
March 23, 2005
February 23, 2005
January 26, 2005
December 15, 2004
November 9, 2004
October 27, 2004
September 22, 2004

IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE

UNADOPTED MINUTES
May 25, 2005

Present:	Absent:	Visitors:
Tom Hudson, Chair	Patricia Robles	Kathy Berry
Craig Blek	Maria Trejo	Eileen Buckel
Ted Ceasar		Krista Byrd
Carlos Fletes		Carol Cortes
Saul Hom		Fred Fischer
Eric Jacobson		Dr. Kendra Jeffcoat
Dr. Victor Jaime		Efrain Silva
Nancy Ramirez, ASG		David Zielinski
Dr. Lianna Zhao		

Chairman Tom Hudson, Dean of Business Services, called the regular meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, May 25, 2005 in the Board Room.

Approval of Minutes

M/S/C Blek/Zhao to approve the minutes of the March 23, 2005 meeting, as presented.

2005-06 Tentative Budget

M/S/C Jaime/Blek to approve the 2005-06 Tentative Budget. Discussion: The committee discussed why supplies and services were increased 8%, while the entire budget increased 20%. It was felt that more money might be needed in some areas due to increased instruction. Mr. Hudson referred to the Budget Guidelines approved by the Board of Trustees, and stated that a second arena budgeting session would be held in the fall to allocate any additional funds received from the State. Mr. Hudson stated that while he is anticipating full funding from the State, he wanted to be sure that salaries were fully funded, including negotiated increases, increased adjunct faculty costs, and a 14.5% increase in medical benefit costs.

The committee discussed how to handle requests for additional funding, it was decided to use a form similar to the one used in the past for funding requests for PFE and Block Grant funds.

Student Health Fee

Kathy Berry and Dr. Victor Jaime reported that the student health fee has been endorsed by the ASG, and it will be presented to Academic Senate next. Services to be provided will include primary care, physicals, prescriptions, first aid, health education, and crisis intervention. Students or staff with insurance, will have their insurance billed. The Nurse Practitioner will be located in the current nurse's office. ***M/S/C Jaime/Blek to recommend that IVC charge a health fee to students, effective Fall 2005, and implement a full-fledged student health center.***

Growth Planning Review Process

The committee discussed the Growth Planning review form developed by College Council as a document for gathering data for augmented budgets in the fall. It was decided to use a more general form, such as the form used to request PFE funding in the past.

Instructional Support Grant

M/S/C Jaime/Zhao to allocate the \$132,000 in additional Library Materials/Instructional Equipment Grant Funds 75% to Instruction and 25% to Student Services.

Meeting adjourned at 3:00 p.m.

Recording Secretary: Mary Carter

IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE

UNADOPTED MINUTES
March 23, 2005

Present:	Absent:	Visitors:
Tom Hudson, Chair	Irene Garcia, ASG	Kathy Berry
John Abarca (alternate)	Eric Jacobson	Dr. Marion Boenheim
Craig Blek	María Trejo	Eileen Buckel
Mary Kay Borchard (alternate)		Lisa Cross
Ted Ceasar		Laurie Franks
Carlos Fletes		Dr. Kendra Jeffcoat
Saul Hom		Dr. Paul Pai
Dr. Victor Jaime		Gail Parish
Patricia Robles		
Dr. Lianna Zhao		

Chairman Tom Hudson, Dean of Business Services, called the regular meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, March 23, 2005 in the Board Room.

Approval of Minutes

M/S/C Blek/Zhao to approve the minutes of the February 23, 2005 meeting, as presented.

First Principal Apportionment

Carlos Fletes, Director of Fiscal Services, distributed his analysis of the First Principal Apportionment report. He directed the committee's attention to page 2 of his memo, showing the projected impact on IVC's 2004-05 budget. The operating deficit for 2004-05 is now estimated at \$319,000. Mr. Hudson commented that the new amount is good news, because the previous deficit was \$1.2 million. He stated that some funding issues may be more positive by the end of the year.

Plant and Instructional support Grant

Carlos Fletes reported that the State is making an additional \$132,000 available for instructional equipment, library materials, and scheduled maintenance projects. These funds are in addition to the Instructional Equipment/Library Materials/Scheduled Maintenance Block Grant already allocated by the committee (75% instruction/25% student services). The funds are subject to various matching requirements (3:1 match for equipment, 1:1 for scheduled maintenance). No action was taken due to lack of a motion. The committee agreed to discuss this item further at its next meeting.

Budget Development

Carlos Fletes stated that according to the Budget Development Calendar, today is the last day to update budgets in Banner. He reported that he has received personnel listings from about 10 departments. In addition to fulltime staff, units and overload is needed for per-session faculty for the coming year. Mr. Fletes informed the committee that some areas are not done with their budgets. One option would be to allow the budget input phase to remain open through Spring Break. ***M/S/C Zhao/Blek to expand the budget input period through April 3.*** Mr. Hudson stated that department budgets that are not updated will have the same budget amounts in the 4000 and 5000 account categories as in 2004-05. It was noted that budgets adjustment can be made after the arena budgeting.

Growth Planning Process Review

Ted Ceasar distributed a *Growth Planning Process Review* document that was developed by a sub-committee of College Council, in response to the need to identify additional costs (office space, support staff, equipment, etc.) relating to the hiring of new faculty. The committee discussed College Council's role in the budget process, and recommended that the reference to action being taken by College Council be deleted from the procedure. ***M/S/C Ceasar/Abarca (No: Blek, Borchard, Zhao) to adopt the revised Growth Planning Process Review document.***

Purchase Order Cut-Off Date

Carlos Fletes proposed instituting a May 31, 2005 cut off date for purchases in order to prevent the carryover of purchases into the next fiscal year. Accounting standards require that goods and services be paid for in the fiscal year they are received. In the past, purchasing has been cut off as early as April 15. Summer school orders can be placed through May for June delivery, and for deliveries needed in July; the 2005-06 budget will be accessible in mid June. ***M/S/C Zhao/Borchard to cut off purchase orders on May 31, 2005.***

Classified Staffing

In response to questions raised at the February committee meeting, John Abarca reported that 19.5 classified positions were requested by departments in their 2005-06 Program Reviews. He is still working on identifying specific positions and costs.

Free Parking

Tom Hudson stated he believes that the Master Plan being done by the architect will solve many of the College's parking problems and that parking tickets are a big area of dissatisfaction with students and the public. The College doesn't make a lot of money on parking fees and the maintenance of the parking lots could be paid from capital projects funds. The existing staff could monitor the parking lots for security and safety. It was noted that the Campus Operations committee discussed this concept, but took no action. No action was taken by the committee due to lack of a motion.

Meeting adjourned at 3:00 p.m.

IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE

UNADOPTED MINUTES
February 23, 2005

Present:	Absent:	Visitors:
Tom Hudson, Chair	Ted Ceasar	Sergio Lopez
John Abarca (alternate)	Irene Garcia, ASG	
Craig Blek	Dr. Victor Jaime	
Carlos Fletes	Maria Trejo	
Saul Hom		
Eric Jacobson		
Patricia Robles		
Dr. Lianna Zhao		
Fabian Ramirez, ASG		

Chairman Tom Hudson, Dean of Business Services, called the regular meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, January 26, 2005 in the Board Room.

Approval of Minutes

Dr. Zhao noted that the Budget Guidelines approved by the Board of Trustees differ from those in the minutes; specifically under 1000--Instructional Salaries, section c. and d. were omitted from the Board approved guidelines.

- c. Establish 25 not-for credit self-supported positions, funded by tuition and fees, and
- d. Non-credit overhead to be figured at 15% of non-credit tuition and fees.

It was the consensus of the committee that the board approved Budget Guidelines are to be used, and that the differences noted above are not significant. Mr. Hudson stated that the not-for credit and non-credit guidelines can be taken back to the Board if necessary. ***M/S/C Blek/Fletes to approved the minutes of the January 26, 2005 meeting as presented.***

2005-06 Budget Development Calendar

Carlos Fletes, Director of Fiscal Services, reported that the 2005-06 Budget Development Calendar needs to be amended because on-line budget entry was not possible on February 1 due to technical difficulties with Banner. The budget databases have now been set up, and an e-mail to all departments will go out today to start the budget process. Further changes to the Budget Calendar are needed due to the need to have the budget reviewed by Academic Senate and College Council, as part of the Shared Governance process.

M/S/C Blek/Zhao to approve the revised 2005-06 Budget Development Calendar..

Revised 2005-06 Budget Development Calendar

1. Review and adoption of Budget Development Calendar by Planning & Budget Committee November 9, 2004
2. Budget Development: cost centers develop budgets, enter budgets on-line, budget meetings held with vice presidents and deans February 23 – March 23, 2005
3. Budget compiled April, 2005
4. Draft of Budget reviewed by Planning & Budget Committee April 27, 2005
5. Budget adjustments March – April, 2005
6. Budget balanced by Arena May 2 – 3, 2005
7. Budget presented to Academic Senate May 4, 2005
8. Budget presented to College Council May 16, 2005
9. Final review by Planning & Budget Committee and recommendation for adoption forwarded to Superintendent/President May 25, 2005
10. Tentative Budget presented to the Board of Trustees (must be adopted by June 30) June 21, 2005
11. Adjustments to budget based on adoption of State Budget July, 2005
12. Review of Final Budget by Planning & Budget Committee, Academic Senate and College Council August, 2005
13. Final Budget presented to Board of Trustees by September 15, 2005

Use of American Express Cards

Jan Magno proposed allowing the use of American Express cards for purchasing goods and services, particularly in order to take advantage of purchasing on-line. Some possible areas of concern discussed by the committee were: follow-up on damaged merchandise, inventory control and tracking of goods, and tracking and reporting of use tax on out-of-state purchases. John Abarca reminded the committee that the decentralization of the Purchasing Department is on a trial basis, and needs to be revisited. ***M/S/C Magno/Blek (abstain: Robles, Abarca) to recommend that the District policy for use of American Express cards be changed to allow the purchase of supplies and equipment on a trial basis for Spring 2005, and that the procedure be re-evaluated at the end of the year.***

Half-time Position for Parking Control

Carlos Fletes presented a hiring request for a half-time, 10-month, Parking Control Technician, to work Monday through Friday from 4:00 to 8:00 p.m., to accommodate the needs of students at night. The Admissions Department no longer issues parking stickers, or collects money so there are no parking services available in the evenings. Funding for the position would be from Parking Funds; however, the position is not considered strictly categorical and is not contingent upon funding. It was his understanding that all new (non-categorical) positions need to be approved by the Planning & Budget Committee. Eric Jacobson asked about the status of the parking study, and Mr. Hudson replied that with the passage of the bond issue, the architect has been charged with addressing parking issues as part of the overall project. Tom Hudson proposed doing away with parking stickers and citations; he stated that parking issues were a major source of complaints from the community. Parking generates about \$185,000 in revenue, and pays for the salaries of three classified positions, as well as student parking lot attendants and parking expenses, such as striping the lots and buying stickers. Eric Jacobson stated that “free parking” was not on the agenda, and would have to be discussed at the next committee meeting. ***M/S/C Blek/Magno to approve a half-time Parking Control Position.***

Title V Grant

Dr. Lianna Zhao informed the committee that Title V cooperative grant is being developed to expand educational opportunities for Hispanic students in the areas of general biology, computer science and nursing. The 5-year grant would be for \$3.5 million.

Other

Eric Jacobson asked for additional information about the 25 classified positions agreed to by administration and CSEA. Tom Hudson stated that he will ask Dr. Boenheim to send the list of positions to the committee, along with the preliminary pricing (estimated at \$685,000 plus benefits). The committee asked how the new positions were selected, what departments they were in, and if the positions were to be included in the 2005-06 budget. Tom Hudson stated that more information will be available in the next couple of weeks.

Tom Hudson informed the committee that the Board of Trustees has approved a \$5,000 contract with a consulting firm to assist the College with lobbying for equalization. The transfer will be from the Reserve Fund.

Meeting adjourned at 3:05 p.m.

IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE

UNADOPTED MINUTES
January 26, 2005

Present:	Absent:	Visitors:
Tom Hudson, Chair	Irene Garcia, ASG	Dr. Marion Boenheim
John Abarca (alternate)	Maria Trejo	Mary Kay Borchard
Craig Blek		Eileen Buckel
Ted Ceasar		Dawn Chun
Carlos Fletes		Laurie Franks
Saul Hom		Dr. Kendra Jeffcoat
Eric Jacobson		Carol Lee
Dr. Victor Jaime		Dr. Paul Pai
Patricia Robles		Efrain Silva
Dr. Lianna Zhao		
Jeanette Navarro, ASG		

Chairman Tom Hudson, Dean of Business Services, called the regular meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, January 26, 2005 in the Board Room.

M/S/C Zhao/Fletes to approved the minutes of the December 15, 2004 as amended.

New Budget Process

Mr. Hudson reviewed the proposed 2005-06 Budget Process, as presented to College Council. The committee suggested revisions as shown in italics:

2005-06
BUDGET PROCESS

1. Executive Council Prepares Budget Guidelines
2. Planning and Budget Committee Approves Guidelines
3. Academic Senate Approves Guidelines
4. ***College Council Approves Guidelines***
5. Board Adopts Budget Guidelines
6. Budget Prepared Using Budget Guidelines
 - a. Department Chairs Prepare Budget
 - b. Deans and Vice Presidents Approve Budget
7. Budget Reviewed by Arena
 - a. President's Cabinet
 - b. Union Leadership
 - c. Vice Presidents
 - d. Deans
 - e. ***Department Chairs***
 - f. Directors
 - g. Coordinators

8. Budget Balanced by Arena
9. Budget Approved by Planning and Budget Committee
10. ***Budget Approved by Academic Senate***
11. Budget Approved by College Council
12. Budget Recommendation Forwarded to Board

Arena Budgeting: The committee suggested having a scheduled time for each budget review so that Division Chairs can be present. The committee also discussed the possibility of Division Chairs being given leave to attend the Arena budgeting process. Mr. Hudson emphasized the need for arena participants to be present throughout the process in order to learn about the budget as a whole. ***M/S/C Jacobson/Zhao to approve the revised Budget Process.***

Five-Year Budget Forecast

Mr. Hudson reviewed his five-year budget forecast:

1. Revenue must increase to meet Strategic Planning Goals.
2. Revenue must increase to balance current revenue with current expenses.
3. “Entropy rules”--resources must be replenished, or decline is inevitable. There are statewide growth limits that will be funded and are variable.
4. During periods of economic decline, enrollment increases naturally.
5. During periods of economic expansion, enrollment decreases naturally.
6. The very best time to grow is when there are funds available for growth and when the statewide system is declining in enrollment.
7. Currently, there is modest economic expansion and significant enrollment declines.
8. Now is the very best time to grow (over the next 3-5 years), and be relatively assured of payment from the State.
9. Assumption #1 is that a 25% increase in faculty per year will result in a 15% increase in enrollment paid for at \$3,800 per FTES.
10. Assumption #2 is that Expenses increase by 8% in 2005-06, and 5% a year thereafter.
11. Assumption #3 is that the new growth faculty will cost \$1.2 million per year and generate \$4 million per year. The first year expense to come from undesignated reserve.
12. Assumption #4 is that if the State does not pay the full \$3,800 per Growth FTES each, that Basic Skill revenue will be generated at the same rate as currently or 50% of the FTES rate.

Growth Forecast

Mr. Hudson presented three scenarios for growth over the next three years, based on growth of 15% in 2004-05, 15% in 2005-06, and 7% in 2006-07. Forecast #1 assumes that the College is paid for overcap growth in the first year (\$4 million), and Basic Skills of \$2 million in 2005-06, and \$3 million in year 2006-07. Further that in 2005-06 overcap growth, COLA and growth from 2004-05, become part of the base. Mr. Hudson stated that the College is on target for 15% growth this year.

Forecast #2 assumes that the College is paid for overcap growth in 2004-05 and 2005-06.

Forecast #3 is the most conservative, with no overcap growth, but Basic Skills funding of \$2 million 2005-06 and \$4 million in 2006-07.

FORECAST #1	15%	15%	7%
	2004-05	2005-06	2006-07
Beginning Balance	3,741,687	6,740,000	9,300,000
Federal			
State			
Apportionment	13,631,082	19,000,000	20,040,000
COLA	502,632	590,000	600,000
Growth	357,802	450,000	460,000
Over Cap Growth	4,000,000		
Equalization	511,764		
Basic Skills	333,540	2,000,000	3,000,000
Lottery	614,250	600,000	600,000
PFE	847,135	850,000	850,000
Other State	1,173,541	1,200,000	1,200,000
Local Fees	1,186,744	1,200,000	1,200,000
Property Taxes	5,697,768	5,800,000	5,900,000
Net Beg. Bal + Rev	32,597,945	38,430,000	43,150,000
Expenses	25,856,251	27,930,000	30,520,000
New Growth & Faculty		1,200,000	360,000
Ending Balance	6,741,694	9,300,000	12,270,000

FORECAST #2	15%	15%	7%
	2004-05	2005-06	2006-07
Beginning Balance	3,741,687	6,740,000	9,300,000
Federal			
State			
Apportionment	13,631,082	19,000,000	20,040,000
COLA	502,632	590,000	600,000
Growth	357,802	450,000	460,000
Over Cap Growth	4,000,000	4,000,000	
Equalization	511,764		
Basic Skills	333,540	0	1,000,000
Lottery	614,250	600,000	600,000
PFE	847,135	850,000	850,000
Other State	1,173,541	1,200,000	1,200,000
Local Fees	1,186,744	1,200,000	1,200,000
Property Taxes	5,697,768	5,800,000	5,900,000
Net Beg. Bal + Rev	32,597,945	40,430,000	41,150,000
Expenses	25,856,251	27,930,000	30,520,000
New Growth & Faculty		1,200,000	360,000
Ending Balance	6,741,694	11,300,000	10,270,000

FORECAST #3	15%	15%	7%
	2004-05	2005-06	2006-07
Beginning Balance	3,741,687	6,740,000	9,300,000
Federal			
State			
Apportionment	13,631,082	* 14,491,516	* 15,531,516
COLA	502,632	590,000	600,000
Growth	357,802	450,000	460,000
Over Cap Growth			
Equalization	511,764		
Basic Skills		2,000,000	4,000,000
Lottery	614,250	600,000	600,000
PFE	847,135	850,000	850,000
Other State	1,173,541	1,200,000	1,200,000
Local Fees	1,186,744	1,200,000	1,200,000
Property Taxes	5,697,768	5,800,000	5,900,000
Net Beg. Bal + Rev	28,264,405	33,921,516	39,641,516
Expenses	25,856,251	27,930,000	30,520,000
New Growth & Faculty		1,200,000	360,000
Ending Balance	2,408,154	* 4,791,516	* 8,761,516

**** Corrected 1/31/05: 2005-06 and 2006-07 Apportionment and Ending Balance***

Eric Jacobson asked that the committee review the allocation of Lottery funds. Carlos Fletes stated that Lottery money is used for utilities and instructional supplies, and the amount of funding remains fairly flat. It was agreed to discuss Lottery funds at a future meeting.

2005-06 Budget Guidelines

The committee discussed whether the increase in faculty has resulted in 15% growth, and the need for additional support staff and infrastructure. Dr. Jeffcoat stated that classrooms are full Monday through Thursday, so emphasis will be on Friday, Saturday and Extended Campus classes. Carol Lee stated that the proposed Compressed Calendar will also impact support staff.

Eric Jacobson proposed postponing approving the Budget Guidelines until the District has addressed Classified staffing issues. Eileen Buckel stated that she is including increased staffing in her Program Review. Carlos Fletes stated that the budget is a road map, and that discussions regarding staffing can continue at the negotiations table. Bargaining units can always re-negotiate based on the amount available in the District reserve. There is a need for the budget process to start as soon as possible. Dr. Pai urged the committee to move forward with the budget process.

M/S/C Abarca/Jaime to approve the Budget Guidelines with the added provision that the District will work with CSEA to determine the support services needs of the District.

2005-06 BUDGET GUIDELINES

- 1000 Instructional Salaries – to be budgeted by Human Resources, Business Services and Cost Centers. Departments are to schedule time with Human Resources to verify positions and salary amounts.
- a. Increase instructional positions by 25
 - b. C&I to determine specific instructional allocations based on verified demand and classroom quotas.
 - c. Establish 25 not-for-credit self-supported positions, funded by tuition and fees.
 - d. Non-credit overhead to be figured at 15% of non-credit tuition and fees.
 - e. Increase salaries subject to final negotiations.
- 2000 Increase Classified Salaries subject to final negotiations
- a. **Increase in support staff to be discussed by Administration and CSEA**
- 3000 Increase Fringe Benefits subject to final negotiations
- 4000 Supplies and Equipment – Increase 8% from 2004-05
- 5000 Services – Increase 8% from 2004-05
- 6000 Capital Outlay will be budgeted by Budget and Planning Committee.

Beverage Contract

Laurie Franks reported on bids received from Coke and Pepsi. The contract will be administered by Student Affairs, with revenue (less energy costs) going to ASG. ***M/S/C Blek/Jaime to recommend approval of a full service beverage contract with Coca-Cola.***

Meeting adjourned at 3:25 p.m.

IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE

UNADOPTED MINUTES
December 15, 2004

Present:	Absent:	Visitors:
Tom Hudson, Chair	Craig Blek	Dawn Chun
John Abarca (for Maria Trejo)	Irene Garcia, ASG	Laurie Franks
Ted Ceasar	Dr. Victor Jaime	
Carlos Fletes	Maria Trejo	
Saul Hom		
Eric Jacobson		
Jan Magno (for Victor Jaime)		
Patricia Robles		
Dr. Lianna Zhao		

Chairman Tom Hudson, Dean of Business Services, called the special meeting of the Planning and Budget Committee to order at 1:00 p.m. on Tuesday, December 15, 2004 in the Board Room.

CAPITAL EQUIPMENT

The committee reviewed a summary of the five year equipment replacement requests submitted by various departments:

<i>Fiscal Year</i>	<i>Equipment</i>	<i>Computers</i>	<i>Student Computers</i>	<i>Total</i>
2004-05	520,291.41	147,656.73	72,400.00	740,348.14
2005-06	421,280.72	62,100.00	53,100.00	536,480.72
2006-07	193,579.31	51,600.00	38,424.00	283,603.31
2007-08	197,849.00	32,700.00	2,400.00	232,949.00
2008-09	439,826.00	11,900.00	0.00	451,726.00
Estimated Total				2,245,107.17

Computers requested for 2004-05 include 73 desktops and six laptops for faculty and staff, and 141 desktops and 43 laptops for students. Laurie Franks, Director of Purchasing, informed the committee that ITAC has requested that the college purchase computers through Dell. Eric Jacobson questioned why no equipment requests were listed for the Behavioral/Social Science Division. Laurie Franks responded that the division chair and division secretary said they did not have time to prepare an equipment request.

M/S/C Magno/Fletes (abstain: Jacobson) to approve the 2004-05 equipment purchases as presented, in the amount of \$740,348.14.

Fixed Assets

Carlos Fletes, Director of Fiscal Services, reported that the College will be using a new account 6590 for equipment costing \$5,000 or more (on an individual basis), and with a useful life of one year or more. Items costing less than \$5,000 will use the 6490 account code. This change is in order to comply with GASB 34 regarding capitalization of equipment.

M/S/C Fletes/Zhao to approve the minutes of the November 9, 2004 meeting as presented.

IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE

UNADOPTED MINUTES
November 9, 2004

Present:	Absent:	Visitors:
Tom Hudson, Chair	Maria Trejo	John Abarca
Linda Amidon	Irene Garcia, ASG	Tom Barrington
Craig Blek	Dr. Lianna Zhao	Frances Beope
Dennis Carnes (for L. Zhao)		Kathy Berry
Ted Ceasar		Dr. Marion Boenheim
Carlos Fletes		Mary Kay Borchard
Eric Jacobson		Eileen Buckel
Dr. Victor Jaime		Dawn Chun
Patricia Robles		Cesar Guzman
		Saul Hom
		Jan Magno
		Sherry Zobell

Chairman Tom Hudson, Dean of Business Services, called the regular meeting of the Planning and Budget Committee to order at 1:00 p.m. on Tuesday, November 9, 2004 in the Board Room.

M/S/C Jaime/Blek to approve the minutes of the October 27, 2004 meeting as presented.

Bond Implementation Schedule

Tom Hudson presented a schedule for the implementation of the bond issue

1. Certification of election results by Imperial County Board of Supervisors
2. Certification of Election, resolution declaring intent to reimburse capital expenses from bond proceeds, appointment of Citizen Oversight Committee at November 16, 2004 IVC board meeting
3. Prepare Official Statement and Prospectus for sale of bonds, Dec/Jan 2005.
4. Begin implementation of Long Range Facilities Plan, Maintenance and Modernization projects for the first five years of the plan--Winter 2004.
5. Convene Citizen Oversight Committee to develop Requests for Proposals for bond projects architect. Develop job descriptions for Construction Project management, interview and select architects and construction project management (Nov/Dec 2004).
6. Schedule New York City, San Francisco, and Los Angeles meetings with three credit rating agencies, three bond insurance agencies and 75-100 underwriter presentations in December/January 2005. Presentations to be made by Tom Hudson, Dr. Pai, and two board members
7. Sell bonds in December/January 2005.
8. Develop five-year monthly construction payment draw schedule.
9. Reinvest bond proceeds to match draw schedule December/January.
10. Hire bond maintenance and modernization crew (approximately 10 to 15), January 2005.
11. Set up construction project management office with one Project Manager, two Construction Managers and a Construction Secretary, Spring 2005.

12. Architect begins design development planning with Science/Math/Engineering and Applied Science Departments using Long Range Facilities Plan scope of work, Winter 2005.
13. Architect begins schematic design of Science and Technology Center and Career Technical Building, Summer 2005.
14. Architect begins specifications and construction documents, Fall 2005.
15. Board approves plans, specifications and authorizes release of bid documents, Winter 2006.
16. Capital Projects Purchasing Agent/Contract Administrator advertises for construction bids, Winter 2006
17. Bids opened and accepted by Board of Trustees, Winter 2006.
18. Construction contracts awarded, Winter 2006.
19. Construction begins, Spring 2006.
20. Projects completed, Spring 2007
21. Occupancy and classes begin Summer/Fall 2007

Questions/comments from the committee included:

- Who will be making the presentations to Bond Rating agencies--Tom Hudson, Dr. Pai, and two board members.
- Is it legal to use bond money to pay salaries--yes, according to legal opinion from Bond Counsel.
- Will the Citizen's oversight committee oversee day to day activities—no.
- What will the Planning & Budgets committee's involvement be in the process?
- Why hire project management staff--complex projects, college can employ a construction management firm or hire its own personnel.
- Is occupancy in Fall 2007 possible?--yes, with good project management and good construction company, design phase should take one year, and one year for construction, the variable is shared governance.
- Will there be two structures?--yes, one for Science of 72,000 square feet, and another structure or complex of structures of 150,000 square feet.

Instructional Equipment/Library Materials/Scheduled Maintenance Block Grant

M/S/C Jacobson/Jaime to allocate the Block Grant Funds of \$115,000: 75% to Academic Services and 25% to Student Services.

Desert Museum Society, Request for Funding

Tom Barrington, President of the Desert Museum Society asked the committee to help the Desert Museum Society continue the operation of the Southeast Information Center for 2004-05, by providing funding in the amount of \$10,000. The Information Center generates income of \$30,000 -- \$40,000 annually through record searches required for construction projects, but is short of the total needed. The Museum Society is pursuing other funding sources for next fiscal year, and for completing the Museum building.

M/S/C Carnes/Jaime (abstain: Jacobson) to approve \$10,000 in funds (transfer from Board Reserve) for Desert Museum operations.

2005-06 Budget Calendar

Carlos Fletes, Director of Fiscal Services, presented the 2005-06 Budget Calendar, with a start date of February 1, 2005, and completion of on-line entry by Spring Break.

M/S/C Jaime/Blek to approve the 2005-06 Budget Calendar as presented.

2005-2006 BUDGET DEVELOPMENT CALENDAR		
1.	Planning & Budget Committee reviews the Budget Development Calendar	November 9, 2004
2.	Budget Development: cost centers develop budgets, enter budgets on-line, budget meetings held with vice presidents and deans	February 1 – February 25, 2005
3.	Budget is compiled	March 2005
4.	Draft of Budget is reviewed by Planning & Budget Committee	March 23, 2005
5.	Budget adjustments	March – April, 2005
6.	Planning & Budget review budget adjustments, forward Budget to College Council	April 27, 2005
7.	Budget presented to College Council	May, 2005
8.	Final review of budget by Planning & Budget committee and recommendation for adoption by Board of Trustees	May 25, 2005
9.	Tentative Budget is presented to the Board (must be adopted by June 30)	June 21, 2005
10.	Make adjustments necessary upon adoption of State Budget	July, 2005
11.	Review of Final Budget by Planning & Budget Committee and College Council	August, 2005
12.	Final Budget is presented to Board of approval	by September 15, 2005

Travel Funding

The committee discussed the method used by departments to budget for travel; in the past a \$400 per staff member formula was used. For 2004-05, no guidelines were specified. Mr. Hudson stated that he preferred not to allocate a specific dollar amount (centralized budgeting), rather he encouraged departments to budget to meet master plan goals in the travel and staff development areas. Mr. Jacobson stated that he would like to review information on travel funding further, and discuss this item at the next meeting.

Year End Procedures

Mr. Hudson stated that the Business Office is empathetic to departments trying to maximize their categorical funds; however, management of grant monies is necessary to achieve a minimal surplus. He asked the committee's help in establishing a policy for year-end purchases and transfers. He preferred not to have a cut-off date for purchases (the College has used a cut-off date as early as April 15 in the past), but the College would be violating accounting principles by allowing activity beyond June 30 to be charged to the 2004-05 budget.

Carlos Fletes stated, that with Banner, the 2005-06 budget will be open for orders by the first week of June, 2005. Orders that will not arrive by June 30, 2005, must be charged to the 2005-06 budget. The auditors can disallow purchases that violate the accounting principles of services rendered and goods received by the end of the fiscal year (June 30). Salary negotiations for 2004-05 were settled early; therefore; departments should have their funds available in the appropriate accounts, without having to plan for delayed salary increases.

Mr. Fletes stated that the appropriate method of buying goods is through the purchase order process; the American Express cards are meant for district travel.

The committee agreed to discuss year-end guidelines further at the next committee meeting.

Meeting adjourned at 2:00 p.m.

IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE

UNADOPTED MINUTES
October 27, 2004

Present:	Absent:	Visitors:
Tom Hudson, Chair	Linda Amidon	John Abarca
Craig Blek	Dr. Lianna Zhao	Dr. Marion Boenheim
Dennis Carnes (for L. Zhao)		Eileen Buckel
Ted Ceasar		Dawn Chun
Carlos Fletes		Laurie Franks
Irene Garcia, ASG		Suzanne Gretz
Saul Hom (for L. Amidon)		Cesar Guzman
Eric Jacobson		Sergio Lopez
Dr. Victor Jaime		Jan Magno
Patricia Robles		
Maria Trejo		

Chairman Tom Hudson, Dean of Business Services, called the regular meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, October 27, 2004 in the Board Room.

M/S/C Garcia/Fletes to approve the minutes of the September 22, 2004 meeting as presented.

Remarks from the Chair

Tom Hudson stated that there were two no votes at the last meeting on the motion to approve the budget; he met with Patty Robles and Eric Jacobson to discuss their concerns which were: not enough time to review the budget, confusion over budget reductions and trust and confidence issues. Mr. Hudson stated that there were no budget reductions and noted that the Tentative and Adopted budgets were the same except for the transfers from contingency made during the summer, and reported to the committee by Carlos Fletes.

Mr. Hudson read the *President's Message* from the adopted budget to the committee.

He asked the committee to pay attention to the report on budget transfers.

Mr. Hudson informed the committee that the agenda is being posted to the website, and asked the committee's help in limiting the addition of agenda items once the agenda is posted. He noted the addition of one agenda item at the request of Dawn Chun: Title V Grant.

Growth Allocation Model

Mr. Hudson presented the draft Growth Allocation Model he developed (as requested by the President); he asked for volunteers to "put more flesh" on the model. The model is meant to be a guide for future growth. The model has been presented to College Council, the Board of Trustees and Administrative Council.

Eric Jacobson asked about the change in the number of counselors in the report; it was explained that the counselors who are categorically funded, and the student served by those categorically

funded counselors have to be taken out of the calculation. The counselor/student ratio for IVC is 1:640 (district funded counselors serving the general student population).

Mr. Hudson distributed a forecast of potential additional revenue giving the most optimistic assumption and a more conservative estimate for 2004-05.

15% Growth Revenue Limit	812 FTES X 3,800
Total Growth Qualified Equalization	\$3,085,600 <u>500,000</u> \$3,585,600
OR Total Basic Skills Equalization	\$1,500,000 <u>500,000</u> \$2,000,000

Mr. Jacobson asked why the forecast was so optimistic—what is different. Dawn Chun noted that there has been a 23% increase in money for instruction; however, load has increased 11% (new classes) and FTES has increased 15%. She has alerted Dr. Pai, and some adjustment may be needed before more faculty is hired. The committee had questions about the non-credit classes, and whether a different pool of instructors would be used so that the credit pool would not be drained. Dr. Boenheim stated that there is a different pool of instructors, with an \$18-\$25 per hour salary scale and a different set of requirements. She noted that there seems to be a large amount of money spent on per-session instruction without a big increase in FTES. Dennis Carnes stated that the College has made cheap FTES into expensive FTES.

Dr. Jaime asked if sub-committee members have to be members of Planning & Budget; he suggested that the committee members go back to their areas for volunteers.

Instructional Equipment/Library Materials/Scheduled Maintenance Block Grant

Carlos Fletes reported that IVC is not one of the 25 districts in the state that will be allowed to use the Block Grant to offset its PFE deficit; therefore, the \$115,000 in Block Grant funding is back on the table for allocation. The match for Instructional Equipment/Library Materials is 3:1, while the match for scheduled maintenance is 1:1. Scheduled maintenance covers such projects as roof repair. The College has until November 30 to file its expenditure plan with the State. The committee agreed to defer discussion of this item until after the November 2 election due to the potential impact of a successful bond issue.

Transfers from Contingency

The committee reviewed the report of transfers made from contingency to-date this fiscal year. Jan Magno asked what the balance of the Reserve fund is, and how did we get more money; Carlos Fletes stated is the Reserve is approximately \$2.7 million and is larger because of the transfer of capital items (6000's) from 2003-04 and 2004-05 to the Capital projects fund (funded with Certificates of Participation). Mr. Fletes was asked how much the COP's cost the district, and he replied about \$300,000 annually.

Mr. Hudson encouraged the committee to look at the transfer report; he also encouraged the committee to monitor the report of transfers between major object codes that the Board of Trustees approves monthly; there will be more transfers as the fiscal year progresses, resulting in a lower ending balance for the District.

Patty Robles expressed concern about categorical programs having to get board approval for transfers between major object codes; she stated that her program lost some funding because they did not have enough time at the end of the fiscal year to get transfers approved and equipment ordered.

Mr. Hudson stated that state law, Education Code and Title V, as well as accounting guidelines require all budget allocations to be approved by the Board of Trustees. Carlos Fletes stated that he was not aware of any funding being lost.

Capitalization of Equipment at \$5,000

The College currently capitalizes equipment at \$200 (charged to 6000 code) although GASB 34/35 sets the threshold at \$5,000. The \$5,000 amount is used for depreciation, and only changes the account used to buy the items. Items costing less than \$5,000 could be purchased from a supply account (5000), and could still be purchased with Capital Projects funds. ***M/S/C Jaime/Blek to capitalize equipment at \$5,000.***

Capital Projects Subcommittee

Equipment lists have been sent to departments, and the sub-committee will meet next week to prioritize the items.

Title V Grant

Dawn Chun reported that 4 ½ people will be hired, and paid 100% by the Title V during years one and two, year 3 the District share would be 25%, 50% in year 4, 75% in year 5, and 100% in year 6 and thereafter. There is no allowance for administration costs. The Coordinator with report to Dawn Chun, and ultimately to the President. Eileen Buckel proposed that the vacant Technology Center Coordinator position be brought into the grant.

Next meeting: The next meeting will be moved from November 24 to the second week of November.

Meeting adjourned at 3:35 p.m.

IMPERIAL VALLEY COLLEGE
PLANNING AND BUDGET COMMITTEE

UNADOPTED MINUTES
September 22, 2004

Present:	Absent:	Visitors:
Tom Hudson, Chair	Maria Trejo	John Abarca,
Craig Blek		Dr. Marion Boenheim
Ted Ceasar		Dennis Carnes
Carlos Fletes		Chuck Butcher, Desert Museum Society
Irene Garcia, ASG		Leonard Fabian
Dr. Victor Jaime		Laurie Franks
Eric Jacobson		Gonzalo Huerta
Patricia Robles		Dr. Kendra Jeffcoat
Dr. Lianna Zhao		Jan Magno
		Dr. Paul Pai
		Tony Salcedo
		Kathie Westerfield

Chairman Tom Hudson, Dean of Business Services, called the regular meeting of the Planning and Budget Committee to order at 2:00 p.m. on Wednesday, September 22, 2004 in the Board Room.

Approval of Minutes: ***M/S/C Zhao/Blek to approve the minutes of the March 24 and May 28, 2004 minutes as presented.***

Desert Museum Society/Southeast Information Center—Request for Funding (\$10,000): Chuck Butcher, Treasurer of the Desert Museum Society presented a request for \$10,000 to assist with operating expenses of the Southeast Information Center, which is currently operating through the Desert Museum. The annual cost of operation is about \$56,000, with income of about \$20,000. The Desert Museum Society is seeking help until other means of funding are found. The Southeast Information Center is a repository for archeological data for the area, providing a learning tool for archeology students. No action taken, to be discussed at next meeting.

Classified Managers/Confidential Association (CMCA) Request for Representation: Leonard Fabian presented a request, on behalf of CMCA, for a voting membership on the Planning & Budget Committee. ***M/S/C Jaime/Ceasar to provide a voting membership to a representative of CMCA.***

Portable Buildings/Capital Project Fund Expenditures: Tom Hudson reported on the cost of installing two portables buildings (\$33,630) and cost of equipment (\$19,578); he also reported that \$88,251 has been spent on other capital projects including computers for faculty, gym floor covering, tables and chairs for Calexico Extended Campus, and furniture for faculty lounge.

Eric Jacobson noted that the issue of portable buildings was never presented to the Planning & Budget Committee. Dr. Lianna Zhao, Math/Science Division Chair, stated that although she was out of the country during part of the summer, she was available by phone and e-mail, and Dr. Carnes, the acting chair, was available on campus; however, her division was not involved in the decision to order the portable science lab building. In addition to lab space, faculty, equipment, instructional materials and staff support is needed in order to offer additional classes.

Dr. Zhao acknowledged the good intention of the college to increase student access, but stated that if the division had been consulted, it would have recommended something more suitable to its needs. Life science is the area of high enrollment demand. It is impossible to offer life science labs in the unit now, which involve chemicals and hazardous materials, because of the lack of necessary facilities, equipment, and personnel. A physical science lab class could be moved to the portable lab with the installation of the cabinets, locks and some necessary equipment, but we still need to find the solution in order to meet the demand of life science labs.

Dr. Kendra Jeffcoat thanked Dr. Zhao for her efforts to try to use the space. She stated that having the portable lab will allow time for planning for permanent labs (if the bond issue passes) and help with the transition to a much larger facility. She added that College Council will be looking at a process for handling decisions during the summer to prevent surprises.

Mr. Hudson apologized for the consternation caused by the decision to bring the portable buildings on campus. He stated that situations of “business necessity” will occasionally arise, and hoped that the College will not fail to serve students in favor of “process”.

2004-05 Budget

Carlos Fletes, Director of Fiscal Services, reported on the changes to the budget since the Tentative Budget was adopted in June, and the impact of the information received at the State Budget Workshop on September 7, 2004. There will be a \$442,000 reduction to the reserve based on the information received from the State. The Tentative budget included growth at 7.2%; however, information from the State indicates actual growth funding of 1.7%.

There is a total need for PFE funding (ongoing projects/salaries and benefits) in the amount of \$1,217,077, and funding of \$847,135—a deficit of \$254,077. Mr. Hudson proposed funding \$60,000 in Library Books from the Capital Projects Funds, and redirecting \$115,865 in combined instructional equipment, scheduled maintenance and library materials costs to the Capital Projects Fund to offset part of the deficit caused by the PFE funding reduction.

Mr. Fletes reported that the State has changed the method of calculating the reserve to apply to only the unrestricted portion of the General Fund; therefore, despite the fact that the dollar amount of the reserve has decreased, the College still has a 10.71% reserve (\$2,764,182 reserve divided by \$25,815,251 unrestricted General Fund budget).

<i>Analysis of Reserve:</i>	
3,340,495	Beg. Balance
-134,189	Transfers
-442,124	Adjustment needed
2,764,182	Balance

Mr. Jacobson asked about using part of the reserve to pay for raises; Mr. Hudson stated that it is risky to commit reserve funds to salary increases. Salary increases are a permanent added expense. Reserves are like a savings account. The reserve provides a cushion, especially while the College is in a growth mode and there is uncertainty about the funding of growth. The State requires a 5% reserve, and districts that fall below 5% are placed on a “watch list”. Another reason to maintain a higher level of reserves is that, in the event the College passes a bond issue, a healthy reserve will make the bonds more marketable. Mr. Hudson stated rather than spend reserves, a better strategy is to invest in growth. The rest of Region X is losing FTES, which is probably a statewide trend, while IVC is increasing FTES.

Mr. Fletes stated that while IVC's FTES is up 14.5%, growth funding is at 1.7%, with a possibility of additional funding at the end of the year. The hiring of 25 additional teachers will add to the College's growth. Mr. Fletes asked what the College's goal is regarding growth. Jan Magno asked how long can the College support growth without increased State funding and what will the result be of no extra funding; Mr. Hudson stated that the College can support growth for 1-2 years, then the new hires may have to be reduced. He stated that this is the time to invest in growth, while enrollment in other districts is going down.

M/S/C Blek/Zhao (No: Jacobson, Robles) to recommend to the Board of Trustees the adoption of the 2004-05 Budget.

Transfers from Reserve: Information regarding transfer made from the Reserve fund was distributed as an information item.

Allocation of Travel Funds: Mr. Hudson reported that questions had arisen regarding the method of allocating travel funds in the 2004-05 budget. This budget cycle, it was up to each department to budget for its needs. It was agreed that more dialog is needed regarding travel, and the item will be placed on the next agenda.

PO System/COD Payments: Carlos Fletes and Tom Hudson reported that the Business Office is exploring the possibility of generating checks for purchase orders of less than \$200, and sending the check along with the purchase order, decreasing the processing time for payments and ordering, and possibly improving the College's credit rating. The College is consulting with the County Office of Education regarding the possibility of processing this type of "COD" payments. John Abarca asked if the college pays the County Office for processing payments; Mr. Hudson replied that it does, but the College could petition to become financially independent from the Imperial County Office of Education (once FTES exceeds 7,500). Mr. Fletes stated that being fiscally independent would require adding staff in the Business Office to perform the functions currently provided by the County Office.

Capital Projects Sub-committee: A sub-committee comprised of Dr. Lianna Zhao, Gonzalo Huerta, Jan Magno and Leonard Fabian was formed to develop a five-to-seven year equipment replacement program and a prioritized list of 2004-05 equipment purchases.

GASB 34/35: Carlos Fletes reported that Governmental Accounting Standards Board (GASB) regulations state that capitalization (equipment is carried on the books as a depreciable asset) of equipment occurs when equipment costs \$5,000 or more. The College's practice has been to charge any equipment purchase costing \$200 or more to a 6000 account code, and include it in the fixed asset inventory. Under the new ruling, the committee can recommend purchases costing less than \$5,000 be charged to a supply account (4000 series), rather than equipment (6000). Only equipment charged to the 6000 codes would then be capitalized. The College still needs to make a decision whether to inventory equipment that costs less than \$5,000. No action taken, to be discussed at the next meeting.

Meeting adjourned at 4:10 p.m.