

# **Budget and Fiscal Planning Committee**

May 23, 2012

#### VMembers present:

VJohn Lau, VP for Business Services, Co-Chair Kathy Berry, Administrative Representative Jessica Waddell, College Council Representative VEric Jacobson, Faculty Representative Dave Drury, Faculty Representative 2:45 p.m. **ASG** Representatives

Recorder: Mary Carter √Kevin White, Academic Senate Rep., Co-Chair VJeff Cantwell, CMCA representative Frances Arce-Gomez, CSEA Representative Marilyn Boyle, CSEA Representative

<u>V</u>Carlos Fletes, Director of Fiscal Services

Alternate(s): none

Visitors: Jeff Enz, Eldon Caldwell, Martha Olea, and Steve Cook

### Call to Order

The regular meeting of the Budget and Fiscal Planning Committee was called to order by cochair Kevin White at 1:35 p.m. on May 23, 2012 in the board room. There was no quorum.

#### Approval of Minutes

No action was taken due to lack of a quorum.

## 2012-13 Budget

No action was taken.

Budget update: Director Fletes stated the draft tentative budget includes salaries as of July 1, including all current staff and including all step increases. There is currently a \$3.3 million deficit before any of the proposed adjustments, resulting in a -4% reserve. After the proposed adjustments, an additional \$1.7 million in savings is needed to get back to a 5% reserve. The state requires a 3% reserve, with a 5% reserve being the desired level. However, neither amount is sufficient because a 5% reserve will not cover one month of payroll. In May, the State is deferring \$2 million in apportionment. Director Fletes stated that the College will be okay because of its \$8 million TRANS, but other colleges are able withstand deferrals without borrowing because of their level of reserves.

Director Fletes stated that the total base FTE for 2012-13 is 6559 and the College should end 2011-12 at 6559. If the tax measure does not pass, the College could be deficited by approximately 6.4% (396 FTES); therefore, 6162 FTES is being used to budget for 2012-13. The worst case scenario would be not achieving 6162 FTES. Director Fletes cautioned that in the event property tax revenue doesn't come in as estimated by the county the state is not required to backfill the lost revenue.

VP Lau stated that 92% of the budget is in salary and benefits and much of the budget is dependent upon the results of negotiations.

Reserve: Director Fletes informed the committee that 1% of reserve is equal to about \$350,000. \$1.7 million in savings is needed for a 5.2% reserve, \$1.66 million is needed for a 5% reserve and \$1.5 million for a 4.5% reserve. VP Lau stated he does not recommend falling below a 5% reserve. Reserve should be based on the actual use of the reserve (e.g. 30 days of operation). In unstable times, the College needs more reserve. The Accreditation team will ask what the College' reserve level is based on.

# Computer Refresh Program:

Co-chair White stated that at the last meeting there was a discussion of issues relating to the computer refresh program, and concerns were expressed relating to jobs and service going forward. Co-chair White clarified that while discussing the new centralized computer program falls under the purview of the committee, staffing decisions do not.

### **Visitor Comments:**

Martha Olea: Why not spread cuts throughout all levels of the College? Classified manager salaries have increased and positions have been added. Why not try an overall 10% cut before doing lay-offs? Who will do the job of the computer technicians?

Steve Cook: The College has basically the same number of students, yet the salaries of administrators and managers have quadrupled. The number of vice presidents has increased.

Eldon Caldwell: How was the figure of 200 replacement computers per year determined? The computer replacement program is taking technicians out of the mix.

Jeff Enz, Director of Enterprise Systems stated that the change is from a decentralized model to a centralized model. The College's aged fleet of computers is failing. There will now be a five year cycle of replacement. It will no longer be up to individual departments to replace computers. Replacement computers will be available and units will be swapped out instead of repaired.

Co-chair White stated that the committee is concerned about the loss of jobs. Martha Olea thanked the committee for the opportunity to speak.

Next meeting: A special meeting will be needed to make a recommendation on the budget. June 6 was a suggested date. The committee will be notified via e-mail of the meeting time and date.

Meeting adjourned at 3:00 p.m.