



Budget and Fiscal Planning Committee

November 28, 2012

Members 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
Carlos Fletes, Director of Fiscal Services

Recorder: Mary Carter

Kevin White, Academic Senate Rep., Co-Chair
Jeff Cantwell, CMCA representative
Frances Arce-Gomez, CSEA Representative
Matthew Thale, CSEA Representative
Itzel Moncada, ASG Representatives

Alternate(s): Mary Jo Wainwright, CTA

Call to Order

The regular meeting of the Budget and Fiscal Planning Committee was called to order by co-chair Kevin White at 1:38 p.m. on Wednesday, November 28, 2012. The meeting was held in the board room.

Approval of Minutes

M/S/C Drury/Cantwell to approve the minutes of the October 31, 2012 meeting as presented.

Prop 30 Update

Carlos Fletes, Director of Fiscal Services, reported on the information received to date from the Chancellor's Office on the impact of the passage of Proposition 30.

Director Fletes clarified that Prop 30 will reduce the deferral of state apportionment payments, it will not mean additional revenue for the college. There is growth money available for colleges that are in a growth mode; however, IVC will not have access to those funds since the college is trying to restore lost FTES (restoration mode). The district's year-to-year payment deferral will be reduced from \$9 million to \$4.7 million. Director Fletes cautioned that all information from the state at this point is based on projections and the state could still deficit funding if tax revenue does not meet projections. The passage of Prop 30 does give the college breathing room because there will not be mid-year cuts.

Cash Flow

Director Fletes stated that the College is doing a \$9.8 million TRANs (Tax Revenue Anticipation Notes) in December. The TRANs is needed due to deferred apportionment payments and to repay an \$8 million TRANs from last year. In May, the College might need another \$2.5 million TRANs. Director Fletes shared information on the College's cash flow analysis for 2012-13 and 2013-14.

The interest cost of the new TRANS is approximately \$230,000. The College's credit rating has been downgraded to SP -2.

Reserve Level

Co-chair White stated that the committee will be taking a serious look at what the reserve level should be for the college. He suggested a survey of other colleges of IVC's size. Director Fletes suggested having reserves that would be sufficient for two to three months of operations. The current reserve of 6% (\$2 million) is less than one month of payroll. VP Berry stated that the financial stability of the college will be a critical issue that the accreditation team will be looking at. The committee will continue its discussion of reserve at its next meeting.

Zero-based budgeting

Co-chair White stated that the committee will tackle zero-based budgeting at its next meeting in January. Director Fletes stated that the process requires cost centers to justify every dollar requested, and to be very specific.

Other

VP Berry reported that the three year comprehensive program review has been merged into the annual program review and budget development. Resource requests will go to the appropriate committees for prioritization. Recommendations from the resources committees will be given to the Executive Council. The Budget and Fiscal Planning Committee will be taking a more active role in determining how much money is available for resource requests.

The committee discussed how hiring is prioritized and how to integrate the needs for different types of staff. VP Berry stated that it will be a challenge to restore FTES without spending more money. It was noted that the concept of prioritization is good, but many times it seems that there is not enough time for resource requests, especially for staffing, to flow through the committee process. How are vacancies that suddenly occur to be handled?

VP Berry reported that the FCMAT report will be presented at the December 12 board meeting, with a special board meeting/study session on December 15 which will be open to the public.

Co-chair White stated that the committee has both an opportunity and a challenge in looking at issues holistically and putting aside egos to come to a consensus. He asked the committee to submit a list of areas/issues that they would like to see discussed. Some items presented for discussion were: cost of vacation and comp time, issues that will be identified in the FCMAT report, class size, enrollment management.

ASG representative Itzel Moncada stated that the ASG is putting together a survey to see why enrollment is down and what can be done; results will be shared with the committee when available.

Next meeting: January 23, 2013

Meeting adjourned at 3:00 p.m.