Unadopted Minutes

Budget and Fiscal Planning Committee
August 26, 2009

√Members Present:

√John Lau, VP for Bus Svcs, chair
√Dr. Victor Jaime, Admin. Rep.
√Kevin White, 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

Call to order: The regular meeting of the Budget and Fiscal Planning Committee was called to order by John Lau, Vice President for Business Services at 1:30 p.m.

ACTION

1. Approval of minutes: ***M/S/C Jaime/Kakiuchi to approve the minutes of the June 12, 2009 meeting as presented.***

DISCUSSION/INFORMATION

1. Name of Committee: VP Lau reported that the name of the committee has been changed by board action from the Planning and Budget Committee to the Budget and Fiscal Planning Committee (Board Resolution 14423, July 15, 2009).

2. State budget update: VP Lau reported that he and Carlos Fletes, Director of Fiscal Services recently attended a state budget workshop. The College has lost $1.2 in revenue due to a reduction of the FTE the state will pay for to 6923 (workload reduction), there are also budget cuts that will have a tremendous impact on categorical programs. There is a chance of more budget cuts in December if the state does not meet its revenue projections. The current state budget is being balanced with one time measures, such as deferring payments. There is at least an 18 month turn around before any effects of an economic recovery are felt. The State is not certifying the amount of federal stimulus money that colleges will receive at this time. Mr. Lau stressed that stimulus funds are one-time monies.

3. IVC Budget update: The Chancellor's Office has reduced the College's workload (the FTE the state will pay for) from the 7200 FTE that was funded last year to 6963 for 2009-10. This reduction amounts to a $1.2 million loss of revenue. There is a reduction to property taxes in the amount of $200,000, for a $1.4 total revenue reduction. There is also the possibility that the 7200 FTE for 2008-09 could be reduced in February. The increase in student fees to $26 a unit does not add revenue to the college because the amount of student fees charged comes off the College's apportionment.

   Mr. Lau stated that the College must budget to its revenue; global cuts are needed to achieve a balanced budget. The College must be sure that it achieves the amount of FTE that it will be paid for. Enrollment management is the key to budgeting correctly, and it must drive the budget.

a. The final budget must be adopted by the Board of Trustees by October 15, 2009.

b. Categorical budgets: There is a 32% reduction of state funding for categorical programs which will be a 16% cut if all federal funding is realized. Due to uncertainty about what the federal funding will be, the state has only certified the amount of state funding for categorical programs. Federal funds will be one-time monies; therefore, it is important to plan for a worst case scenario for next year for categorical programs. The cuts to categorical programs affect all community colleges in California. There is a possibility of some programs being completely eliminated. Dr. Jaime will present a plan for categorical programs to the committee.

4. Resource Allocation update (report on site visit to Los Rios CCD – Kevin White, Marilyn Boyle): Marilyn Boyle reported that Los Rios CCD has been using resource allocation for the past 20 years; the plan contains formulas for everything including productivity and efficiency. Salary and benefits account for 80% of the total budget, and the district has a 9% reserve. All employees share in the "bucket", except the president. The Los Rios faculty and classified she talked to seemed to like the plan because it was a "proportionate system"; all employees shared in the budget ups and downs. The plan also provided for the banking of funds to address future budget reductions. Kevin White stated that he spoke to the faculty representative and there seems to be buy-in from the unions. John Lau stated that IVC's challenge is to balance the budget and it will take at least a three year period for a transition to occur.

5. Fiscal Health Risk Analysis: John Lau asked committee members to do one page of the risk analysis per meeting, the exercise will help the committee identify areas of concerns.

6. Next Meeting: September 16, 2009, 3:30 p.m.

Meeting adjourned at 2:40 p.m.