

# **Budget and Fiscal Planning Committee**

February 27, 2013

## **VMembers present:**

<u>V</u>John Lau, VP for Business Services, Co-Chair <u>V</u>Kathy Berry, Administrative Representative (1:45 p.m.) <u>V</u>Jessica Waddell, College Council Representative \_Eric Jacobson, Faculty Representative <u>V</u>Dave Drury, Faculty Representative (2:00 p.m.) <u>V</u>Carlos Fletes, Director of Fiscal Services Recorder: Mary Carter VKevin White, Academic Senate Rep., Co-Chair

VJeff Cantwell, CMCA representative
VFrances Arce-Gomez, CSEA Representative
VMatthew Thale, CSEA Representative
VItzel 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 1:35 p.m. on Wednesday, February 27, 2013. The meeting was held in the board room.

#### II. ACTION

- 1. Approval of Minutes: M/S/C Thale/Lau to approve the minutes of the January 23, 2013 meeting as presented.
- 2. Budget Development Calendar: *M/S/C Drury/Wainwright to approve the 2013-14 Budget Development Calendar as presented.*

Director of Fiscal Services Carlos Fletes stated that budget input should be complete by March 15.

3. Budget Development Guidelines: *M/S/C Drury/Berry to approve the 2013-14 Budget Development Guidelines as presented.* 

Director Fletes emphasized that the budget guidelines are instructions from the committee. The goal is a realistic first draft which does not include wish list items. The starting point will be a status quo budget, with some flexibility in instructional supplies. Instructional supplies (account 4320) will be tied to enrollment per division, which will yield a per FTES cost. All new costs must be entered in the "add resource request" option. There must be a rationale for all increased budget requests, and must be tied to Program Review.

Revenue will be based on 6559 FTES (full restoration). At this time, there is no COLA (cost of living adjustment) being projected at the state level. VP Lau stated that the college is trying to achieve a balanced budget based on on-going revenues.

Committee members asked about controlling end-of-the-year spending. VP Lau stated that POs are cut off early and there is discussion at the executive level about more control on budget transfers. Departments must own their budgets, including monitoring salary line items. Departments cannot assume that unspent money budgeted for salaries is available for other uses. Managers need to recognize red flags within their budgets, and if there are, variances find out why.

Personnel listings must be verified, and unfilled positions identified. The committee discussed positions that are "authorized but not funded" and the process for authorizing positions for funding/hiring. VP Lau stated that there needs to be an inventory of unfunded needs.

4. Fund Balance Policy: No action taken, discussion to be continued at the next meeting.

Director Fletes stated that the policy must be set by the board, but the committee can make its recommendation. The appropriate reserve percentage needs to be considered, and a plan for funding the reserve established, if it is higher than the current amount. Director Fletes stated that community colleges usually base their fund balance on percentage of expenses rather than revenues. A general rule is a minimum of two months of expenses. Director Fletes suggested having a two month reserve, which along with the passage of Prop 30, should reduce the amount of borrowing the college must do. The details of the policy are up the committee, but should not be based solely on the minimum requirement which does not cover one month of operations. VP Lau stated that a two month reserve would be 16.6% and one percent of reserve is equal to about \$350,000. The committee will continue the discussion at its next meeting.

### III. DISCUSSION

- 1. FCMAT Recommendations (top 10 from each member): Lists were collected from members for discussion at the next meeting.
- 2. Reserve Level: Continued until the next meeting.
- 3. Accreditation/Program Review: Time did not allow for discussion.
- IV. Next meeting: The committee agreed to meet in two weeks.
- V. Adjournment: Meeting adjourned at 3:05 p.m.