

Budget and Fiscal Planning Committee

May 9, 2012

VMembers present:

√John Lau, VP for Business Services, Co-Chair VKathy Berry, Administrative Representative <u>V</u>Jessica Waddell, College Council Representative <u>V</u>Eric Jacobson, Faculty Representative _Dave Drury, Faculty Representative

VLisa Tylenda, ASG Representatives

Recorder: Mary Carter √Kevin White, Academic Senate Rep., Co-Chair <u>√</u>Jeff Cantwell, CMCA representative √Frances Arce-Gomez, CSEA Representative VMarilyn Boyle, CSEA Representative <u>V</u>Carlos Fletes, Director of Fiscal Services

Call to Order

The special meeting of the Budget and Fiscal Planning Committee was called to order by cochair Kevin White at 3:35 p.m. on Wednesday, May 9, 2012. The meeting was held in the board room.

Approval of Minutes

M/S/C Fletes/Cantwell to approve the minutes of the March 28 and April 25, 2012 meetings as presented.

2012-13 Budget

Carlos Fletes, Director of Fiscal Services, presented a list of possible adjustments to the budget which would result in reducing the deficit to \$2.1 million.

Ending Reserves	-1,701,454
% of unrestricted GF	-4.7%
Other estimated adjustments to reserves	
Night Differential	-50,348
Retirement savings	450,000
Carry over into 12-13	200,000
Deans	363,088
Calexico - not including CL layoffs	138,894
CL Layoffs *	960,000
Computer equipment replacement program	-184,000
English teacher - Dean tfr to classroom	-120,634
Summer School printing/supplies	-5,626
Student Insurance increase	-36,663

Health Insurance Increase 10% - Oct 2012 - June 2013	-248,699
Net estimated adjustments to reserves	1,466,012
New projected reserves	-235,442
% of unrestricted GF	-0.7%
New projected deficit	-2,122,330

VP Lau noted that the College has seen a tremendous increase in student and athlete injury claims which has resulted in a 60% increase in the student insurance premium. There is also a projected 10% increase in health insurance benefits.

VP Lau stated that professional expert costs and student employment (\$229,098) need to be looked at more closely. There needs to be a discussion of the use of student workers.

The computer replacement program is based on the concept of replacing 20% of the college's computer each year at a cost of \$184,000.

The state will issue the May budget revise on May 14.

VP Lau stated that he is not optimistic about the passage of the tax increase.

A recommendation on the budget is needed from the committee at its May 23 meeting. The tentative budget must be approved by the Board of Trustees by June 15. Placeholders can be used to present a balanced budget, with the adjustment being made when negotiations are finalized.

Committee Co-Chair White thanked the committee and VP Lau; he stated that the committee is beginning to dial-in to issues and progress is being made.

Discussion

Is there any increase possible in the carry-over from FY 2011-12 into next year? Per VP Lau, the \$200,000 estimated carryover is just a guess. The PO system has been shut down and budget transfers have been frozen.

What is an estimated of the savings from freezing salaries? VP Lau will send out the estimates to the committee.

Would a 4% to 5% across-the-board cut balance the budget? No, per VP Lau a cut of 10% would be needed; however, the budget is too complex to make across-the-board cuts. One important factor is the 50% rule. The college is currently right at the 50% mark.

Have revenue generation ideas been investigated? Per VP Lau that there are start-up costs involved with many of the ideas. VP Berry reported that there will be a "Kids College" program this summer that will have a cap of 60 students. This type of program has the potential to generate a good stream of revenue once established.

Next meeting

The committee will meet again on May 16, 2012 at 1:30 p.m., with an additional meeting on May 23, 2012.

Meeting adjourned at 3:50 p.m.