

IMPERIAL VALLEY COLLEGE
Budget and Fiscal Planning Committee
Monday, June 2, 2014, 1:00 p.m.

Accreditation Standard III: Financial Resources -- Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning is integrated with institutional planning.

Mission: Coordinate and integrate college plans and establish budget priorities consistent with the college's vision and mission statements, with recommendations, expressed in dollars, made to the Superintendent/President. Review the Tentative and Adopted budgets for consistency with annual institutional goals and objectives, college plans, and the planning and budget philosophy.

Minutes

√ Members present:

√ **John Lau, VP for Business Services, Co-Chair**

√ Kathy Berry, Administrative Rep. (1:30 p.m.)

_ Dr. Martha Garcia, College Council Rep.

√ Michael Heumann, Faculty Representative

_ Dave Drury, Faculty Representative

√ Priscilla Ortiz, ASG Representative

√ **Kevin White, Academic Senate Rep., Co-Chair**

√ Carlos Fletes, Director of Fiscal Services

√ Jeff Cantwell, CMCA representative

√ Mike Nicholas, CSEA Representative

√ Matthew Thale, CSEA Representative

Recorder: Mary Carter

Visitor(s): Gaylla Finnell and Mary Lofgren

- A. Call to Order: The special meeting of the Budget and Fiscal Planning Committee was called to order by co-chair Kevin White at 1:05 p.m. on Monday, June 2, 2014. The meeting was held in the board room.
- B. Review and Approval of Minutes:
- a. ***M/S/C Lau/Fletes to approve the minutes of the May 27, 2014 meeting as presented.***
- C. Reports: none
- D. Update on Previous Discussion Items
- a. 2014-15 Budget update/Planning for financial stability:
- VP Lau suggested a different approach to IVC's budget due to the uncertainty regarding how the Accreditation Commission will act. First, the budget must be balanced using current revenue, then when the Commission issues its ruling in July, the College can more accurately assess the amount needed to increase reserves and fund OPEB to a level acceptable to the commission.

- Jeff Cantwell suggested taking a fresh inventory of the FCMAT recommendations. He suggested that Dr. Martha Garcia, the chair of the START committee, be asked to give an update on where we are with the FCMAT recommendations.
 - VP Lau stated that he has met with departments regarding their 4000 and 5000 budgets (services and supplies) and some small gains were made. He made it clear that the college has no choice: the budget must be balanced. Further, expenses must be less than revenue and the college must allocate resources to best advance its mission.
 - Director Fletes stated that a .85% COLA, 2.75% growth, and full restoration were built into the budget, but there is a deficit of \$400,000. Departments did not follow the budget guidelines.
 - VP Lau stated that carry over funds cannot be used to balance the budget. Carry over will be used to increase the reserve. The college's goal is not to spend all its revenue, but to begin to increase the reserve and begin to fund OPEB.
 - VP Lau stated that the college must control expenses. The committee needs to make recommends on cost containment, and he suggested considering a recommendation to freeze hiring (except for critical positions), reclassifications and sabbaticals. Co-chair White suggested the list of budget cutting options be brought back for discussion.
 - VP Berry stated that planning must drive the budget. VP Lau stated that finance sets the boundaries for the budget. To achieve stability, the college can't use reserves to balance the budget. Planning must be within the parameters of revenue.
- b. Classroom capacities: VP Lau stated that Academic Services has a list of current room capacities. VP Berry suggested looking at the partition system used at College of the Desert before the next building modernization project. Solid partitions are used that are in place for the semester, but give flexibility in setting up different sizes of rooms. Member Heumann asked about the timeline for the modernization of buildings 200, 300, and 800; VP Lau stated it may be within the next two to four years if the state funds the project.
- c. Categorical Funding: VP Lau reported that information on the categorical programs will be finalized in the next two weeks.
- d. Interest Based Bargaining: Co-chair White will bring in information on the cost of interest based training at the next meeting.
- e. Prioritization of Resource Requests: VP Berry stated that the requests could be prioritized without being tied to the budget; the process needs to go forward in order to close the planning loop. The next Education Master Plan cycle starts in July. Information with more detail on the requests will be sent to the committee, and prioritization will be an action item for the next meeting. VP Lau stated that if an item is deemed to be a priority, room could be made in the budget to fund it--perhaps by reducing services in other areas.

E. New Discussion: none

G. Action Items:

- a. ***M/S/C Berry/Heumann to recommend approval of the 2014-15 Tentative Budget with the understanding that a balanced budget will be presented to the Board of Trustees in September.***

Director Fletes reported that the deficit is currently \$397,701 based on \$36.5 million in revenue. VP Lau stated the college is not done with the budget. A lot depends on how the Accreditation Commission rules. Work will be on-going over the summer to balance the budget. The committee agreed that it would review variances between the 2013-14 budget and the 2014-15 budget at the next meeting.

H. Other: none

- I. Next Meeting: Monday, June 9, 2014, 1:00 p.m. (*rescheduled to 3:00 p.m.*), with the following items for discussion or action:

- 2014-15 Budget - variance analysis (3% or more)
- Review of budget guidelines
- Prioritization of Resource Requests – Action
- Interest based training – cost (Kevin White)
- Review FCMAT recommendations
- Review of list of options for possible budget cuts

- J. Adjournment: Meeting adjourned at 2:30 p.m.