CITRUS COMMUNITY COLLEGE DISTRICT  
Office of the Vice President of Finance and Administrative Services  

FINANCIAL RESOURCES COMMITTEE MINUTES- January 31, 2005  
1:00 p.m. – AD206

PRESENT:  
Kathy Bakhit, Ben Brown (Student Representative), Rosalinda Buchwald, Carol Cone, Carol Horton – chair,  
Dennis Korn, Judy Rojas (recording secretary), Tasha Van Horn, Jim Williams. Absent: Roseann Manfre-Campillo, Mike Fehrs, Jeanne Hamilton, William McCusker, Rocky Reynolds, and Dr. Michael Viera.

OLD BUSINESS:  
1.1 Approval of minutes of September 27, 2004 – Minutes were approved as presented.

NEW BUSINESS:  
1.2 Board Policy Review – Carol Horton would like committee members to take the Board Policies that we will review today to each of their constituent groups for review and approval. Judy Rojas will send out a memo with the policies attached and the changes/updates noted. Carol reviewed each of the policies with the committee. The changes that were made were minimal which included changes in titles and ed code numbers.

1.3 2003-2004 Audit Report - Carol Horton reported that the 2003-2004 Audit Report by Vicenti, Lloyd and Stutzman was presented to the Board Trustees at the December 21, 2004 meeting. We will distribute a copy of the report to each of the constituent groups. Rosalinda Buchwald reported that there was only one finding which was related to the Fifty Percent Law. Rosalinda suggested that the section titled Management’s Discussion and Analysis is a concise and understandable summary of the audit. Carol Horton noted that we have had very clean audits for the past 8 or 9 years and it tends to make it look very easy. Carol wanted everyone to understand that the Fiscal Services Department works very hard each year to achieve a clean audit.

1.4 2004-2005 State Budget Update – Carol Horton presented documents from the Community College League of California, School Services of California and the Chancellor’s Office recapping the 2004-2005 proposed State Budget. The proposed budget includes 3% enrollment growth funding and 3.93% COLA. The Governor made a deal with the community colleges to limit the cut in the Prop 98 guarantee to no more than $2 billion for 2004-2005. He now proposes to disregard the agreement and leave current year funding unchanged. The Governor also is proposing to shift the cost of retirement funding to community college districts. It has not yet been determined if the employee will pay for this, the district or a combination of the two. Equalization is not included in the budget. Also not included in the budget is an increase for noncredit. There are no increases in student fees proposed. Carol has included in the material provided an email from the Vice Chancellor of Fiscal Policy, Robert Turnage, regarding his opinion on the proposed budget and the stand that the Chancellor’s Office is going to take in how they are going to work with the legislature and the Governor to implement the Board of Governor’s budget. There are a lot of items that the Governor did not propose that the Board of Governors did.

Carol Horton feels that if the Governor is successful in doing away with Prop 98 the Community Colleges will be in a bad situation. California is already in the bottom five states for funding of community colleges. If the Governor completely does away with Prop 98 which has been in effect for 15 years for funding for K-12 and community colleges, which guarantees 40% of state revenue to schools, we will not have a community college system as we know it today in California. The student fees will rise to thousands of dollars as they are in
other states and collective bargaining will be over. Carol stated that this will be an interesting budget year. She is not particularly concerned about the finances but what she is concerned about is the long term ramifications for community college funding and the outcome of Prop 98.

1.5 Other – No other items to discuss

The meeting was adjourned at 2:00pm