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

FINANCIAL RESOURCES COMMITTEE MINUTES- March 21, 2006
1:00 p.m. – AD206

PRESENT:
Kathy Bakht, Rosalinda Buchwald, Carol Cone, Toby Guebert, Carol Horton – chair, Dennis Korn, Roseann Manfre-Campillo, Peggy Olson, Rocky Reynolds, Judy Rojas (recording secretary), Linda Welz and Dr. Michael Viera. Absent: Mike Fehrs, Jeanne Hamilton, Irene Malmgren, Tasha Van Horn and Student Representative

OLD BUSINESS:

3.1 Approval of minutes of September 12, 2005 – Minutes were approved as presented.

NEW BUSINESS:

3.2 Review of P1 Report - Carol Horton reported that the district has lost about $80,000 in apportionment dollars due to not making our growth projections. The district’s growth dollars were estimated to be around $994,000. We are now considered to be a declining district because we have declined about 238 credit FTE from P2 of last year to P1 of this year. The Chancellor’s Office has placed the district on stabilization with a one time funding of about $340,000. Between Basic Skills dollars left on the table and backfill for the Property Taxes we got about $450,000. Therefore at P1 even though we dropped FTE’s we are pretty much even this year. Carol Horton stated that she will not budget growth dollars for the 2006-07 fiscal year.

3.3 2005-2006 Budget Calendar – Carol Horton presented and reviewed a copy of the 2006-07 Budget Calendar. She stated that she will be discussing the budget process, budget calendar and assumptions at the Dean’s Meeting on March 30th. The Deans will have April and May to take the budget information to the faculty for their input. The Budget Calendar states that worksheets will be out to the Superintendent, Vice Presidents and Cost Center Managers by April 10th and she asked that the committee members ask for their constituent groups input by May 8th. Carol Cone can then incorporate the requests into the budget process. Carol Horton would like to take the Budget Calendar and Assumptions to the Board of Trustees Meeting on April 4th for approval. Carol Horton stated that there are two avenues for budget augmentations to be requested; either through deans or through the Financial Resources Committee. Carol reminded the committee that requests for augmentation are just requests and not guarantees. This committee will have another meeting on June 13, 2006 to review the tentative budget and the Board of Trustees will adopt the tentative budget at their June 20, 2006 meeting. In the months of July and August Carol Horton will monitor the State budget developments and make any necessary adjustments. If everything is on schedule, the budget should be adopted by the Board of Trustees at the September 12, 2006 meeting.

3.4 Budget Assumptions - Carol Horton reviewed the 2006-07 Budget Development Assumptions. Most of the district funding comes from our state base apportionment COLA of 5.18% which is now based on 2005-06 P1. This figure is not yet final. The system is requesting a growth rate of 3%. Equalization needs to be added to Revenues Item A.1. The state is still working out a formula for distribution of equalization funding and right now the amount is $1.5 - $2.2 million. Carol noted that the 20 new faculty hires will be included in the budget. She noted that the increase in class schedule may cause changes in adjunct faculty and those amounts will be adjusted. Carol also mentioned that since contract offers have been made to CSEA and Faculty she will try to budget in the offered amount even though it is not the final. Carol pointed out that last year health benefits did not change but this year she is budgeting a 5% increase and it will be added to item Expenditures B.2. .
Carol asked the opinion of the committee on how they would like to see increases in instructional materials and supplies, other expenses and capital outlay budget amounts. Carol stated that in the last 3 years nothing has been done in these categories. She asked the committee if they would like to add COLA or 4% to the prior year figures or request individual augmentation. The district has not had the money in the last few years to increase the budget amounts in these areas. Dennis Korn stated that he would like to have a mechanism in place where he could expect a yearly increase so that he could forecast spending on instructional materials. Dennis felt that the up side of the flat amount increase is that you can anticipate spending, and the down side is that people will be spending just because the money is left in the budget to spend. Carol Horton reported that spending of that nature has never been a problem in the district. Rosalinda Buchwald stated that the exception is categorically funded programs, because there are stipulations on spending and if money is not spent it will be lost. Carol noted that this will not affect categorical funds because there is no COLA for these funds. This would only be for General Fund accounts. Dr. Viera noted that we don’t see a late rush for purchases is because our cutoff is in late May where many districts have earlier dates and have to cover for the upcoming months. Carol informed the committee that by applying COLA to these funds it will lessen the money available for augmentation and asked the committee members what their preference would be. She also noted that there have been very few augmentation requests that have been turned down. Carol explained that there are some fixed costs that are definitely are going up that we cannot control. After the committee discussion, the committee agreed to add a 4% COLA in the instructional materials and supplies, other expenses and capital outlay areas. She also informed the committee that she is not sure of how much money will be available for augmentation due to lack of growth, raises and new hires. Currently the ending balance is planned for 5% but the board may give directions for a higher reserve. This year we have eliminated revenue from partnership for excellence and basic skills and we don’t have the growth that we have had in the past. Dr. Viera noted that the Chancellor’s Office used to require a 3% minimum reserve before a district was on the watch list and now they have had a change in philosophy and say that 5% is a prudent reserve.

Kathy Bakhit asked the reason for the downturn in enrollment and if Carol or Dr. Viera can forecast any change in this area in the future. Dr. Viera responded that there are many reasons for the downturn. The healthy economy in California as well as the joblessness rate being down and tuition rates going up combined have been the noted reasons for enrollment going down. The high school graduating class of 2006 is still an unknown as far as the passage of the CAHSEE. The requirement is that you must have passed the CAHSEE or be 18 years old to attend Citrus. We are not sure that if someone fails the CAHSEE and they are under 18 will they wait until they turn 18 to attend college. Also our evening programs are declining in enrollment. Dr. Viera noted that there are not many districts growing so this situation is not unique to us. Carol agreed and stated that she felt that the biggest factor is the economy and that the unemployment rate in Los Angeles County for the first time has been what the national average is. The jobs out there are not minimum wage jobs and the kids are getting employed and not enrolling in colleges for training. Our student profile has switched from part time students to full time students. We have less students taking more classes which is reflective of a younger student.

The Budget Calendar and Budget Assumptions were approved unanimously by the committee.

The meeting was adjourned at 1:40pm.