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

OLD BUSINESS:

9.1 Approval of minutes of June 12, 2006 – The minutes were approved as presented.

NEW BUSINESS:

9.3 Budget Presentation – Carol Cone distributed copies of the 2006-2007 District Budget to the committee
members.  Carol Horton reviewed the Power Point Presentation that recaps the budget that will be presented to
the Board of Trustees at the September 12, 2006 meeting.  Carol Horton mentioned that the power point
presentation though it mentions all eleven funds the figures contained in it refer only to fund 01 which is the
general unrestricted fund. She noted that the ratios between federal, state and local revenue have remained
approximately the same for the last few years. Carol indicated an error on the ending balance percentage; it
should be 9.16% and will be corrected prior to the Board of Trustees Meeting. Carol clarified that the Budget
budget and the Board of Trustees is asked to approve the unaudited figures and the budget.  Carol commented
that a difference in the tentative budget and this budget is that we did budget growth dollars of about $617,000.
SB361 is the new funding formula for community colleges, and at the time that the budget was completed
SB361 had not been signed by the Governor. When the state budget was passed by the legislature without the
trailer bills (SB361 is a trailer bill) the Chancellor’s office gave colleges the direction to budget using program
based funding and not budget for equalization. With SB361 being signed by the governor, there will be a $2
million addition in revenue. Carol Horton mentioned that there was a 14.24% increase in Blue Shield this year.
Arnold Rollin asked what the split was of employees using Blue Shield as opposed to Kaiser. Carol responded
that it about 2/3 Blue Shield. Carol discovered an error on the FTES Summary page and that will also be
researched and corrected prior to the Board of Trustees Meeting. We currently have a deficit spending amount
budgeted of $1.8 million which will decrease when we budget equalization. We also have some other
obligations that we need to start meeting with funding such as our liability for retiree health benefits of about
$500,000 per year. There have been years that we have had deficit spending but we do not have it years in a
row. A district cannot continue to deficit spend. With the additional equalization dollars decreased by the
retiree health benefits, we hope to break even. Kathy Bakhit asked for an explanation of the 50% law. Carol
Horton explained that there is a state law that requires that 50% of all expenditures have to be demarked for
instruction. Rosi prepares the calculation each year and this calculation is included on the 311 Report which is
submitted to the Chancellor’s Office annually. The expenditures that are included in this calculation are
instructor salaries, instructional aide salaries and benefits.

Carol briefly reviewed the additional 10 funds in the budget. Fund 42 is the Bond Fund and lists all of the
projects funded by the bond. There are no bonds issued in 2005-06 but there will probably be another issuance
in the spring of 2007. We are limited to $25 per $100,000 in assessed value. The district property values have
increased so we may be able to issue more than the original $22 million and we will need it because the Center
for Innovation is about $16 million paid out over 2 years. The Vocational Technology is a state funded project
but the Fine Arts Building should start in about 11/2 years from now. Carol mentioned that the Bookstore
covered the Cafeteria this year which had a loss of $118,000. The golf range did not make a huge profit this year but had a nice ending balance and invested money in equipment that had not been replaced in the last ten years. ASO budget as approved by the students was included in the budget book for the first time.

The audit should be complete by the end of this week but so far there have been no adjustments to fund balances.

The meeting was adjourned at 1:45pm.