PRESENT:
Kathy Bakhit, Rosalinda Buchwald, Carol Cone, Toby Guebert, Carol Horton – chair,
Dennis Korn, Eric Magallon, Peggy Olson, Judy Rojas (recording secretary) Absent: Jeanne
Hamilton, Lan Hao, Irene Malmgren, Martha McDonald, Roseann Manfre-Campillo, Rocky
Reynolds, Student Representative and Dr. Michael Viera

OLD BUSINESS:

3.1 Approval of minutes of January 17, 2008 – Minutes approved as presented.

NEW BUSINESS:

3.2 P1 Report – Carol Horton provided a report from Scott Lay of the Community College
League of California. Carol stated that she and Rosi agree with the figures. We were okay
until we got this news. Our portion of the impact of the estimated $84.4 million cut is
$854,417. In January the prior and current year money that the Governor wanted to take
back was $40 million. The Chancellors Offices recommended $31 million and the
legislature approved it. It was away from apportionment dollars so we were safe. Then it
was found out that 2 counties, Orange and Sonoma, had miscalculated their property taxes
and over-reported. Once they determined the shortfall they went back to the Chancellor’s
Office and had to recalculate P1 and applied a deficit across the board of 1.52% which is
$854,417 for us. Our ending balance at 5% is about $2.5 million dollars. The $854,417 is
1.34% of the 5% reserve. This will put us under our 5%. Carol Horton stated that our ending
balance will still come out at about 7 or 8%. We always have money fall out at the end of
the year. This will take 1.34% off of our ending balance. Dennis Korn asked if we had
looked at the Adjunct for Spring. Carol Cone will look at that. Carol stated that this cut hurts
us and if we can get an ending balance of over 10% this year it will help us get our 5% next
year. Anything that we can get out of ending balance will help us with cash flow over the
summer if they don’t adopt the budget. The higher the ending balance we won’t have to
deficit spend and it is more that we have for next year. Kathy Bakhit asked if we may get another
adjustment, is there a possibility that it would be better. Carol Horton feels that it will be
worse. The article provided stated that if 2 counties misreported what about the others. The
taxes that are collected in April are just estimated. They could come in lower. How many
other counties are checking their reporting to the Chancellor’s Office and the Department of
Education. Since the value of homes has dropped many people are trying to get their
property taxes reduced. That will not hit us until next year. The K-12 districts have a
guarantee property tax back fill or continuing apportionment. If the taxes are estimated too
high and come in lower the state has to pick up more dollars to support K-12 education by
law. The budget deficit is $16.5 billion and if they have to put more into education the
deficit will increase. They have to cut the budgets more next year because they are spending
it this year. Dennis Korn stated that they might raise taxes. Carol Horton stated that there is
no money to back fill our tax revenues and no continuing apportionment. The system is
funding growth and over-cap growth currently. At P2 everyone will report as much growth
as they can so we can grow the maximum or grow over-cap and get all of that funded. We
may not gain any money but we may gain FTES. All classes that start in June can either be
claimed in the current fiscal year or the next fiscal year. There will not be layoff notices.
Carol read an article that adjunct faculty are getting layoff notices at another district.
Adjunct faculty are on an as needed basis and they do not get laid off. We just don’t hire
them back. We are on a hiring slush for classified. We are looking at each position whether
we are going to fill it. Requests for new positions should not happen right now.

3.3 Accreditation – This whole committee will be added to the accreditation team for Standard
3D for Financial Resources. Carol Horton passed out the description of Standard 3D. This
will be considered our first meeting. This team is required to do the investigation of the
responses and the evidence to the Accreditation Standard 3D. Carol asked that everyone
reads the Standard. Carol explained that we write the self report and provide the evidence
supporting our report and place it in a box. The accreditation team sits and reads the report
and verifies with the evidence. It is very data driven as opposed to the interviews that the
teams used to do. The Standard 3D accreditation team will read and edit the report and this
committee (Financial Resources) will review and add or correct as needed. Kathy Bakhit
asked for a previous accreditation report. Carol responded that the standards have changed
and the format has changed. Carol noted that she has been on two accreditation teams and is
familiar with the new format. Carol needs the most help with additional program and
mission. Irene Malmgren is also on this committee. Carol stated that the new format is much
more concise and defined than the old format.

3.4 Budget Assumptions and Calendar- Every year we adopt the Budget Assumptions and
Calendar. This year they will go to the Board of Trustees at the April 1st meeting. We have
already started budget planning. Budget worksheets have been distributed to the deans,
directors. Carol, Carol Cone and Rosi Buchwald have attended several meetings explaining
the budget process. We want the budget worksheets back by May 12th from the Deans and
Directors. The class schedules for fall 2008 should be done by that time so that staffing can
be determined. 85% of the budget is salaries and that is what will affect the budget. Carol
Cone will send out an email reminding everyone of the return date for the worksheets. We
have scheduled an additional Financial Resources Committee meeting on June 10th and we
will present the tentative budget without P2. It will be based on our revenue figures for right
now. On June 17th the tentative budget will be presented to the Board of Trustees. July and
August and possibly September and October we will monitor State budget developments and get P2. Our anticipated adoption date is September 9th. Dennis Korn noted that we need to make a correction in the sequence of the calendar and made a motion to approve the budget calendar. The motion was seconded and approved by the committee. Kathy Bakhit asked if we are working on this and fiscal transparency simultaneously. Carol stated that because of this being a short meeting we did not put fiscal transparency on the agenda. We do need to get back into it and develop a timeline. Carol stated that we have been communicating all the information that we have at meetings. Dr. Viera also sent out an email explaining the budget situation. We also have distributed all communications from the California Community College League and the Chancellor’s Office.

The Budget Assumptions were distributed to the committee. Carol reported that there is no COLA or Growth for next year. We will use P1 estimates for taxes and enrollment fees. The growth factor is usually done in August by the Chancellor’s Office but it has not been done yet because there is no regulation to implement our funding formula in place. SB361 was passed by the legislature but there is no agreed upon growth rate calculation between the Systems Office and the Department of Finance. Lottery revenue may go up. Dennis Korn asked where we got the FTES figure. Carol stated that includes non resident FTES for lottery purposes. Interest earnings will be budgeted based on what we earned this year unless the interest rates drop again. Non resident tuition went up this year. Local revenue will be budgeted the same as this year. Vacancies may be dropped out of the budget. Currently we will try to use vacancies, but if the revenues go down we will not budget for them. Approved additional positions are budgeted. Step and column increases have been provided to Deans and Directors. Carol Cone stated that 07-08 has been a big year for reassigned time. We have not heard about any PERS increases yet. We are budgeting Kaiser and Blue Shield at a 10% increase for now. Blue Shield usage is high this year at 84%. If usage is also high for Kaiser it will probably go up. The Central Plant may help us in the utilities expenses, but we are also adding square footage which may offset it. If categorical programs take a hit in the state budget the general fund may have to pick up some of that shortfall.

In recap, Carol stated that we are not in as bad of a position as some other colleges. We will not go under a 5% reserve. We may have to do without some new equipment, such as copiers, computers, etc. We definitely do not want to be on the Chancellor’s watch list. Dean’s are meeting with faculty to figure out how they can do more with less money. One thing would be to not run classes with low student enrollment. In the classified area, we need to cut on-call budgets.

The meeting was adjourned at 3:30pm.