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

FINANCIAL RESOURCES COMMITTEE MINUTES- June 3, 2009
2:30 p.m. – AD206

PRESENT:
Rosalinda Buchwald, Carol Cone, Jeanne Hamilton, Carol Horton – chair, Eric Magallon, Roseann Manfre-Campillo, Jim McClain, Martha McDonald, Dr. Geraldine Perri, Rocky Reynolds, Judy Rojas (recording secretary) and Steve Siegel  Absent: Kathy Bakhit, Karlyn Bradley (student representative),Toby Guebert, Lan Hao, Dennis Korn, and Irene Malmgren.

OLD BUSINESS:

6.1 Approval of minutes of March 17, 2009– Minutes approved as presented.

NEW BUSINESS:

6.2 & 6.3Budget Assumptions and State Budget Update –
Carol Horton reported on the state budget. Discussions have taken place in President’s Cabinet and Rosi Buchwald has met with the categorical managers regarding the budget. The information from the state comes in and then it is revised as soon as the information comes out. There has been detailed communication from Dr. Perri to the college community plus information to all the constituent groups from the CCLC and the Chancellor’s Office. We have a meeting next week of this committee to bring the tentative budget for approval. Carol Horton distributed the current Budget Assumptions. These assumptions were adopted by the Board of Trustees in April. In the last two weeks the deans, directors and categorical managers have given Carol Cone new information. We have not had time to get these figures into the budget for the June 8th board agenda deadline. Everything coming from the CCLC the Chancellor’s Office and from the legislature is assumptions only and is not finalized. The last information that we heard is that the legislature is going to try to revise the 08-09 budget before they settle on the 09-10 budget. We are trying to figure out our 08-09 revenue and expenditures before we can build our 09-10 budget. Right now we are going to use our current budget assumptions in building the 09-10 tentative budget, knowing that we have been very proactive in addressing the issues that Dr. Perri brought forth in her emails and the attachments regarding the potential cuts. For practical purposes we can make the cuts to revenue but we cannot get these cuts into the budget if we do not know the expenditure cuts. Based on the spreadsheet attachment from the CCLC, there are significant shortfalls in property tax 08-09 and 09-10. We cannot get these figures into the tentative budget. There is also talk of changing the enrollment fees to $60 and then talk about $22. The information varies so much that it is impossible to build a budget until we have final information. We have all the existing positions and select vacancies budgeted. Those are the ones that were still funded after the cuts in November. We are still hiring full time faculty for nursing and auto and all the step and class/column adjustments are in the budget. We have budgeted for statutory benefits and a 10% increase for health and welfare. By mid
summer or early fall we should have the Kaiser and Blue Shield update. Instructional materials and supplies are being looked at closely, such as printing and paper costs. We have done some conservation with water and we are trying to keep electrical costs down. In the summer we have $200,000 per month electric bill and we have to start looking at ways to save on it. Carol noted that the facility rental income goes into fund 41 which is used to maintain our buildings and is a reduction of our general fund costs. We may need to communicate the rentals better, but we need to be gracious to our renters. Capital Outlay budgets are under $1 million in the general fund. Most of those costs are out of fund 41. Carol stated that our mission is access and trying to maintain our on going staffing needs. Jim McClain asked about the ending balance. Carol responded that for 08-09 we are currently at 12% in the general fund and that will go up or down depending on the state budget and the local expenditures. Based on these assumptions for next year we are at about 9% ending balance. That 3% reduction is about $1.5 million dollars. Politically, faculty was most concerned that they were aware of the cuts that were being made to the schedule before they left for the summer. The deans have been working for the last two weeks with their departments on the cuts. They have been working on reducing the schedule and to protect the full time faculty. That has been accomplished but has not been interpreted back into the budget yet. This summer there will not be anything hidden on the scheduling cuts and budget shortfalls. Dr. Perri, Irene Malmgren and the deans will continue to communicate the situation.

Dr. Perri added that we are trying to maintain access to classes. First and foremost we are trying to save the institution from layoff mode. Depending on the level of the cuts it could be very challenging for us. The cuts in the categorical programs could impact the general fund. We want to continue business as usual in terms of regular employees. We have made reductions to the schedule; because once you place a class on the schedule it is hard to cut it back. It is not our goal to balance the budget fully by cutting the schedule. The reductions that we make will be all over the institution. It will not be business as usual and some people will not be happy. We need to listen to the concerns that come in and try to explain the scope of the situation. We have to be careful with the cutting of the schedule because it could have long term implications. If we cut the schedule too much and our base of students starts dropping it could effect our funding. We are going to call on all areas of the college to look at reductions. Dr. Perri asked the committee for strategies in cutting budgets in their areas. All of us have to be greatful that we have our jobs. Up and down the state other institutions are looking at reductions in terms of layoffs, stalling increases, employee contributions for health benefits and furloughs. Dr. Perri is baffled by some of the complaint emails that she gets about some of the cuts, but we have to remember that we are here to serve the college in its mission, which is students and supporting their educational experience but we will never make everyone happy.

Carol noted that most of us on this committee are service people and we tend to get the complaining on the local level. Dr. Perri gets the big and the community complaints. People will complain about lines in A & R, grass not being cut, trash not getting picked up, the library hours being cut, etc.. It is our responsibility to communicate that we are doing the best we can and we have a core mission that we are trying to accomplish and that we should take pride that we can provide what we can for our students and our Citrus community.
Carol stated that she has not seen the budget situation this bad in 20 years. Carol does not feel that we will be bailed out like we were in November. We have taken about a $3 million loss to the general fund and we will make sure that we do not fall below the 5% reserve and will try to maintain a higher reserve. She does not feel that next year will be any better. We have short and long term goals for the institution. The last few years we were fighting for growth and now we are trying to reduce. The tentative budget is not very good but it is a spending plan and it is required. We have been diligently addressing this crisis.

Dr. Perri added that there is a conference call with the CCLC tomorrow morning to give the colleges an update of the situation. Dr. Perri will communicate anything significant that comes out of the call. She also stated that by the same time next week the legislature hope to have 08-09 hammered out. Then they make take more time with 09-10. The message from the league was quite sobering in that they said that don’t expect the cuts to change just where the cuts will be taken from. They stated that the colleges must get prepared or you could be in big trouble. There will be a survey of the colleges this week to see how they are preparing. The Los Angeles Community College District has cut their entire summer session in all colleges. In once sense that is quite dire, but then on the flip side they did not have to go through each section and make detailed cuts. Mt. SAC cut summer session 47%. The planning we did in November prepared us well for this situation.

Carol noted that we are doing the cuts systematically.

6.4 **2009-2010 Purpose Statement** - Carol distributed the Financial Resources Purpose Statement. She reported that we just completed an Organization & Governance Handbook that will be going to the June 8th Steering meeting. We will be printing about 100 copies and then it will go on the website. The Purpose Statement is part of this handbook. We have done 2008-2009 and we now need to update 2009-2010 for the fall Steering meeting. Please review and make any comments, changes, corrections and return them to Judy Rojas. The Board of Trustees will reviewing their goals in July and then we can look at our goals to see if we can help them with any of theirs.

6.2 **Other** – Martha McDonald noted that the meeting date and time has changed for 2009-2010 which conflicts with the ASCC Government Class that meets every Tuesday and Thursday from 1:05pm-2:30pm. She asked if we can look for an alternative day or time to accommodate the students.

Rosi mentioned that we are getting close to the year end close. Please check your financial reports online and let Fiscal Services know if there are any corrections.

Carol also mentioned for the new members, that this committee is also the accreditation committee for Standard 3D Financial Resources. Please read the standard on the intranet and become familiar with it. This is one of the main standards that colleges are getting in trouble with in the accreditation process. This standard links the budget planning to overall college planning. The members of this committee are responsible for taking the information back to their constituent groups so that they are well informed and knowledgeable of the processes
that the college goes through. Another employee survey will take place in the spring of 2010 to see if we have improved and reached our goals.

The meeting was adjourned at 3:25pm.