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

FINANCIAL RESOURCES COMMITTEE MINUTES - August 5, 2009
1:00 p.m. – AD206

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

OLD BUSINESS:

8.1 Approval of Minutes of June 3 and June 9, 2009 – Minutes approved as presented.

NEW BUSINESS:

8.2 State Budget Update- The Revised Budget was signed by the Governor on July 28th. Carol Horton passed out several handouts from School Services of California, The Community College League of California and the California Community Colleges Chancellor’s Office. These documents outline and recap the budget situation. The Chancellor’s Office really does not know much yet because each of the trailer bills must be gone through individually to see how they play out by district. The President’s office regularly distributes these documents and others to the constituent groups. Carol stated that the system has lost approximately $235 million dollars in revenue and Citrus will loose approximately $2.3 million in general apportionment dollars for 2009-2010 for the general fund. This does not include categorical fund reductions. The only thing that we have received from the Chancellor’s Office is the spreadsheet for the Preliminary Workload Reduction which is a result of ABX4-1. 2008-2009 P2 Report for Citrus was 11,974 funded FTEs which generated in general apportionment $56,514,237. The revenue for next year is the difference between the $56,514,237 and the $54,598,778. There is a reduction of FTE of 452 which brings our base from 11,974 to 11,521. When we started the registration for fall the classes were set at a point where Instruction was anticipating generating 11,900 FTE which is about 3% over cap. They have had at least three different scenarios this summer as they have been developing the schedule; one at 12,300 FTE another at 12,000 FTE, then dropped it to 11,900 FTE and there is another that has not been implemented to 11,522 FTE. Jeanne Hamilton asked if that would include all cuts. Carol responded that would include Winter and Spring. There is a potential for a $700,000 increase in this but we do not currently have it budgeted. Carol stated that we are working diligently on our budget. We are looking at an approximately 12% reserve at the end of this year. We must have done enough cuts to the budget that the cost centers spent what they had left and we did not have a lot of fall out. Carol is still
projecting about a 12% reserve at the end of 2009-10 with no deficit spending. At the next meeting we will go through our district 2009-10 budget. We will be sending out another round of budget sheets to the cost center managers on August 12th. Carol feels that this budget situation will not be over for a few years. There is no additional revenue for the increase in fees, there are no stimulus packages for the categorical programs and there is not a person in the state that believes these will be the only cuts that we will receive in general apportionment. Dennis Korn asked if we are charging the $26 per unit. Carol responded that we started charging 1 hour after the budget was signed. We will have to collect the additional fees from the students that had already registered.

8.3 District Budget Update – There are 50% cuts for part-time on-call employees in every cost center. The only way we can save regular jobs is by cutting temporary jobs. The Board of Trustees goal is to not cut permanent jobs. We have to get used to working with what we have. Consider this while making requests of maintenance, custodial, reprographics etc.. Carol does not believe that we are going to make the 50% law and feels that we will not make it next year either. After the books are closed for 2008-2009 we will know for sure. The requirements are that if we do not make the 50% law we have to go to the Academic Senate and take a resolution to the Board of Trustees. There are many discussions going around the state regarding what districts are doing to cut their budgets. We have taken all vacancies out of the budget but there are certain critical positions that have not been cut. We have cut budgets in memberships, contract services, conference and travel and utilities. We have only used about 50% of our water budget due to water shortage requirements and the new turf. The Central Plant has provided about a $200,000 savings in what was budgeted and what was spent for electricity. Blue Shield had a 0% increase this year which is unheard of. Our usage was at 68% which means that is our percentage of our premiums used on services. Kaiser had a 4.6% increase this year which is much lower than last year. The Board’s philosophy is to preserve our regular employees and try to meet our student needs. It is difficult with the decline the system is forcing upon us in earned FTEs. We are going from 12,900 FTEs to 11,500 FTEs. At the next meeting we will have the Powerpoint Budget Presentation for this committee.

8.4 2009-2010 Purpose Statement – We did not receive any changes or comments regarding the 2009-2010 Purpose Statements that were distributed at the June 3, 2009 meeting. If we do not hear from anyone we will bring the final to the next meeting for approval and then send it on to Steering for approval.

8.5 Strategic Plan, AIP2009-10 and Progress Report 2008-09- By August 27th Lan Hao has requested that we go through the Strategic Plan and complete the Progress Report for 08-09. What we need to do is go through the AIP from 08-09 and come up with our progress report based on our activities and measureable outcomes. Our Fiscal Transparency Subcommittee needs to meet before 8/27/09 to review these reports. Carol asked that Steve Siegel replace Peggy Olson on the committee for classified representation. After the subcommittee completes the report it will be brought back to this committee. Our original items are almost done and we will not have many to implement this year. This is the 3rd year of the strategic plan.
8.6 Other – The managers must prioritize what they can and cannot do with the staff and resources that they have. Everyone at the college needs to understand and participate in the process. Carol Cone will watch the cost centers that over-spend. It is hard for us not to serve the number of students that want to attend. We have not even started new student registration and we are already getting full. It will be very hard for new students to get a full load of classes. Economically speaking we are at over 11% in unemployment in California and it is still rising. The economy is starting to turn around but unemployment rate is not keeping up with the economy. Our revenue depends on jobs in the state, income tax, sales tax, and property tax. Building of homes is starting to pick up again but commercial building is still slow. Dennis Korn asked about the progress of the Student Services Building and the Vocational Technology Building. Both projects have the same contractor and they are behind on both projects.

The next meeting is scheduled for 9/2/09 at 1:00pm in AD206.

The meeting was adjourned at 1:44pm.