PRESENT:
Leigh Buchwald (for Linda Welz), Rosalinda Buchwald, Shawn Glassbrook (student representative), Jeanne Hamilton, Lan Hao, Carol Horton – chair, Dennis Korn, Eric Magallon, Irene Malmgren, Martha McDonald, Rocky Reynolds, Judy Rojas (recording secretary), Steve Siegel, and Jody Wise.

ABSENT:
Kathy Bakhit, Carol Cone, Toby Guebert, Roseann Manfre-Campillo and Dr. Geraldine Perri.

OLD BUSINESS:

5.1 Approval of Minutes of April 7, 2010 – Minutes approved.

NEW BUSINESS:

5.2 Budget Priorities – Carol Horton distributed the budget priorities that the cabinet members have been working on for the development of the 2010-2011 budget since January 2010. It started with a very long list and has narrowed down to the bulleted items presented. The cabinet members finalized these items at the April 6th cabinet meeting. Dennis Korn asked if the deans were told that what they spent last year was what their budget was going to be next year. Carol stated that may be the way it came out but it was not to be taken literally. Final approval for all requisitions is done in the Administrative Services Office and any items will go through Carol Horton for approval if Carol Cone or Judy Rojas have any questions. Carol Horton stated that there is not much to take back because we have already cut the cost centers so much and they are spending what they need. If there was anything left it was equipment money but we did not have much budgeted in that area. Dennis stated that we are trying to be fiscally conservative and the word was that we were going to be cut even more.

Priorities for Budget Allocation are as follows:

- Maintain required reserves and limit deficit spending – This is the health of the district financially. Hopefully we will be able to maintain our reserves in the next couple of years.
- Maintain FTES at the proposed state funded level –
- Endeavor to maintain instruction and support services in alignment with core mission and planning priorities – The state core mission is basic skills, career-technical education and transfer of students to 4 year colleges. That is pretty much the same as our district core mission. Our district planning priorities are over a long period of time and whether we have revenues to approve any of those are yet to be seen because we have no information from the state yet.
• **Endeavor to preserve regular employee positions.**

Carol Horton asked for approval of the Priorities for Budget Allocation. The committee unanimously approved the document. Carol Horton noted that the second part of this document is the Budget Development Strategies for 2010-2011. These strategies go hand in hand with the Budget Assumptions that have already been approved by the Board of Trustees. If we have these finalized prior to our next meeting in June we may have a special meeting called. The Governor’s May revised budget should be out next week and Rosi is attending the ACBO Spring Conference from May 17th through 19th where she will be able to hear information from the League, the Chancellor’s Office and the legislature. When she returns we may call the special meeting so that we have more information for you (possibly the week of May 24th). Carol Horton also stated that at the last cabinet meeting Jeanne Hamilton wanted to discuss the impact of these strategies on the campus and various programs. The hardest thing to do is say that we will freeze all vacancies and cut on call and then to consider what the impact is of those decisions to the campus? For example, grass may not get cut as often, trash may not get emptied as often etc. without the personnel to do the jobs.

5.3 **State Budget Update** - We do not have any new news from the state at this time. Dr. Perri is putting out a memo to the campus in the next few days. It will compare and contrast the Governor’s proposed budget from January with the legislative analysts office proposed budget which came out in February. If the May revise has more substantial information we will look at our own budget assumptions particularly regarding revenue to determine if we need to make adjustments. Our own budget is in the very early stages. The budget sheets are due back to the budget office by Friday, May 7th. 2009-2010 budgeted deficit of $1.4 million is almost 2%. This will bring our ending balance down to 10%. If we deficit spend $1.4 one year and we don’t get any additional revenue which we are not forecasting right now we will be deficit spending close to $2.8 million or even more which is just meeting step and column and payroll costs. In June, before faculty leave we will have another meeting to go over our tentative budget before it goes to the Board of Trustees for approval. The general fund unrestricted consists of 6 expense categories and are currently budgeted as follows; 1000’s faculty salaries $24 million, 2000’s classified salaries $14 million, 3000’s benefits $12 million, 4000’s supplies $1.4 million, 5000’s services, contracts, travel, utilities $6 million and 6000’s equipment $616,000. The 5000’s are very hard to reduce, because they are just the costs of doing business. We have to try to reduce costs while providing services without huge impact to our operation. Carol mentioned that we are looking at purchasing toner cartridges in bulk and storing them at the warehouse rather than individual departments ordering them. In general, we will not be able to go on like this for another year. Last year we were bailed out because the state back filled prior year money. We do not know what the legislature is going to do yet this year. We hope they do what they did this year because it helps instruction form a more solid plan. Dennis Korn asked what other colleges are doing. Carol Horton responded that other colleges have had layoffs and furloughs. Irene Malmgren noted that the district that she came from has laid off over
200 employees. Steve Siegel added that no one wants layoffs so when do we need to start looking at salary reductions or furloughs? Carol Horton responded that we have to get our budget built for this year first. We are always planning and looking at data, but those types of action are negotiable. What do the unions want, how do we manage it, what if we get growth this year? There are so many unanswered questions at this time. All we need is a 10% reserve at the end of each year. If it comes in at 11% or 12% that is even better. So far we have tightened our belt and cut back on adjunct faculty and part-time on-call employees. Unless we get additional revenue from growth or are able to shift things around we will try everything to avoid layoffs. The fiscal year 11-12 will be the toughest year unless the state makes a turn around. Carol Horton has not seen the budget sheets that have been coming in from the cost center managers and hopefully that will make some difference. Carol Horton noted that Student Services has been working very hard to adjust their budget because their programs have been severely impacted. Jeanne Hamilton added that very few of the student services programs are general fund unrestricted and the categorical programs have been cut by about two thirds. Jeanne Hamilton reported that because of the cut backs they are working with CSEA to move the employees from those categorical programs to general fund programs so that we can keep them employed. Carol Horton reported that the bond funds have helped us. With the implementation of Banner, we have watched the progression of students that pay and register on line increase. The more that the students use the online system the less personnel we need to hire to serve them.

5.4 Health Care Reform - Carol Horton met with Keenan (our broker for health care insurance) this week. We are getting a 7.4% increase from Kaiser this year. Our broker has 10 community college clients and this is the lowest increase that she has seen among her clients. The increase is low because our experience level has been low. We will not hear about Blue Shield until the first part of June. Our broker will also negotiate with Blue Shield to improve the rate. Our experience has also been good with Blue Shield and that helps us.

The main impact of health care reform does not hit until 2014. Keenan has had small briefings. Per our broker the raising of the dependent coverage to 26 and the lifetime benefits change do not have any load effect on the premium, meaning that they cannot really increase the premiums based on these changes. There is some expanded coverage for mental health coverage which has to be met right away. The cost of that has not yet been determined. There is also a change to the length of services for mental health. There is another meeting scheduled with Keenan for May 28th to go over the rates and the negotiation with Blue Shield.

5.5 Other – Irene Malmgren asked if she should speak to Mike Harrington about the possibility of keeping buildings closed for summer session. The hard part is that there are offices in almost every building and if the cost of moving them would be beneficial. LB has a division office in it. Judy Rojas noted that FLS has asked for 10 classrooms for the summer session. This item has been discussed also in the construction meetings. If classes are being offered that require wet labs and a
psychology class or math class that does not, can we teach the psychology class in
the room with the wet lab to be able close the normal LB or MA classroom. The
problem is the faculty office hours and if they can be moved to another location or
cooled with fans. When you start shutting down buildings you also have to look at
the classified staff in them. If we could close down a building, it would be a huge
savings. After the reorganization of the classes Judi Kemp can look for the available
classes for FLS. Carol Horton thought that we could regulate the HVAC in LB by
floor but Mike Harrington needs to be consulted for more information. Steve Siegel
asked if we could set up weekends where the school is shut down completely. It
would be too late to implement this summer but possibly summer of 2011. When
faculty come in to their offices for short times in the summer we could possibly not
turn on the HVAC for that. Also Carol Horton reminded everyone to turn off lights
and shut off computers when you leave your offices even for a meeting. Leigh
Buchwald noted that we would be surprised to see how many computers are left on
over night and over an entire weekend. Sometimes we come in on Monday and an
entire room of computers has been left on. Leigh Buchwald stated that we are
starting to put a program on computers in labs that will automatically shut them
down at midnight. Carol Horton added that we are getting a rebate from the
CCCIOU for these programs for our computer labs. We have an Energy Smart
Program that needs to be revitalized on campus. Leigh Buchwald added that we have
over 2000 computers on campus that need to be turned off. The low energy mode on
printers and copiers still use power but just at a lower rate, so they should also be
turned off at night. Carol Horton noted that Leigh Buchwald is also working on
changing telephone providers to save some money. We are hoping to reduce our bill
by 1/3. Robert Iverson is also switching from the city contracted Athens to another
waste hauler to save about $20,000. There are many things that we are working on
behind the scenes that are big ticket items to save some money.

The meeting was adjourned at 2:55pm.