BUDGET DEVELOPMENT COMMITTEE

Meeting Notes February 17, 2010
(Accepted at the Meeting of 3/3/10)

Members Present:  Adam O’Connor, Dan Willoughby, Marcus Wilson, Chrystal Van Beynen, Sharon Kelly, Cyndi Grein; Tyler Speer

Absent:  Jackie Napalan, Ken Collins

Guests:  Claudette Dain, Fred Williams

Meeting commenced at 2:08 p.m.

Introduction of members and guests.

Meeting Notes from 1/20/10 were accepted.

Follow-up:
Categorical Programs: No change at this time in categoricals. We have a shortfall of over $1 million that will play into the list of the budget information that Fred will be presenting. One member asked if moving a counselor out of EOPS would fix their problem. Adam indicated that it will help but will not bring them in line.

Vehicle Replacement: Adam informed the committee that our recommendation will be on the PAC agenda next week and that he will report back to BDC on March 3.

Discussion of District Budget Assumptions (white handout): Fred Williams thanked the committee for giving him the opportunity to get information out. He reminded the committee that we need to live within our means. He added that we are currently in very good shape but we have some difficult times ahead which will need decisive actions. Sharing information and getting feedback will contribute to making the best decisions possible. The handout is the set of budget assumptions that is being discussed at DPC. Fred Williams is looking for input on the assumptions and ways to cover our budget deficit.

FTES—We are way over cap and have not received funding from the state to cover the overage. We have generated $12 million to $14 million that we were not paid. Marcus Wilson asked about the older adults program at SCE and possibly reducing SCE for that. Fred indicated that redistributions/reallocations are possible and that any individual on DPC can bring a proposal. Fred then explained credit vs. non credit to the committee. The reason we have more FTES now is because faculty take more students in their
classes. There was some discussion of WSCH (Weekly Student Contact Hours). FC is at 480 and CC is at 460 with the “magic” number being 525. In other words although it appears we are generating more FTES by adding students in class, we still are significantly below a reasonable WSCH.

After some discussion, Fred stated that we can’t go bankrupt and let the state take over.

What do we want our targets to be? What would the split be? The state could come in and rebenchmark the system-wide funding at a different level and therefore we need to be careful regarding our overcap FTES.

Fred then reviewed some additional information:

Our district’s share of the overall state budget for community colleges is about 3%. The district didn’t hire 40 Full Time Faculty (FTF) positions in 09/10 $1,300 equals 1 FTES in part time credit salaries
Fred feels we need a plan to cut $5, $10 and 15 million for 10/11 $5 million in one time monies are available at the district District contributed $2 million to make categoricals whole in 09/10 Wouldn’t be surprised to see a fee increase and then explained that a fee increase would help the state, not the individual districts. $3 million in vacancies are currently being held district wide 1% salary reduction equals $1 million

**Ideas to cut budget:**

- Faculty workloads—increase from 15 units to 18 or 16.5 in faculty contract
- Suspend step and column increases
- Reduce insurance benefits
- Move from 15 years of longevity for lifetime benefits to 35 years
- One furlough day a month equals a 5% reduction for classified and management positions
- Furlough days off for classified does not have the same impact as for faculty as far as service credit goes

What is the process for this year? $5, $10 and $15 million reduction scenarios like last year?

Marcus Wilson then brought up the $5 million amount to fix up the La Habra site and the 700/900 complex costs. Fred indicated that we have been approved for the 700/900 project by the state at $40 million. We have already made the match but the swing space costs are not covered by the state. Just the swing space and additional cost is about $10 million. Fred also stated that when this project was approved the match amount was only 10% and that new projects now have a 50% match, so if we didn’t move forward we likely would never do the project.

The committee then discussed the other buildings that are in line for remodel: 300/500 project—there is a bathroom issue, 1100 building and 2000 building. Pertaining to the 700/900 complex—the 700 building is basically a gut and replace and the 900 building is a tear down and rebuild. This has been approved—we do the work and will get reimbursed.

If there are other costs that come up after we put in for the swing space, the district comes up with the money. We should feel pretty secure about the 700/900 complex.
Fred then added that there is “Obama” money—for instructional technology. We have been watching closely, trying to get the 10% match money from these funds and would replace the campus dollars used for the 700/900. Fred then reminded the committee that there are facility and usage issues when adding new buildings and upgrading existing buildings. These new costs need to be considered.

Cost of maintaining the buildings: We tried to add in additional dollars to the campuses through Growth Beyond Extended Day dollars which were eliminated. The campuses have taken on the impact of bringing on more buildings with less resources and not filling vacant positions.

Tyler Speer brought forward a concern from the students about the building of new buildings and the reduction of class offerings. Fred explained how these projects were funded by bond dollars that can only be used for the purpose they were obtained for. We received state funding for the 400 building at a 90/10 match. Construction management and FF&E could be additional bond dollars or campus dollars. Timing is everything—in 2002 we received the bond monies. We are now in a downturn cycle but it will come back again and we will be able to serve more students in the future.

Fred indicated that if we sell La Habra in the future, FC should get some of the money from the sale since we are the ones paying for the upgrade out of our capital outlay.

Marcus suggested that all 12 month people that we don’t have work in the summer due to reduced courses could possibly be reassigned to A&R or other areas to fill in to serve students.

Chrystal VanBeynen then asked about the “Election Expense” line—Fred explained that every two years we have board elections and we are required to cover the expense. If there are no opposing candidates, there is no expense.

Fred wanted to leave us with 2 things:

1. There is a sense of urgency to make budget cutting decisions.
2. He would like to answer questions from anyone on campus relating to the budget and he would be happy to come back and speak to other groups.

If we don’t agree with his figures or ideas—come up with an alternate plan or suggestions.

Meeting adjourned at 4:04 p.m.