BUDGET DEVELOPMENT COMMITTEE

Meeting Notes August 19, 2009
(Accepted at the Meeting of 9/2/09)

Members Present: Adam O’Connor, Dan Willoughby, Ken Collins, Marcus Wilson, Cyndi Grein, Chrystal Van Beynen, Sharon Kelly, Vincent Velasquez

Absent: One student seat not filled yet

Meeting commenced at 2:05 p.m.

Follow Up: Instructional Materials--Adam reminded the committee that Instructional Materials money is derived from state lottery funds and that last year there was a decline in revenue from the original budget. We had budgeted $338,000 for 09/10 and thought we would have approximately $80,000 in carryover. We actually only had $15,000 in carryover and we anticipate only $245,000 from the lottery this year, so there is only $260,000 to actually allocate. This means that we will need to retrieve $68,000 back from the divisions or we could use carryover to keep the level of funding the same. Dan Willoughby stated that if we can afford it we should cover the difference. Divisions planned on a certain amount and it would undermine the planning process. Adam indicated that this will need to come back to the committee at the next meeting for additional discussion.

Dynamic Fund Allocation Review—Adam informed the committee that we went ahead with the recommendations of August 5 to fund the allocations, reduced by 5%, to the four areas as follows: TAP $11,130; Workforce Center $5,905; Honors $9,310 and Cadena Transfer Center $7,600.

2008/2009 Year End and Campus Carryover Review (pink)—Adam pointed out that we have $8,018,211 of unrestricted carryover, which is about $1million more than last year. Due to holding major expenditures during 08/09, these numbers increased this year. Adam will bring last year’s figures for comparison to the next meeting. He then reviewed the fund numbers for the committee. The tuition amount is the amount after it is reduced by the amount that the district keeps. Categoricals that ended 6/30/09--there are three large overages—EOPS, BFAP and Matriculation. The BFAP and Matriculation overages were mostly due to the cost of counselors. Carryover recap was then opened for discussion. $2 million in FF&E deciding whether to transfer this amount or leave in general fund for the same purpose. Adam is in a better position to determine what to do with the $3 million. If we are going to equip these new buildings we need to have money to do it. Not transfer to capital outlay—Adam has asked Janet Portolan for documentation to back up the amount for FF&E for the 400 building and PE project.
Everything other than FF&E has an allocation. What about the weight rooms and lockers? Adam will get a detailed list of the items. $3 million seems reasonable. Campus Projects—Although less was spent in 08/09, Adam thinks that this could be higher in 09/10 due to fire inspections. Leaves about $3.3 million to talk about. Possibly cover the Instructional Materials shortage, using for Instructional Equipment, vehicle replacement plan. The extended day budget had $691,000 left over last year. If our FTES targets are not met we might need to allocate more funds. What would be the amount to increase the amount of FTES by 5%? Dan Willoughby would like to suggest using some of the carryover for technology or computer replacement—a Tech Plan. Putting money aside each year for computers similar to the vehicle replacement plan. Adam stated that an actual plan needs to come from someone (ACT?) with dollar amounts attached. Cuts to categoricals—people and salaries. This year the district covered these overages, next year we are on our own. Every division was given a percentage to cut in extended day. Adam just gave Larry Buckley extended day amounts by department and division for 08/09. Larry will be providing the amounts to cut—not necessarily across the board. Cuts for spring will not be proportional if we really want to have an impact on extended day we need to move on it. We have to meet our FTE number of 17,500—some transfer may be needed to make that number but no specific amount until FTES estimate is finalized. Are people comfortable with the strategy about extended day — yes. Maybe a minimum of 5% cushion, which would amount to 875 FTES for FC alone.

Adam reported that agreement has finally been made with SCE and CC to shift the non-credit lab fees back to the campuses. This shift causes several budget changes. FC will now receive extended day allocation for the 846 non-credit FTES. These dollars are partially transferred to first pay for the full-time staff in ACT totaling $376,000 and an additional $200,000 transferred to the operating allocation to pay for the hourly lab aids. Adam suggested that we attempt to hit our FTES target with 100% credit FTES and utilize this non-credit FTES for this cushion. We need to have curriculum fast tracked in order to be able to offer these labs and generate this FTES. Larry Buckley indicated he has started the process.

2009/2010 Status of Budget Cuts (buff)—Statewide there is uncertainty about receiving federal funds, property taxes and other revenue shortfalls, state budget is out of balance, anticipation of mid-year cuts. The college has set aside $472,177 in operating allocation cuts. We have 8 position vacancies that we could cash in if required, totaling $495,000. In total, this amounts to just under $1 million of potential savings.

Update Regarding State and District Budget (blue)—Adam handed this out as the “latest version” of the district allocation model for 09/10. The bottom line district wide budget is just greater than break even due to the reduction of 40 faculty positions (22 at FC).

A question was asked about dual listed classes—are we getting the money? Adam will talk to Dan Willoughby after the meeting and follow up.

Categoricals—might also need to use our carryover for categorical programs. What is our plan for making our budget for categorical programs? CalWorks, CARE, EOPS, DSS and Matriculation would have a shortfall of about $1 million if we were told today that we need to live within our allocation. We expect to get back $450,000 one-time in federal funds towards that shortfall at FC and then would be short $535,000 on these categoricals which will be covered by the district for 09/10. without additional cuts to these categoricals next year, we would be back to covering $1 million. Each of the colleges has been asked to prepare a plan regarding these proposals for 2010/11.
Auxiliary Financial Trends (green)—Adam expressed to the committee that in the Bookstore there were less sales, decreased net income and a lot more returns in 08/09. The trend is not looking good for the college bookstore industry. The bookstore is currently looking into a textbook rental program and will plan to pilot next semester. There was some discussion on the bundling of books versus not. These things will be discussed further in the bookstore advisory committee.

Math Lab Instructional Assistant—Adam had e-mailed the justification to fill this position to the committee. There was some discussion about hiring two 50% positions. The Instructional Assistant takes on a leadership role during the day. Anything less than 50% does not receive benefits. This is a lot of support for a lab relatively speaking—writing lab vs. math lab. After discussion the committee supported filling the position as recommended by the division.

Meeting Schedule—The calendar that was previously distributed will hold as of this time.

Meeting Adjourned at 4:08 p.m.