BUDGET DEVELOPMENT COMMITTEE

Meeting Notes September 1, 2010
(Approved at the Meeting of 9/15/10)

Members Present:  Adam O’Connor, Dan Willoughby, Greg Ryan, Sharon Kelly, Sean Chamberlin, Marcus Wilson, Chrystal Van Beynen, Garima Aggarwal

Absent: None

Guest: Grace Kim

Meeting commenced at 2:04 p.m.

Adam reminded the committee that the meeting notes from May 5, 2010 were approved via e-mail and have been posted.

Follow-up: Dan Willoughby asked for a report of the outcome of our discussion from the May 5 meeting relating to the Foundation and different ways funds could be requested. Adam indicated PAC did take action on this and that he would bring that information to one of the next meetings.

2009/2010 Year End Expenditure Summary (buff handout)—Adam gave an overview of this hand out that shows all campus expenditures for 2008-2009 vs. 2009/2010. He then pointed out one large difference in counseling—they had cashed in a regular position and used those funds for hourly counseling. After some discussion, Dan Willoughby then asked that each line be totaled instead of having a total for every area that falls under a division. It was suggested this be done starting next year and Adam agreed.

District and Campus Carryovers to 2010/2011 (orange handout)—Adam explained that this is an analysis of ending fund balances, the final numbers that carryover from 2009/10 to 2010/11. He pointed out to the committee the carryover amount for FC is $8.3 million and that we overspent our extended day budget as previously reported by approximately $1 million. In fact, all three district entities overspent in extended day. He then indicated the district ended up with more carryover than originally anticipated and that Fred Williams added some recommended allocations which would reduce the board discretionary contingency. Some discussion ensued about district carryover and their ability to cover the categoricals. Adam reminded the committee that the agreement was that last year the district would cover the categoricals and that the colleges would be responsible for them from now on.

Adam then explained General Fund monies that we get from the state that can be used for anything at the college with no restrictions. Categoricals are areas like EOPS, DSPS, Matriculation, CARE and
Calworks—these areas are given money from the state that are restricted to be spent in these specific areas. With the budget cuts that took place two years ago these areas were largely affected. The district decided that we were not going to lay off staff. The FC categorical programs were short $1.2 million last year and were covered by the district.

Adam then returned to the FC Carryover Recap. He highlighted the recommendation to transfer $3 million to capital outlay during the year. The total amount that we have transferred to capital outlay including this amount is $20 million to date for various projects. So far we have used about $9 million. We only have PE, Science, and Tech Ed. projects left. These funds are used to purchase the computers, equipment and furniture for the new buildings—bond money is not used for this purpose, and can also be used to supplement the bond funds for other related costs.

Tech Replacement—$550,000 as a starting place since we have not seen a Tech. Plan yet. Marcus Wilson was hearing numbers like $1.5 million a year for a 3-year replacement cycle. Dan Willoughby remembers that Nilo thought it would be about $1 million a year. Dan then asked if we could use any of this $550,000 to replace equipment that is totally broken or do we have to wait for a plan? Adam stated that the idea with this allocation is for the plan and that currently there is not a place to go to for covering broken equipment needs. We have no allocation for Instructional Equipment—maybe that is something we want to add to our list.

Staff Development—Recommending $100,000 to staff development this year. Rajen Vurdien charged the staff development committee with coming up with a plan if they had $100,000 to spend.

Immediate needs for equipment vs. Tech Plan—recommend that $50,000 be set aside for current immediate needs. To replace equipment that doesn’t function. Adam to review appropriateness of this amount with Scott McKenzie.

Adam then stated that we have 86% of our carryover allocated with this list. This is where we are at this point in time and BDC will continue to discuss other campus needs for this money.

In review, Adam also asked for consensus to allocate $500,000 toward extended day cost if needed, Tech Replacement—hold until we have a plan; cover our categorical programs in the amount of $947,399, along with staff development; $50,000 for broken equipment, and transfer to capital outlay. Dan Willoughby then asked about an instructional equipment allocation in addition to the immediate needs fund? At some point we need to have a real discussion about instructional equipment—what is an appropriate amount? He then explained how instructional equipment allocations are distributed. What usually happens is an amount is allocated for instructional equipment and the Deans then make the determinations. Once we have some definite amounts from the state we would then be able to make a determination of the amount for instructional equipment—put this on HOLD for now.

Budget Cuts—Holding (green handout)—Adam went over the position vacancies and indicated that our Pool Mechanic position and an additional Custodian will soon be vacant and M&O may be making a case to fill two custodians rather than the mechanic. The committee was under the understanding that it was determined to be cheaper to hire a pool mechanic rather than a service. Adam is still investigating the need and the request.

2010/2011 District Budget Update (goldenrod handout)—Adam pointed out that we are significantly over in our FTES, that the ongoing revenues exceeded expenditures by approximately $2.5 million but
that there are several conservative estimates in the model, and that the state still has not come to any agreement on the 2010/2011 budget.

**Extended Day Budget Update (light blue handout)**—this handout shows how much we need to cut in spring to make budget. A 24% reduction is huge for spring, which is part of the rationale for holding some carryover funds to help soften the blow.

**Categorical Budget Update (pink handout)**—$947,399 is the total amount of need to keep categoricals funded. This amount might go down by about $150,000 if the state budget is enacted as is proposed to date. $3.2 million needed vs. $2.2 million budgeted leaving a deficit of $947,399. One member asked if it is still the plan to not fill vacancies if they come up in the categorical areas? If there are other vacancies on campus, could we move people from categoricals to fill those positions? It could be possible, each position will be looked at to determine the feasibility. Eventually the categorical programs must live within their means and the district want no lay offs. A scenario: The deans are working on a plan for 14 positions—if they designate 2 of these positions as counselors, we could not fly them and move 2 matriculation counselors to general fund. Sean Chamberlin thinks that we should ask the district for the money. The argument would be that the district made a decision to not lay off people so they should pay for the overages.

**Auxiliary Financial Trends (goldenrod handout)**—Adam let the committee know that the bookstore revenues went down significantly this year and trends point to further reductions. We still have a positive bottom line but Adam feels that we really need to make some changes.

**Restricted Lottery Update (bright pink)**—Adam indicated the we have allocated $354,747 this year leaving $64,964 in a holding account for next year or to cover any difference if the revenue come in less.

**Budget and Planning Calendar (dark blue handout)**—For your reading pleasure, a reminder of the calendar.

In review Adam indicated that he will start rolling on the $50,000 emergency replacement money. He will contact Scott McKenzie to determine what is “broken”. These funds wouldn’t be given to the divisions—the list of broken equipment would determine the need.

Adam also informed the committee that next week at PAC, they will be discussing a new planning process and the potential establishment of a Budget & Planning Steering Committee.

Meeting adjourned at 3:53 p.m.