

## Meeting Minutes

September 9, 2010, 2:00 pm, PDC 104

### Members Present

Kellie Barnett, Larry Cicalone, Martha Dominguez, Jim Hansen, Matthew Isaac, Charlie Ng, Scott Rippey, Steve Sutorus, Margaret Sweeney

### Welcome & Introductions

The meeting was opened and self-introductions made.

### Review of Charge & Membership

Charlie reviewed the Committee's charge as described in Administrative Procedure 2225 (AP2225), including the following.

- Under AP2225, number 1, the wording should be changed to include federal and local, as well as state, funding.
- This committee does not negotiate wages.
- Regarding the definition of unrestricted versus restricted funds – unrestricted funds can be spent for any lawful purpose, whereas restricted funds can only be spent as they are earmarked. For instance, bond funds can only be spent as indicated in the bond language.
- Budget Committee scope includes restricted and unrestricted. Possible items for Committee review and awareness include cafeterias, bookstore, general fund, etc.
- The Committee will need to be aware of growth and enrollment figures, for example growth that is funded by the state vs. growth that is not funded by the state.

After some discussion, the Committee agreed that following changes to AP2225 be submitted to the Chancellor for recommendation to the District Assembly.

### Revised:

1. Review and evaluation of current, projected, or proposed state, **federal and local** funding proposals affecting California Community Colleges and the related financial impact on the district.

### Proposed Addition:

5. **Promote budget awareness, communicate budget issues, and may assist in budget and finance training activities District-wide.**

### **Discussion of District Strategic Plan (DSP) Objective 1.1.1**

*“Train all collegial-consultation committee members in their responsibilities (e.g., participating actively, informing and soliciting feedback from constituents), and in how the committees function.”*

This DSP objective compels the District Budget Committee to train its members in their responsibilities. Charlie volunteered to be part of a subcommittee to develop the necessary training material/orientation package. Larry Ciecalone nominated Yendis Battle who, although not on the committee, is knowledgeable in budgeting functions. The Committee will check with Becky Gamboa to determine if she or Yendis will serve. Scott Rippy and Kellie Barnett volunteered. Charlie will setup a meeting for the subcommittee in about two weeks.

### **Update of State Budget**

State is operating at a \$19 billion deficit. The legislature has agreed on 75% of the budget so about \$14-15 billion of that deficit is not an issue. It is the other \$4-5 billion that is pending the resolution of partisan agendas. The Governor has said he will not sign a budget unless it contains some reform even if this means he leaves it behind for the next Governor in January, which is not a good scenario.

### **Update on District Budget Projections**

Regarding cash flow projections and short term borrowing, the District has the following cash on hand:

\$11,000,000	District Cash
\$ 5,000,000	On Loan from County
<u>\$ 5,000,000</u>	Board Approved to be Borrowed from County
\$21,000,000	Cash to Last through December 2010

The state has not made its normal apportionment payment of about \$5-6 million for either July or August; it is anticipated that once the state passes a budget and makes its payments, we will pay off the loans. Currently the District spends about \$6,000,000 per month, therefore, we can get through November without any cash flow worries.

### **Resource Allocation Model**

Charlie reviewed the District’s Resource Allocation Model, which reflects only state apportionment money, as opposed to state apportionment, federal and local money. He touched on each heading and spoke about the Budget Committee’s charge to evaluate the model and its effectiveness. Some possible areas for improvement were identified, including the reflection of carryover money, reassign time, growth, etc. The Budget Committee will make recommendations on issues such as these.

The Committee discussed the concept of Fund Balance. The required District Fund Balance is 5% or greater of our entire budget which includes the \$70 million shown in the Resource Allocation Model plus the restricted funds which are not shown. Currently the District is at 22%.

### **Next Meeting**

At the October 14, 2010 meeting, the Committee will, hopefully, be able to review an outline of training material and then further review the Resource Allocation Model and how it is impacted by different scenarios. Charlie will also continuously update the Committee on the state's budget and how it affects the District.

### **Adjournment**

The meeting was adjourned.

Kelly Goodrich, Recorder