



Financial and Budget Planning Advisory Council (FABPAC)
December 15, 2010 – 2:00 pm
Board Room
Adopted Meeting Minutes

FABPAC Members Present:

Rich Augustus	Local 39
Peter Bostic	Exec. Director, Inst. Advancement
Richard Crapuchettes	Local 39
Les Hubbard	SCFA
Betsy Julian	Ed. Administrator
Jowel Laguerre	Supt/President
Debbie Luttrell-Williams	CSEA
Deborah Mann	Classified Manager
Louis McDermott	Academic Senate
Arturo Reyes	EVP, Academic & Student Affairs
Sheryl Scott	CSEA
Roy Stutzman	Chair

Absent:

Philip Andreini	Ed. Administrator
Corey Elliott	ASSC
Mary Ann Haley	Academic Senate
Tom Grube	SCFA
Chris Guptill	Classified Manager
Ralph Meyer	Local 39
Mary Lexi Parmer	ASSC
Kheck Sengmany	Minority Coalition
Thomas Watkins	Academic Senate

I. Approve December 15 Agenda:

- Due to lack of quorum, agenda not approved.

II. Approve December 1 Meeting Minutes:

- Due to lack of quorum, meeting minutes not approved.

III. Accreditation Self-Study – Standard III-D Update:

- No new updates at this time.

IV. 2011-12 Budget Planning:

- Roy Stutzman reported on the latest developments on the state budget. Governor-elect Brown held two budget forums recently saying there won't be mid-year cuts, but now the fiscal landscape has a 100% likelihood of severe cuts for 2011-12. With a \$25 billion shortfall to resolve, the state projects at least \$255 million in cuts to community colleges and translates to an almost \$2 million takeaway to the District

(this comes from the League's Prop 98 calculations). Growth funding is all but off the table.

- The District recently completed its year-end close with estimated ending balance of \$3.4 million – lower than originally calculated.
- An updated 2011-12 budget planning worksheet was distributed and discussed:
 - With a potential loss of \$1,978,000 in revenue and \$2,280,954 in various cost increases, there would be a \$4,258,954 deficit. However, if all expenditure reductions were implemented on the list, we could save \$5,274,144 – more than is needed and helps address the budget gap.
 - Even though several items are collective bargaining issues, it's important to identify and show the big-ticket expenses. Still unknown for certain whether faculty can actually incur furloughs because of the required number of teaching days. Furlough cost for management and classified for one day per month: \$481,000.
 - The former health benefits consultant did a report in May indicating the District could save up to \$700,000 if it implemented some changes in benefits.
 - The college could lose up to 600 FTES by reducing the class schedule, but could mitigate through classroom scheduling efficiency.
 - If the Bookstore was contracted out, general fund projections suggest added \$100,000 revenue to the college.
 - Cap benefits – means employees make up the difference in the increase.
 - Although it's an accreditation issue, ACCJC would be advised that due to the college's economic circumstances, it will suspend the OPEB contribution of \$200,000.
- Several concerns were expressed that it's difficult for union members to realize the magnitude of fiscal challenges when the District is adding management staff. Roy stated the District has been re-allocating resources for three years now. For example, there are serious consequences for the college if it doesn't have the accounting manager position to help manage the fiscal side of operations.
- Dr. Laguerre explained that he and the union presidents will meet with the new Finance VP, EVP Reyes, and HR Director Ulrich to discuss shifting resources. We need to focus on the level and depth of personnel in key areas, such as human resources. This has to be a different game now to build our infrastructure so it's stronger and better.
- EVP Reyes commented that in his conversations and meetings around campus, he doesn't believe many employees know the scale and significance of what the college faces and needs to do. It's important to get information back out to groups.
- We need to engage the unions and articulate the magnitude facing the college so we can work collaboratively and keep doors open. The District's revenue has been flat for the last few years and most of the operational expense cutting has been done.

V. Items for Next or Future Agenda:

- 2011-12 Budget Planning Worksheet on Expenditures

VI. Adjournment:

- Before adjournment, Dr. Laguerre thanked Roy Stutzman for chairing FABPAC, helping the District the last six months, and bringing a high level of restored credibility and confidence to the District's finances.
- Meeting was adjourned at 3:10 pm.

Minutes taken by Judy Anderson