

DRAFT MINUTES
District Budget Committee
February 16, 2011
1:30 – 3:30
District Office, Board Room

1. Call to Order
The meeting was called to order by Carl Friedlander at 1:35 PM.
2. Approval of the Agenda
There were changes to the agenda.
3. Approval of Minutes for January 19, 2011
Minutes approved with correction in Item 6 reflecting a change in the first sentence from “day before” to “week before”.
4. 2010-11 Second Quarter Report and Financial Forecast
Vinh Nguyen presented the second quarter report and financial forecast. In his presentation, Nguyen outlined the possible scenarios of budget cuts on the District. Additionally, he reviewed the unrestricted general fund balances and projected year end balances. It should be noted that the status of the state budget at this point is speculative and a more definitive budget is dependent on the tax extension reaching the ballot and being passed. If it doesn't reach the ballot or isn't passed, there will be a far more negative impact on the community college budget.
5. FON (Faculty Obligation Number)
Dr. Barrera gave an update on the FON. The discussion centered around not being in a position to be fined as well as, minimally, maintaining the level of fulltime faculty the district reported to the State in October. Dr. Barrera stated that initially the district, through Cabinet and previous DBC conversations, had wanted to prepare for an anticipated substantial future increase in the FON. As the budget has become more uncertain with cuts imminent, moving toward the anticipated higher number is no longer viewed as in the colleges' best interest and a more realistic strategy is to avoid dropping below the current required FON level. Dr. Barrera and others suggested that colleges should be allowed discretion in how to do this. Several DBC members expressed concern that, in the wake of retirements and perceived resistance to hiring at the colleges, the enforcement mechanism of a college penalty needed to be preserved in order to ensure that the district as a whole maintained or exceeded its FON. There was also concern expressed about the need for colleges to take initial steps now to make hiring possible. This discussion will be continued in FPRC.
6. Enrollment Update
Cathy Iyemura gave an update on current enrollment based on Summer '10 and Fall '10 numbers. The district is trending above last year and would exceed the base (+growth) by approximately 5,000 FTES. Productivity and class size has gone up and a number of

colleges are projecting growth with fewer class offerings. Cathy also discussed two possible scenarios for 2011-12. One was a 4.9% workload reduction that would put the district FTES base at 95,593. If the base didn't change and there was 1.9% growth, the funded FTES level would be 105,786.

7. FPRC Report

The FPRC Report was brief. Dr. Daniels reported on the discussion relative to the charge of the FPRC. The committee had not determined whether FPRC was a working or executive committee. One definite expectation of the committee was for it to be task oriented and be able to work through issues and bring back recommendations to DBC. Discussion on the charge of FPRC will continue in the next FPRC meeting.

8. Budget Calendar

Gordon handed out the schedule of remaining budget planning activities for 2011-12, including budget preparation, May revise and revenue projections update, tentative and final budget review and approval.

9. DBC Recommendations to the Chancellor

There were no recommendations. A motion to the Chancellor that colleges begin initial stages of hiring processes at a level not to fall below the FON of 1461 was defeated on a 10-9 vote.

10. Announcements and Proposed Future Agenda Items

None