PLANNING & BUDGET COMMITTEE

Date: January 13, 2009
Time: 3:30 p.m. - 5:00 p.m.
Location: Board Room - President's Side

Members Present: Teri Jo Buckman, Jo Anne Cripe, Ruth Ann Hansen, Les Jauron, Ken Meier, David Payne, Clinton Slaughter, Trevor Stewart, Andy Suleski
Members Absent: Al Renville, Rae Scevers
Guests:

I. ACTION ITEMS
At 3:30 p.m., David Payne called the meeting to order.

a. Consider approval of 11/04/08 Minutes.
The minutes of the 11/04/08 were approved as presented. msc Hansen/Cripe

b. Consider approval of the revision made to the Planning & Budget Committee Charter
The revision made to the Planning & Budget Committee Charter was approved as presented. msc Slaughter/Cripe

II. DISCUSSION

a. Budget Update
Andy provided a budget update. Normally, the Governor releases his budget proposal on January 10, however, this year the proposal came out on December 31. Andy provided a copy of an e-mail from Erik Skinner, Vice Chancellor of Fiscal Policy, which highlighted the components of the Governor’s Budget Proposal. There is a $41.6 billion shortfall which included $14.8 billion from 2008-09. The $2.08 billion in program reductions limits Butte College’s reduction for the current year to the funded state COLA of .68%, which will be easy for us to accommodate. The proposal also includes deferrals of apportionment dollars from January and February to July. This is an ongoing proposal. The other deferral proposal would defer July apportionments to October. These still needs to be analyzed to determine if districts can survive with their reserves with the proposed deferrals. These deferral proposals would essentially push the state’s cash flow needs onto community colleges. The proposal includes budgeting 3% for growth, no COLA for 2009-10, suspending all mandated payments, and attempting to reduce the amount of uncertainty districts face with regard to property taxes.

This is the beginning of a long process. Ken stated that while cuts to community colleges are limited, because of unfunded enrollment increases, we will have difficulty meeting the needs of students.

b. P1 Enrollment Update
Clinton provided an enrollment update. At this time the picture is not as accurate as he would like. The restoration calculation was based on dollars and not on actual FTES. We could possibly see full restoration. After three years of decline, we are real close to the 12,000+ number for this year with a projected 16% growth for Spring. We are at an all time high for enrollment.

How much will we be funded for with restoration? Andy stated that there is currently $96 million dollars worth of FTES that is eligible for restoration funding. However, there is only $31 million of restoration funds in the 2008-09 budget. It is possible we could receive as much as $2-3 million in restoration. It is also possible to get restoration and growth funding, however, if there is not enough money in the pot, the state will deficit all the colleges. Funding will depend on how much other districts restore and/or grow. Currently 24 colleges have restoration eligibility. Even
if we get funded, based on the formula, 80% of these funds will go to the salary schedule. That will leave only about $600,000 to cover our fixed costs (approximately $1.4 million worth) just to continue to operate the way we are now. We do have reserves that will help get us through the next couple of years. As we don’t budget for growth, whatever growth money we do receive this year will go into the reserve, as will any unexpended funds.

As we are projecting significant growth, we need to strategize how to handle cash flow crunches in departments for supplies. We have funds to help with those types of issues in Enrollment Management. We need to encourage departments not to spend down accounts towards the end of the year just to prevent “use it or lose it”. It was suggested that we increase departmental budgets and reduce the Enrollment Management Budget. We will have to look harder at one time dollars to look at funding one-time expenses and fund as many of those as we can.

c. Continuous Improvement Cycle
Les provided information regarding the Continuous Improvement Cycle and handed out a calendar with the updates. Unit plans are due to the Vice Presidents on January 30. Prioritization will begin after unit plans have been received. The balanced score card is done except for one item. The Accreditation Steering Committee will meet next week to discuss next steps prior to the visit. The Educational Master Plan is with the Academic Senate and is scheduled for final approval by the Board in February. Ken discussed the status of Early College High School. He explained that things are moving slowly and there was a setback because the Oroville School District backed out. Ken will get more updated information.

d. Forum Feedback
Everyone agreed that the Center for Excellence is a good location for forums. The Committee needs to get an update out to campus saying that nothing has changed at this point. Andy will draft an update and send to the Committee for review.

e. Spring Forum Planning
The Spring Forum will be tentatively scheduled for Tuesday, February 24 at 3:30 p.m. We will discuss the specifics of the forum at the next meeting on January 27, 2009.

Clinton indicated that due to his academic schedule, he would have to ask MSC to appoint a new representative to the Planning & Budget Committee. He will notify the Co-Chairs regarding his replacement.

III. ITEMS FOR NEXT AGENDA
• Spring Forum Planning

IV. ADJOURNMENT
At 4:50 p.m., the meeting was adjourned.