PLANNING AND BUDGET COMMITTEE
MINUTES
August 31, 2006

PRESENT: Dr. Noelia Vela
        William Farmer
        Jo Ann Higdon
        Dr. Stephen Johnson
        Terrie Lopez (Chomiak)
        Lee Krichmar
        ML Bettino (Nolan)
        Norm Fujimoto
        Rich Cameron
        Dr. Bryan Reece

ABSENT: Dr. Caroline Sheldon

GUEST(S): Lucinda Aborn
          Joe Cobarrubio
          Fran De France
          David Fabish
          Shawn Jones
          Nick Kremer
          Connie Mayfield
          John McGinnis
          Suzie Payne
          Robert Riffle
          Lola Rizkallah

1. **CALL TO ORDER**
   Ms. Higdon called the meeting to order at 3:32 pm. She acknowledged that the committee has a new student representative, Stephanie Nguyen. Each committee member introduced themselves to Ms. Nguyen.

2. **APPROVAL OF MINUTES** - June 13, 2006
   It was moved by Mr. Cameron that the minutes of June 13, 2006 be approved as presented. Mr. Henry seconded the motion. The motion passed.

3. **PRESENTATION: 2006/07 PROPOSED ADOPTED BUDGET**
   Ms. Higdon presented to the committee a power point presentation of the 2006/07 Proposed Adopted budget which included both the unrestricted general fund and the restricted general fund. A handout was also provided to the committee which reflected a summary of the unrestricted general fund (Fund 01.0).
Ms. Higdon highlighted the following:

- There is no projection for enrollment growth.
- There is no basic skills revenue projected.
- In the Technology Needs fund of $500,000, this is only for the replacement of existing computer equipment in labs throughout the campus. It does not include the replacement of employee computers nor replacement/upgrades of IT infrastructure.
- Stability Revenue of $1,000,000. The District would have to make up several hundred FTES from last year in order to obtain this $1,000,000.
- **One-time** State settle-up funds of $1,505,545. State-wide 39 out of 72 community college districts did not meet their enrollment base for the 2005/06 year. This amount represents the District's portion of these available state funds.

There was a discussion regarding campus enrollment. It was noted that the District is down 552 FTES from 2004/05. It was additionally noted that the District has to regain at least 150-200 FTES over the course of the 2006/07 year in order to obtain the $1,000,000 stability funds. A question was brought forward regarding accurate calculation of FTES. Ms. Krichmar indicated that the District regularly submits 320 reports that reflect FTES. The reporting information needed in order to prepare the 320 report is very detailed and takes many reviews. After the term ends, this information is submitted to the Chancellor's Office. What she and other staff are currently working on is FTES projections, so we can estimate what the FTES might be during the term. This is a very different detailed process and requires detailed reviewing of a lot of information. The required and critical 320 reporting originally took a lot longer than planned to complete, so the FTES projection project had to be postponed. Information Technology and Research and Planning are currently reviewing the projections.

Mr. Livingston commented that it would be helpful to both students and instructors if instructors could enroll students on the first day of classes. Mr. Farmer replied that he and Dr. Reece are forming a group to review this issue and other enrollment challenges, in order to serve both our students and District well.

At the close of the presentation, Ms. Higdon thanked Lola Rizkallah, Suzie Payne, Shawn Jones and the entire Fiscal Services staff for their tireless efforts in both closing the 2005/06 budget and preparing the 2006/07 proposed adopted budget.

Mr. Livingston asked why the District is not optimistic regarding FTES? Dr. Vela responded by indicating that she had an opportunity to speak with the local school superintendents regarding declining enrollment. They indicated to her that they knew declining enrollment would happen, but not in such an accelerated fashion. There is such a decline in enrollment at the elementary school level that some local elementary schools are talking about closing. The “bubble” or “baby boomlet” is now at the high school level. The District expects to benefit from this bubble, and also coupling that with the fact that our Spring 2007 enrollment fees are going down. She emphasized that while the District has reason to be optimistic, we need to distinguish and
differentiate ourselves from our competitors. The District needs to tout and market the excellent things we have been doing here for years and market it to the community.

In closing, Ms. Higdon asked the committee if they would recommend that the one-time state settle up funds of $1,505,545 be set aside until the FTES information is available to the District. The committee agreed. As previously mentioned, if the District does not make the FTES target, the $1,000,000 in stability funds would not be available to the District.

It was requested that if the opportunity does present itself to spend the $1,505,545 that the committee be notified as far in advance as possible. Ms. Higdon acknowledged this request and indicated every effort would be made to notify the committee of the outcome.

4. **ITEMS FROM THE FLOOR**
   No items were presented.

5. **NEXT MEETING - September 7, 2006**
   Ms. Higdon noted that there will be no meeting on September 7, 2006.

6. **ADJOURNMENT**
   The meeting was adjourned at 4:45 pm.