1. CALL TO ORDER
   Dr. Albanese called the meeting to order at 2:00 p.m.

2. APPROVAL OF MINUTES - May 7, 2009
   It was moved by Dr. Myers to approve the minutes of May 7, 2009. Dr. DeLong Chomiak seconded the motion. The minutes were approved as presented.

3. BUDGET UPDATE
   Dr. Albanese provided a power point presentation that outlined the latest State budget based on information received from both the Community College League and the Chancellor’s Office. He provided the following highlights:
   • The governor is proposing significant reductions in both the general fund and categorical funds.
   • These reductions are proposed for both the 2008/09 and 2009/10 years.
   • The budget information was based on all the California initiatives not passing.
   • While the College has a budget in place through June 2010, the legislature will enter into changes to that budget.
   • The State of California has a cash flow problem. The State is going to run out of cash in June or July and will have to go out to the markets and borrow more money. That means the ability of the State budget that was adopted to hold in terms of cash flow is going to be extremely difficult.
   • The College is looking into marketing a TRANS (Tax Revenue Anticipation Notes) in October. It is hoped that the College has sufficient cash flow to get through October. The TRANS would enable the College to bridge the October and November payrolls.
Dr. Reece asked if the $14 million deficit for next year includes the surplus that the District is ending with this year. Dr. Albanese replied that the three-quarter of a million budget variance does not roll forward because if it did, you would have to eliminate items from the budget. The District will end this year, unless the cuts are enacted this current year, with a balanced budget and surplus. He stated that this is a budget, not cash. If the College assumes that the State budget holds, the College will have to take things out of the budget. The College has not reduced our budget this year; we have taken action to reduce expenditures.

4. **BUDGET DEVELOPMENT INTERESTS AND OPTIONS**

Dr. Albanese provided a handout in response to the committee’s request that Fiscal Services prepare some options and their related cost for the number one ranked interest “preserving programs and services to students, staff and community.” He further explained that 20 options and their respective costs (if it could be costed out) were represented on the handout to support the highest interest and also to bring the College budget in balance. He added that option #10, “spend down reserves,” would be the last option he would recommend because the College needs cash flow to meet payroll. Dr. Albanese stated that he hoped that the committee would just reach an understanding of what the options are, and that he did not believe the committee was prepared to start choosing options. He added that he was not recommending any options today, but that he would report anything the committee wanted to Mr. Farmer.

Dr. Smith asked which options were part of collective bargaining. Dr. Albanese explained that there are some grey areas. Class size and other items can involve bargaining. He asked the committee to keep in mind that any dynamic can occur in terms of dealing with these options. Some of that is up to the unions and what they want and do not want at the table. The Planning and Budget Committee cannot condition the bargaining process, and if it is something that needs to be bargained the committee can talk about it in terms of information but not in terms of implementation. A question was asked if sabbatical leaves were a collective bargaining issue. Dr. Albanese replied that in his opinion the approval of sabbatical leaves is not negotiable. The sabbatical leaves and the determination of eligibility occurs as part of the collective bargaining process, but is a Board prerogative to approve sabbaticals. He further added that he does not want to get into arguments in the Planning and Budget Committee about scope, and that what the College will find is that the Board will have to make some budget decisions and then the process will go forward. If the unions feel that is unfair labor practice then they will have to take action. There will have to be some decisions made without going to the table.

Mr. Roese requested that the classified employee head count be clarified as follows: FT Classified 298; Confidential Employees 13.

A question was asked if the 1st summer session offering were reduced, would that take into consideration reduced revenue. Dr. Albanese replied that you could combine various options and not to make the assumption that because you reduce an expenditure you are reducing revenue.
Dr. Namala stated that whatever decisions the Administration makes about summer school offerings that the decision be made earlier than later.

Mr. Fronke asked if the College did option #7; reduce compensation and benefits by 10%, could the 10% be re-instated in the future. Dr. Albanese replied that that would need to be negotiated.

Dr. Reece asked how does the committee put a plan together for cost options for the College that equal $14 million. Dr. Albanese replied that the Board has directed the President to begin this process. He believes he will be putting out a campus wide communication on some of the actions that he is going to recommend. A lot of the $14 million would have to go to the bargaining table. He cautioned the committee that we would have to go at this process cautiously.

It was suggested that the College be more proactive in revenue generating opportunities.

Ed White spoke on behalf of CSEA and stated that knowing that the president is going to put out a president’s message that CSEA is ready to talk.

Dr. Reece stated that he will meet with the Faculty Senate to prepare a proposal and will give their recommendations at a future Planning and Budget meeting.

5. CCFF MEMBERSHIP ON THE PLANNING & BUDGET COMMITTEE

Dr. Albanese reported that CCFF membership on the Planning and Budget Committee was “sunshined” by the Board and is at the bargaining table. The committee cannot discuss this topic at this time.

6. ITEMS FROM THE FLOOR

No items were presented.

7. NEXT MEETING - JUNE 4, 2009

The next meeting is scheduled for June 4, 2009. Dr. Albanese reminded the committee that meetings will be held over the summer.

8. ADJOURNMENT

The meeting adjourned at 3:30 p.m.