1. **CALL TO ORDER**
Ms. Higdon called the meeting to order at 12:40 p.m.

It was moved by Ms. De Long Chomiak that the minutes of May 17, 2007 be approved as presented. Dr. Smith seconded the motion. The motion passed. Mr. Roese abstained.

It was moved by Ms. De Long Chomiak that the minutes of May 24, 2007 be approved as presented. Dr. Smith seconded the motion. The motion passed. Mr. Roese abstained.

3. **2007-08 PROPOSED ADOPTED BUDGET**
Ms. Higdon presented to the committee a power-point presentation of the 2007/08 Proposed Adopted budget which included both the unrestricted general fund and the restricted general fund.

Ms. Higdon highlighted the following:
- The budget presentation the committee is viewing will be presented to the Board of Trustees at their meeting on October 3, 2007.
- Currently, there are no stability funds or settle-up funds projected. Ms. Higdon reminded the committee that the College has to earn those stability funds and the way they are earned is to increase FTES.
• Currently, there is no projection for enrollment growth.
• Currently, there is no Basic Skills revenue projected.

Questions/Comments:

Mr. Cameron requested clarification that the 5% reserve is state-mandated. Ms. Higdon responded that the 5% is the state-mandated reserve unless the College wants to go on the “watch-list.” Ms. Higdon noted to the committee that when the budget is signed late, the College does not receive funding from the State and obligations (payroll, accounting) still need to be met. Thus, reserves can become critical from a cash-flow perspective.

Dr. Reece inquired what would the College had received in settle-up funds if we had met our growth. Ms. Higdon responded that growth and settle-up funds are two different funds. Ms. Higdon explained that settle-up funds are re-apportioned funds from the State and is divided among community colleges. Growth funds to the College could have been as much as $1,100,000 plus restoration growth of $2,100,000. Dr. Reece also inquired if Cerritos College had received any growth funds for the past two years, what would they have been. Ms. Higdon replied that last year’s growth would have been roughly the same, [approximately $3,000,000], but she would have to check the numbers and respond to his request at a later date.

Dr. Smith asked what does the State do with the budgeted money for all districts that do not make their growth. Ms. Higdon replied that every year it is different and every year there is a different number. She reminded the committee that at the May 17, 2007 Planning and Budget meeting she noted that in the State budget update, that a $80 million base apportionment reduction could happen, which would be a permanent reduction to the College’s Base funding. For this year (2007/08) the Chancellor’s Office is adjusting for the $80 million deficit up front, by assuming only a certain percentage of the districts are going to make stabilization. This will allow for a one-year back-fill of the $80 million using available stabilization funds.

Dr. Reece inquired about how many colleges grew last year and who did not. Ms. Higdon did not have the information available with her at the meeting, and will provide that information to Dr. Reece separately.

Mr. Roese asked if there was any capital outlay equipment funds for instructional areas other than VTEA/and technology funds. Ms. Higdon replied that there would be a small amount in the instructional area.

Dr. Reece asked how does economic uncertainty differ from the reserve. Ms. Higdon responded that economic uncertainty does not differ from the reserve; the concern is that when the College is in unstable times, there needs to be funds available.

Mr. Nance asked if there was a time-line for the Liberal Arts Renovation. Ms. Higdon responded that there is not currently a time-line for the Liberal Arts renovation.
Dr. Reece inquired if the course management system expenditure was a permanent expenditure or does it have a time period for ending. Ms. Higdon replied that she believed the expenditure was a five-year commitment, but would have to confirm that information with Ms. Rizkallah.

Ms. Serwin asked whose budget pays for the maintenance costs for smart classrooms. Ms. Krichmar replied that Information Technology is in charge of the hardware maintenance for the desktop computer/monitor on the cart. A question was asked with regard to the replacement of the projector bulbs. It was noted that ML Bettino should be contacted with regard to the projector bulbs in the smart classrooms.

4. **STATE BUDGET UPDATE**
Ms. Higdon reported that she and other staff members recently attended the state budget workshop. The most negative information she received was about the $80 million base apportionment reduction. There was also information about the community college initiative, and if it passes what difference it will make to community colleges. There was also continuing information about low K-12 enrollments and how that will affect community colleges in the future.

5. **ITEMS FROM THE FLOOR**
Mr. Cameron shared that he received information that the College has a new unit planning process, along with a new form to fill out. He was surprised to hear that the College had a new form and it had not been presented to Planning and Budget prior to going out to the managers. This began a discussion regarding the unit planning process and the role of the Planning and Budget committee in this process. Many committee members raised complaints regarding their lack of input on the new unit planning process. Several on the committee stated that they should have been involved, or at least consulted during the development of the new process. It was requested that people involved in completing the unit plans need some guidance as to how to proceed. A committee member suggested that training sessions would be valuable to the campus community with regard to the new unit planning forms. In conclusion, it was decided that Ms. Higdon would carry forward to Dr. Vela the committee’s concerns and request that it be a future Planning and Budget agenda item.

6. **NEXT MEETING**
Ms. Higdon proposed that the next Planning and Budget meeting be held on October 18, 2007. The committee had no objections.

7. **ADJOURNMENT**
The meeting was adjourned at 1:56 p.m.