1. **CALL TO ORDER**
Dr. Vela called the meeting to order at 2:05 p.m.

2. **APPROVAL OF MINUTES** - September 20, 2007
It was moved by Mr. Cameron that the minutes of September 20, 2007 be approved as presented. Ms. De Long Chomiak seconded the motion. The motion passed.

3. **STATE BUDGET UPDATE**
Dr. Vela noted that Ms. Higdon recently attended the Association of Chief Business Officers (ACBO) Conference and received the latest information on the State Budget Outlook. Dr. Vela reminded the committee that as new events occur (i.e. fires in Southern California) such events could have both a positive and negative impact on the budget. It is important that the committee keep an open mind with regard to the budget and realize that it is early in the budget process.

Ms. Higdon presented to the committee a power-point presentation of the State Budget Outlook and Proposition 98. She noted that the presentation was prepared by Robert D. Miyashiro of School Services of California, Inc.

The more significant items of note were:

**State Revenues are Lagging**
- State revenues are below forecast by $1.7 billion through September
The State Budget is Also Slipping

- State expenditures are exceeding the Budget
  - Court has ordered the state to pay $500 million, plus interest, for failing to pay STRS-SBMA in 2003/04
- Time is running out on several Budget revenue assumptions
  - $1 billion for the sale of EdFund in the current year
  - Several hundred million in revenues from new tribal gaming compacts
- Other budgeted savings may not materialize
  - Medi-Cal reductions of about $350 million
  - Unbudgeted employee compensation costs of $72 million

Questions/Comments:

Dr. Vela indicated that in the presentation, it was noted that the Legislature appropriated $566 million to on-going K-12 programs from funds that do not count toward Proposition 98. She requested clarification if the $566 million also impacted the community colleges. Ms. Higdon responded no, not for the current year. Dr. Vela also inquired if the $566 million would impact Cerritos College next year. Ms. Higdon indicated that those funds have to come from somewhere, but at this time, it is unclear as to where those funds would come from.

Dr. Vela asked Mr. Namala, Economics professor, his opinion with regard to the national picture of a recession. Mr. Namala replied that the Gross National Product numbers for the 3rd quarter were higher than expected. This is due mainly from the value of the dollar falling and United States exports increasing. He added that with household spending up and exports increasing these two factors have boosted growth. It is not anticipated that this growth would expect to continue into the 4th quarter.

Dr. Vela shared her thoughts with regard to the current housing market. She reminded the committee that any further impact in the housing market could have a ripple effect on everything else. She wanted to share this information with the committee as the College continues the planning process. It is important that the College planning process continue. The College needs to be aware of what the goals and interests are; what the needs are; and then must prioritize those needs. It is important to continue the planning process both in the years that the College has the resources and when the College has more challenging years. Another budget update from the legislative analyst’s office will be forthcoming on November 14th. The budget calendar looks as follows: January - initial budget proposal from the Governor; May - May revise. Dr. Vela indicated that between January and May, changes to the budgets can and will occur. All indications are that 2008/09 (fiscal ’09 year) will not be as good a year as 2007/08.

Ms. Higdon added that while she was at her conference, the general feeling was that the College may not see a state take-back (budget cuts) in the current year 2007/08, but many were concerned about 2008/09. The College needs to keep our focus on what is happening with the state revenue as there is an impact on college funding.
Ms. DeLong Chomiak inquired if the College could have mid-year cuts. Ms. Higdon replied that at this time it is not known.

4. **ITEMS FROM THE FLOOR**
Dr. Vela noted that she and Ms. Rizkallah recently attended a City of Cerritos chamber meeting with guest speakers Senator Alan Lowenthal and Assembly member Tony Mendoza. In their presentation they indicated that the State has two issues that are unfinished, 1) the State water issue and 2) health care for uninsured children. Dr. Vela noted that it is unsure how that would affect the budget, but these are important and costly issues to keep in mind.

5. **NEXT MEETING**
Dr. Vela stated that the next Planning and Budget meeting is scheduled for November 15, 2007. She indicated that the accreditation self-study is completed and there is still time to provide feedback. The accrediting team will be on campus the first week of March. The College will be looking at using the recommendations from the self-study team, along with other goals that come in from the department and divisions as well as directions from the Board to develop the updated Strategic Plan. At a future Planning and Budget meeting, the committee will be receiving a status report of each of the strategic plan goals and the work that has been completed to date. Dr. Vela encouraged committee members to re-familiarize themselves with the Strategic Plan and to be prepared to participate in the work of updating the plan.

6. **ADJOURNMENT**
The meeting was adjourned at 2:42 p.m.