1. CALL TO ORDER
Ms. Higdon called the meeting to order at 2:05 p.m. Ms. Higdon welcomed ASCC Student Member James Junho Lee. The committee briefly introduced themselves to Mr. Lee.

2. APPROVAL OF MINUTES - February 21, 2008
It was moved by Mr. Henry to approve the minutes of February 21, 2008. Mr. Cameron seconded the motion. The minutes were approved as presented. Renée De Long Chomiak, Dr. Carolyn Chambers, Debra Moore, Jenine Nolan, Anita Rios and Gus Roese abstained.

3. STATE BUDGET UPDATE - PROPERTY TAX SHORTFALLS
Ms. Higdon referenced an e-mail sent previously to the Planning and Budget Committee which provided the committee the latest information on State Take Backs - Property Tax Shortfalls. She noted that for property tax shortfalls there are no automatic backfills for community colleges. For K-12, in most cases, there are automatic backfills. She noted that the original budget information received from the State was a 1.2% take-back which calculated for Cerritos College at approximately $960,000. More information was received shortly thereafter indicating that the new numbers were a 1.5% take-back and the new calculation for the College was $1,222,000. Since then, there has been an additional modification due to a recalculation and the new number for the College is $1,231,000 (approximately). The bottom line is that this is not something Cerritos College was expecting. There is concern that the property tax shortfall is going to grow. In response to the property
tax shortfall, an e-mail was sent to the managers who are responsible for budgets in the unrestricted general fund (does not apply to categorical funds) that they be prudent in the expenditures of funds. Ms. Higdon reminded the committee that the College’s goal is to get the ending balance as high as we can because we will need those funds to get through the next fiscal year. It is still anticipated to be a flat budget year for next fiscal year 2008/09.

Ms. De Long Chomiak reminded the committee that although the District budget is expected to be flat next fiscal year, categorical funding will be significantly down. For the benefit of the new ASCC Student Representative, Ms. De Long Chomiak provided a brief explanation of categorical funding.

4. FIRST DRAFT – Tentative Budget FY 08-09
Ms. Higdon presented to the committee the First Draft (as of 4/3/08) of the 2008-09 Proposed Tentative Budget for the General Fund (01.0). She noted that this first draft is the best estimate of budget information the College has at this time. The budget will change. She then walked through the document which highlighted the Income, Expenditures and Reserves.

A couple of items to note for next year: 1) the State might choose not to fund restoration monies. This assumes that the State will fund restoration for those colleges that are trying to recover their loss of enrollment. 2) The Legislative Analysts’ Office is making recommendations that student fees be increased.

Questions from the committee:
• Why is there a huge increase in utilities? It was noted that the utility budget has not been adjusted for a number of years despite constant rate increases. Once the central plant is operational, the College anticipates a savings in utilities, but that will not be until after January, 2009.
• Does the construction augmentation line item include the funding for the proposed clock tower? It was noted that the Avalon funds are separate funds. The document the committee is currently reviewing is the unrestricted general fund (01.0).
• Aren’t the GASB 45 and economic uncertainties line items, in effect, savings for the College? It was explained that GASB 45 are funds being set aside to fund the promises and commitments the College made to its retirees. A GASB 45 report is currently being completed. Once it has been completed and presented to the Board, Ms. Higdon will bring it to the committee for review.
• Does the College have a mechanism in which to respond to badly cut categorical funds? It was noted that the College does not have a way to respond to that. It is a complex matter and those discussions would need to happen in other venues. This began a brief discussion on categorical funding with the following points:
  o The District has limited funds and a grant, categorical program, etc. by nature is a short-term program. Unless the District is choosing to incorporate the program within its system, it should not be absorbed by the District.
The managers of categorical programs have been aware for awhile of the potential of large cuts. They have been budgeting conservatively where they can. Managers must also maintain their service to students at a certain level based on the categorical MOE (Maintenance of Effort).

An explanation of institutionalizing a program was provided to the committee. It was noted that there are many different ways to institutionalize programs and unfortunately, not every program offered at colleges can be absorbed by the District’s unrestricted general fund.

Ms. De Long Chomiak stated that regarding categorical programs, managers work closely with the budget and if possible try to partner with other programs on campus. Historically, it has been very clear that categorical funds do not get backfilled by the District.

Ms. Prindle asked what the status was of capital outlay items. Ms. Higdon replied that the College is in a “hold” mode. We are waiting for additional budget information to become available from the State. Ms. Higdon stated to the committee that what is needed by the campus community now is cautious concern and be prepared to make budget decisions if needed.

Ms. Nolan asked if the deadline for spending the capital outlay funds has been extended. Ms. Higdon replied not to worry about the deadline at the moment that if worse came to worse the money could be moved to a separate fund. Also, for any emergency purchases that are needed, procedures are in place for this reason.

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

6. **NEXT MEETING - APRIL 17, 2008**
   The next meeting is scheduled for April 17, 2008 at 2 p.m.

7. **ADJOURNMENT**
   The meeting was adjourned at 3:01 p.m.