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

2. **APPROVAL OF MINUTES** – December 4, 2008
   It was moved by Mr. Henry to approve the minutes of December 4, 2008. Ms. Nolan seconded the motion. The minutes were approved as presented.

3. **STATE BUDGET UPDATE**
   Dr. Albanese presented a Power Point presentation entitled “Cerritos College 2008-09 Mid-Year Budget Report.” He noted that the presentation had been reviewed by the Executive Council and constituency group leaders. This presentation will also be presented to the Board at their January 21, 2009 Board Meeting. In addition, Dr. Albanese stated that he would be attending the State budget workshop on January 16, 2009 in Sacramento, and if further information is gained, he will add it to the mid-year budget report. He noted that the presentation would include the following: 1) the effect of the governor’s budget proposal on Cerritos College; 2) a mid-year budget that has been adjusted based on what the College knows; 3) assumptions on the 2009-10 budget based on the governor’s budget and the effect on Cerritos College; and 4) cash flow. He stated that the numbers shown on the worksheets were his best estimates based upon the budget information he has received as of 01/15/09. The committee will be informed as more information becomes available.
Questions/Comments regarding the presentation:

Dr. Albanese stated that the College has delayed the Gym seismic retrofit project. This is a $10 million dollar state funded project. The State informed the College that they cannot reimburse us for any expended funds. He also stated that Cal-grant funds are not in the State budget.

Mr. Mellas (Guest) asked what impact on the college does this budget information have at year-end (06/30/09), and if the committee going to discuss options. Dr. Albanese responded that the College would have to borrow money from the County in order to make payroll. If we cannot borrow funds, other means would need to be taken in order to maintain cash flow. Some options for saving cash are delaying payments to vendors, stopping construction projects, and freezes on supplies and hiring.

Mr. Farmer added that the College is considering eliminating one of the summer sessions (2009) because it appears that the College would have earned all of the FTES that the State would pay us for this year (2008/09) by the end of Spring 2009. He further explained that although it always makes sense to offer classes to students so that they can get their education completed sooner, the College is not going to be paid for any classes offered before July 1, 2009. He added that the College is going to have to cut some classes somewhere, and the question is “when do we do it?” From his perspective it makes more sense to do it at a time when we have no chance of getting reimbursed from the State. He stressed that this is just a consideration and further discussions would have to take place with the Union.

A question was asked about what if the budget gets less troublesome after June, 2009. Dr. Albanese responded that the Planning and Budget Committee needs to work, along with the Administration, in planning the 2009/10 budget. The 2009/10 budget needs to go to the Board for approval in June, 2009. The analysis indicates that if we kept everything the same, adopt the budget, and just deal with the cost and revenue changes the College would begin the 2009/10 fiscal year in deficit by $3.4 million. The Board requires the College to adopt a balanced budget. Some direction needs to be made for 2009/10 along with items that need to be further reviewed such as incidental fees that are charged to students.

Dr. Reece stated that he wants to get to the budget development process and the committee is not making any decisions. This is the Planning and Budget Committee and we are supposed to develop the budget and make a recommendation to the President. He wasn’t clear if eliminating a summer session was a part of the budget strategy. It is frustrating that there has been a budget development discussion outside of this committee, which is clearly outside of the shared governance guidelines.

In response to a student request that the decision regarding summer school be made quickly, Dr. Brock responded that the College is committed to providing as many classes and opportunities to students as the budget will allow us to do. As far as
making decisions about summer school, this decision will be made as quickly as possible. She added that many of our surrounding districts are either reducing summer school or cancelling summer school and many of them have already taken away their winter intra-session. We are trying to offer as many classes as we can financially for the summer. There are two problems: 1) The College has to be paid by the State to offer the classes because we won’t have the money to fund the classes; and 2) to make sure we have enough courses available so students can proceed to graduation.

Mr. Farmer stated that budget cuts have to come from somewhere. It is possible to save approximately $2-$3 million by cancelling a summer session. This may or may not fill the gap we see in the budget for next year. Classes will have to be cut somewhere, so if classes are offered in the first summer session, fewer class sections would be offered in 2009/10. He commented that these are tough times. Our instinct is to be angry, short and critical of each other. He urged us all to try and stay clear-headed, understanding that we are all in this together. We also need to do the best we can to keep Cerritos College serving its students in the best way possible during this down time and to prepare for when times get better again.

Dr. Reece replied that when the College does go through these difficult times we have to rely on the decision making processes already in place. We do not want to engage in discussions about a budget solution like cancelling a summer session outside this shared governance committee. Mr. Farmer replied that you don’t always get information when you want it. He did not realize that the College was going to do well in enrollment until after the holidays. He agreed that he wants to be consultative and include people in decisions, but at the same time, summer school decisions need to be made ASAP. Sometimes these processes cannot be telescoped as quickly as we’d like. He has always tried to act in good faith.

Dr. Namala commented that he is somewhat disappointed because the College knew at the beginning of this year that we would have high enrollment, based on the state of the economy. It was also known that the College would have some cash flow problems. He asked why enrollment wasn’t managed so that the College would not have to be faced with the possibility of cancelling a summer session. He stated that he believes this sets a bad precedence for future years. Mr. Bettino responded to the enrollment management issue and stated that Academic Affairs met with division deans and department chairs to cut classes 5% for spring 2009. They wanted to ensure that it was done before registration as to not affect students. Enrollment management is a balancing act and they were very careful about the cuts that had to be made.

Dr. Stolze stated that the faculty union (CCFF) wants a written proposal and a negotiation process because calendar issues are subject to bargaining. The shared governance process is somewhat independent of the collective bargaining process. He believes that the Planning and Budget Committee can give recommendations to Mr. Farmer, but ultimately it is Mr. Farmer’s decision what this District proposes and
considers in bargaining. He added that the faculty union is not an obstacle to any discussion that the Planning and Budget Committee may have.

Dr. Albanese noted that in a previous meeting to present the budget with Dr. Stolze, he and Mr. Farmer were cautioned not to proceed with summer school discussions as that was a violation of collecting bargaining laws.

Ms. Nolan made a motion that the summer offerings be explored as a possible cost saving measure. Dr. Reece seconded. The motion passed.

Vote:
Yes: 13
No: 1
Abstentions: 5 (S. Johnson, A. Rios, S. Thomas, L. Laughon, L. Krichmar)

Mr. Fronke made a motion to request that the Fiscal Services office prepare an analysis of the options that the College has to mitigate cash flow issues and budget shortfalls. This information should include potential dollar amounts. Dr. Reece added to the motion that the information could have “qualifiers” on it, stating that it is for informational purposes only. Dr. Reece seconded. The motion passed.

Vote:
Yes: 16
No: 0
Abstentions: 3 (S. Johnson, L. Laughon, S. Thomas)

Dr. Albanese cautioned the committee that he would like to leave the summer school information on the table until it can be reviewed and the faculty union has an opportunity to react to it. He also would like to have the information reviewed by the school attorney. He reminded the committee that the information brought forward for committee review is only options; he does not want to anticipate or create problems by providing the information.

Mr. Mellas stated that this is the Planning and Budget Committee and he would be very upset if a planning and budget decision formulated by administration, communicated by Bill Farmer when directed in negotiations, and passed or failed without going through this committee. We cannot restrict information from this committee. We can be aware that certain pieces of information will require a bargaining element. The elimination of summer school also affects both programs and work related issues. Dr. Albanese replied that the administration, in terms of the scope of their authority, outside of collective bargaining to make unilateral decisions, would be fully explored with this committee.

4. **STRATEGIC PLANNING RECOMMENDATIONS**

Dr. Albanese reported that Dr. Durdella has left the District. The administration is looking at options for hiring an interim. He also reported that the District would not be hiring a consultant to facilitate the strategic plan.
Mr. Fronke commented that from the perspective of program review, the absence of Dr. Durdella is a huge problem for all the programs that will be going through the next scheduled program review process. He believes that it would be in the best interest of the administration and perhaps this committee to understand why the College lost Dr. Durdella and Dr. Sheldon and why that particular job is somewhat of a revolving door.

5. **ITEMS FROM THE FLOOR**
Dr. Albanese reported that there is a board agenda item going to the Board to extend the period of the District's current strategic plan and then proceed five years after that.

6. **NEXT MEETING - FEBRUARY 5, 2009**
The next meeting is scheduled for February 5, 2009. The committee requested that a meeting try to be arranged prior to this date. This request was noted and Dr. Albanese will be in contact with the committee if an earlier date can be arranged.

7. **ADJOURNMENT**
The meeting adjourned at 4:46 p.m.