1. **CALL TO ORDER**
Dr. Vela called the meeting to order at 2:03 p.m.

2. **APPROVAL OF MINUTES** - January 17, 2008
It was moved by Mr. Cameron that the minutes of January 17, 2008 be approved as presented. Dr. Reece seconded the motion. The motion passed.

3. **STATE BUDGET UPDATE**
Ms. Higdon provided to the committee her explanation as to why the College, at this time, is not making the budget cuts as they did previously in budget year 2002-03. A one-page hand-out was given to the committee to support the explanation (see attachment). She noted that the information given is the information that is known right now.

Ms. Higdon reminded the committee that the current State budget projection is for a “flat budget” which equates to no “new” State revenue. She also indicated that this does not mitigate the College’s need for funds for costs that the College will continue to incur. An example includes the energy costs. She stressed to the committee that
even though it is a “flat budget,” that does not mean that there won’t be future budget decisions that would need to be further discussed.

The other items of concern the College has are: 1) further deterioration of the State budget; 2) enrollment trends; and 3) the failure of Proposition 92. She again stressed that the College is not “home free” with regard to the budget for the next year and a half.

Dr. Namala asked if the College still anticipates the $600,000 in take-backs for this budget year (2007/08). Ms. Higdon indicated that at this time that is the anticipated dollar amount, although there is nothing in writing to support that amount. She added that what is being circulated informally is that the Chancellor's Office is trying to find the money to pay for the current year take-back, which is $40 million dollars.

Dr. Vela added that the State-wide Community College Chancellor indicated that system-wide, $23 million of the $40 million for California community colleges identified for take-back for this current year (2007-08) had already been identified within the system. This does not mean that the College was not affected. The $23 million dollars was intended to be distributed to the colleges for this current year. The Chancellor’s Office is hopeful to be able to find the remaining balance. If $23 million of the $40 million dollars is being funded through the Chancellor’s Office, then Cerritos College's portion would be approximately $300,000. It is the intention of the State Chancellor's Office and the Department of Finance that the community colleges not have take-backs for the 2007/08 year.

Ms. Higdon also added that because the take-back may be smaller than anticipated, this does not mean that what the College does this year does not affect next year’s budget (2008/09).

Ms. De Long Chomiak noted that although the District may have a flat budget year, that is not the same projection for categorical funds. Categorical funds are projected to have a cut of between 3% - 10%. This could mean that the College may not be able to provide all the services in the ways that we have known them.

Dr. Vela indicated she recently attended a meeting and shared the viewpoint that “why are we considering to fund any growth in light of the fact that a top priority system-wide is basic skills, developmental education and student success. These efforts are for student retention and student success. Much of the work of the categorical programs is to assist us with the work over and beyond the efforts already made that are funded through the general fund.” The reply she received was that that is a discussion that is needed state-wide with the CEOs. She noted that while there won't be agreement, there may be support. She also shared this viewpoint with the League Budget Officer, Chancellor and Vice Chancellor of Student Services.
Dr. Reece inquired what is the decision making process with regard to using the reserve. Isn’t the point of having a reserve to assist the College during crisis times and maintain services to the students? Ms. Higdon replied that when the College was making our large budget cuts in 2002-03, we maintained our 5% reserve.

Ms. Nolan added that she absolutely agrees with the concept of maintaining services to students. If and when the College gets to point of using reserves, to be very clear of the rules of categorical funding and make conscience decisions about whether we are supplementing categorical funding.

Ms. Higdon and Dr. Johnson both concurred that there are rules with regard to supplanting categorical funds and caution must be taken so that the College follows the guidelines.

Ms. De Long Chomiak clarified that she is not assuming that if categoricals have cuts for next year that the general fund would automatically make-up the difference. She is very familiar with the supplantation rules. She reiterated that the level of service may decline because of the cuts that may be incurred.

Dr. Johnson noted that an additional view of the role of the reserve has to do with cash flow. There have been times historically when the county did not make payroll. The College is in a situation right now where the State is talking about delays in apportionment payments. It’s another concern about our ability to make payroll and whether or not we have the reserve to do that with. Ms. Higdon concurred that the State may delay apportionments until September.

Dr. Solomon asked the following two questions: 1) Are the College reserves still over 10%; and 2) Is the College promoting energy efficiency’s in our new facilities? Ms. Higdon replied that the College is actively being energy efficient. All new buildings are designed to be energy efficient. California community colleges are required to comply with Title 24. Dr. Vela added that the College is doing as much as possible to prevent excess costs by smart planning. There is a tremendous amount of costs associated with building “green” buildings and it takes many years to get your return on your investment. The College is being smart in planning and reducing to a degree without going to the bleeding edge of planning a green campus. She agreed that philosophically it is a good idea, but the College does not have enough dollars in our bond to make a full commitment.

Ms. Higdon responded that with regard to the 10% reserve, the College ended up in 2006/07 with a balance of 10.94% in the unrestricted general fund. She noted that with a college our size you generally end up with a higher ending balance than what you budget. Two reasons why the College had those funds were: 1) unfilled staff/faculty vacancies; and 2) one-time funds received that were not spent right away. She added that when you look at the 2007/08 proposed adopted budget, had
the College not had that 10.94%, we would not have been able to budget items such as the full COLA holding at $3,306,900. For the 2007/08 proposed adopted budget, the reserve is at 5.50%. Ms. Higdon clarified for the committee that the reserve is a budgeted amount. An ending balance is not available until year end (June 30).

Mr. Farmer added that a flat budget worries him because he knows that needs and expenses never remain flat. Part of why the College came up with more money in the ending balance is because of vacancies in his area. The problem is you cannot count on that type of savings every year. To anticipate and try to spend staff/faculty vacancy money when it might not appear would not be wise.

Ms. Higdon noted that she cannot recall a time when budgets got significantly better from this point on in the year between the Governor’s proposed budget and the final adopted budget. She pointed out to the committee that the College is deficit budgeting. The only way to ensure that we don’t deficit spend is to maintain that 5.5% reserve and have a better beginning number than what we have budgeted. Ms. Higdon added that the College needs $7 million to $7.5 million dollars per month to make our base payments including payroll. If the College had made our enrollment we would have more money. Mr. Farmer reminded the committee of the FTES concern and it is important that we continue to make up the lost FTES since 2004-05.

4. **STRATEGIC PLAN UPDATE**

Mr. Farmer indicated that the College is doing a strategic plan update for 2005-08. The goal is to see if we have or have not accomplished the goals set in the strategic plan. A new strategic plan is going to be developed for 2009-2012. Before the College can begin work on the new strategic plan, we need to assess what we have accomplished on the current strategic plan.

Dr. Durdella noted that two documents have been provided to the committee for their review and input. They are: 1) the Cerritos College Strategic Plan for 2005-08 produced by the Executive Council; and 2) the Cerritos College Strategic Plan 2005-08 Goal and Activity Completion Worksheet. The goal and activity completion worksheet is to provide staff the opportunity to give input into the goals and activities of the current strategic plan. He asked that if you are not familiar with one particular goal, you can skip it. The goal and activity completion worksheet is voluntary, but provides the campus community an opportunity to provide assessment. He requested that responses be in color so that they can be easily identified. Also, February 29th is the deadline, but their office will receive information after that date.

Mr. Farmer further clarified that Executive Council reviewed the current strategic plan and wrote down all the things that were evidence of completion, partial completion, or non-completion of the goals and activities in the current strategic plan. There is no need to evaluate Executive Council’s work, but to add if you think something was forgotten or something is incorrect in the narrative.
Ms. Serwin inquired who has received these documents. It was noted that the MLC Committee had received the documents along with the Planning and Budget Committee. Dr. Reece suggested that both documents go to the entire campus community for their input. Dr. Durdella will work with the President's Office to ensure the documents are e-mailed to the campus community.

   This agenda item was not presented due to time limitations. It was requested that the committee read the memo from the faculty representatives prior to the next scheduled meeting.

6. **ITEMS FROM THE FLOOR**
   No items were presented due to time limitations.

7. **NEXT MEETING**
   The next meeting for the College Committee on Planning and Budget is scheduled for February 21, 2008 at 2 p.m.

8. **ADJOURNMENT**
   The meeting was adjourned at 3:15 p.m.