Co-Chairs: A. Tomlinson, L. McKenzie

Present: M. Martinez, L. Rosas, A. Patterson, S. McMurray, B. Young, S. Fasteau, T. Davis, C. Diaz, C. Guzman (ASO), M. Fuentes (ASO), E. Gutierrez (ASO)

Approval of Agenda/Minutes
The meeting was called to order at 2:00pm. The agenda was accepted as published. M. Wood moved and S. McMurray seconded to accept the minutes from 9/25/12. All approved.

President’s Report
President Martinez reported on a budget education symposium he attended. The passage of Prop 30 has given approximately $35M to the District. Harbor’s share is $2.3M which will allow us to restore a lot of what we lost prior to November 6. There could be additional dollars for the District, possibly as high as $78M. This additional money would come from Prop 98 which was passed by the voters several years ago to bring more funding to K through 12 and community colleges but instead the money was used by the legislature is cover other costs. When the May revise is solidified we will have a better idea what additional funding Prop 98 and Prop 30 will give us. For now we have $2.3M and we will develop a plan accordingly. The President noted only 5 of the 9 campuses are in the black. Harbor is one of them. Even with Prop 30 dollars 4 colleges are still in the red. As of today, Harbor is showing a balance.

Information Items
L. McKenzie reviewed the budget and implications of Prop 30 with a PowerPoint presentation. He explained that the state dictates how many students the college can educate by the amount of money they give us. In 2011-2012 we had 839 unfunded FTES which translates to $3.8M we did not get. He reviewed our revenue (FTES) and expenditures from 2009-2010 to present. Since Prop 30 only restores money we lost from the previous year we need to remain frugal. Our allocation for 2012-2013 is $28.8M. With the 6% cut we already made, we are projecting expenditures of $28.4M which will give us a small cushion. The role of the Budget Committee is to advise the college and the President on decisions regarding the budget. L. McKenzie noted the students appeal to restore winter and summer classes but he advised it is too soon to make those decisions.

Offering a summer session was discussed. As of now there is no money for a summer session. March 1 is the deadline to decide if the college could offer summer classes.
2012-2013 First Quarter College Budget Projects
A. Tomlinson distributed and reviewed the first quarter projection, explaining our revenue and expenditures. She noted we are in a stronger position than we have been in a long time. She is projecting $28.2M in expenditures for this year, leaving a reserve. This is with the assumption we do not spend more than $4.7M on hourly. She clarified Harbor keeps any reserve from the previous year and it rolls over to the next year. M. Wood questioned our debt to the district. A. Tomlinson reported our debt is on hold for now.

A. Tomlinson explained the 2012-2013 Contingency Reduction Budget Plan which matches the first quarter projection. The plan shows our allocation and expenditures, our savings from the 6% cut and our deficit of $1.87M before the Prop 30 restoration funds of $2.3M. With Prop 30 funds added in, Harbor’s projected balance is $493,494.

The college plan and priorities were discussed. J. Stanbery noted all projects are listed in the college plan and any money spent is based on the priorities decided upon by CPC. A. Tomlinson stressed the importance of integrating the budget with planning. She informed the committee the Prop 30 money was placed in hourly since funding hourly was the top priority voted on by CPC. L. Rosas added the current cluster plan for Academic Affairs states their highest priority is to offer enough classes to meet our target FTES.

Since Prop 30 is only temporary, President Martinez emphasized the importance of not only covering our costs but creating a reserve.

The President asked the committee to review the list from FHPC and make a recommendation on how many faculty members we can afford to hire next year based on the current budget. The list includes nine faculty members.

The budget timeline was discussed. Money for this year should be encumbered as soon as possible, noting SPF’s and grants have a different cycle. During the next quarter expenditures will be closely monitored to keep programs within their budget.

Action Item
The committee accepted the revised centralization model.

The meeting adjourned at 3:35pm.