The meeting was called to order at 10:00am. The agenda was accepted by consensus with additions: approve past meeting minutes and a report on Athletics. A. Patterson moved and N. Barakat seconded to accept 11/22/12 minutes with no corrections. N. Barakat moved and T. Davis seconded to accept 3/20/12 minutes with no corrections.

The committee began with item #2 on the agenda since President Martinez had not arrived to give a budget update. A. Tomlinson discussed the latest projection for closing the current year by reviewing the monthly report for April. She compared last year’s expenditures with this year. Our current revenue is $29.1M, which includes the gap money of $969,516 we requested from the District, since we balanced our budget last year. There was significant savings in some areas. Our expenditures in 2010-11 were $24.2M. Our expenditures for 2011-2012 are $23.3M. However, this does not include salaries and benefits. In 2010-11 salaries and benefits were $5.8M, by closing of 2011-12 they will be $6.2M and in 2012-2013 they are projected to be $6.4M. Our actual expenditures for the current year are about $30.8M, leaving us as of now with a deficit of $381,092. There may be a few more transfers from grants and the categoricals have not closed yet. Community Services has already contributed $400,000. While looking for revenue, we are pushing out expenditures that can wait until next year.

The meeting was turned over to President Martinez. The President reported the District is encouraged that the Governor’s tax initiative is being supported. It is important for the college to mount a campaign to get the word out to the community about the tax initiative. We will have an opportunity to do this at the grand opening of our library. If the initiative does not pass, we are looking at a 7% cut, a cut most campuses cannot meet. The alternatives to cover this gap in funding are to use the balances that exist at two campuses or change the allocation formula. A decision will be made on June 13 at the board meeting. If the allocation formula passes it will give us an additional $650,000. The bond program also has an impact on how the District is planning the budget. With the exception of Harbor, building projects are being held up at the other campuses. The President emphasized we cannot end the year with a deficit for two major reasons. The district has given us close to $1M in gap funding so we cannot take that money and still have a deficit and secondly, politically it would hurt our leverage with the District. At this time, he is holding up assignments until he is reassured we will have a balanced budget.

The 2012-13 contingency reduction plan was distributed. Our allocation for next year will be $25.4M, including self-generated, down from $29M. Expenditures for next year, which is based
on this year’s closing, are $29.5M. Before the District will give us gap money, we have to make a 6% cut or $1.8M. Even after we cut 6% we will still have a $2.3M gap. Possible solutions for the 6% cut were discussed. Concern was expressed about maintaining FTES base. Viability of classes needs to be reviewed. It was noted with concern that most of the cuts are coming from the Academic Affairs Cluster while cuts in other area were not made as agreed.

The President noted these budget issues keep coming back because we are not making real cuts. Drastic actions need to be negotiated outside this campus, at the District level, in regards to possible salary rollbacks, furloughs and layoffs.

A. Patterson noted the importance of having an Athletic program. She reviewed the Athletics budget, explaining the programs expenditures and the amount of fundraising needed to support the program. N. Barakat noted with any civic center permit generated by Athletics, 70% goes to the program and 30% goes to field maintenance.

L. McKenzie referred to a draft of the Ad Hoc Budget Sub Committee recommendations to CPC to close the $381,092 deficit for 2011-2012 and deal with a $25.4M budget allocation for 2012-13. The six recommendations and justifications were reviewed. The wording of several of the recommendations was questioned. The President interprets these recommendations as a number of controls the Ad Hoc Committee has identified as a means to balance the budget. He believes the committee has every right to make these recommendations since the budget has only been balanced once in 12 years. President Martinez urged everyone to use any remaining dollars from their grants to help cover the college deficit.

Finding constructive ways to balance the budget and generate money was discussed. N. Barakat suggested the addition of bleachers would increase field rentals and generate money. S. Sanchez suggested volunteering with the Foundation to help them with their fundraising efforts.

Any corrections to the budget recommendations should be sent via email. The recommendations to proceed to CPC, with edits, were moved by N. Barakat, seconded by B. Young. The motion was approved by the committee.

The meeting adjourned at 11:45am.