The meeting began at 2:05 p.m. in SSA 219. The Budget Committee Meeting minutes from December 7, 2010 were presented.

L. McKenzie expressed concern about the State’s projected $25B deficit and how it will affect community colleges. Harbor’s total allocation for the year is $28,069,612. Total expenses are $39,933,956 leaving a $2.9M deficit. Under Governor Schwarzenegger community college did very well and experienced few cuts compared to other services. With the new governor chances are we will be hit very hard.

President Martinez gave an update on Governor Brown’s proposals for the State. The governor proposes to divide the State’s $25B deficit into two halves. With the first half he wants to cut the State budget by $12.5B. With the second $12.5B he wants to create a tax reform bill to take to the voters in June. If the bill is supported, it will generate $12.5B in revenue. For the community colleges it means a $400M cut. The cut could lessen if the legislature agrees to an increase in student fees from $26 a unit to $36 a unit. The increase of $10 could generate $110M. The state will deduct the $110M from the $400M leaving us with a $290M cut. For LACCD that means a $30M cut. For Harbor it means a 5% or $1.3M to $1.4M cut. If the tax reform bill does not pass it could mean an $800M cut to community colleges and then Harbor would face a $4.6M to $4.8M cut. There will be no mid-year cuts. Growth money will be deferred until fall 2011.

The President suggests we plan for a 5% cut and possibly even more drastic cuts if necessary. At the District Budget Committee meetings 10-15% cuts are being discussed keeping in mind what core principles we want to save with the dollars we have. The DBC has accepted the core of LACCD to be CTE, basic skills, and transfer preparation. The colleges need to have similar discussions. Harbor needs to decide what core values we want to preserve in case we face more drastic cuts. The President encourages civil discussions about cuts and aggressively pursues other revenues though fund raising and grants.

A. Tomlinson reviewed a list of structural principles that will guide our discussion in regards to the budget and cuts. The six principles emphasized:
1. Data driven, informed decision making to ensure the core college mission-student success defined as Basic Skill, CTE, and Transfer. The best interest of the student is the highest priority.
2. Zero based budgeting.
3. Fiscal year boundaries and accountability.
4. Implement enrollment strategies to maximize FTES.
5. Deadline to submit purchase orders for the year will be the last day of February.
6. The program review and unit plan process should be used for planning and budgeting. Planning should be driven by district goals and college educational, strategic and facility master plans.

J. Stanbery added the new planning manual that was adopted at the beginning of the year and the unit plan template that is being developed will aid in implementing principle number 2 and 6.

N. Malone suggested the OP Plan needs to be more realistic. L. McKenzie agreed that future OP Plans will be more realistic.

The principles were discussed in detail and concerns were addressed especially in regards to ordering deadlines and budget transfers. J. Stanbery noted that as we continue our discussions there may be a lot of reworking of the principles as we encounter specific obstacles. He added to endorse the principles on the understanding that practical experiences will led us to make various adjustments to the wording of the principles.

A. Tomlinson distributed the budget report and noted our revenue of $29.4M with includes our self generated. Salaries and benefits total $29M. There is only $400,000.00 left to pay utilities and run the college. Without grants there is no other money. After major cuts we are spending $30M this year. A comparison of all nine colleges was handed out. It shows Harbor as the most expensive college in terms of budget divided by FTES.

A. Tomlinson reviewed strategies for reducing expenditures:

1. Reorganize for greater efficiency.
2. Automated student services or guided self-help.
3. Automated faculty/staff services or guided self-help.
4. Cross train staff.
5. Management should be accountable for responsible decision making and leadership for the greater good.
6. All programs/services which cannot produce measurable outcomes should be reviewed annually through program review/viability process.
7. Paid additional staff assignments should be based on merit.
The five-year trend and pie charts were reviewed which showed while some areas were decreasing in expenditures others were growing. The specific areas showing an increase were discussed.

L. McKenzie and A. Tomlinson recommend that the budget committee establishes an ad hoc committee to review cluster budget proposals. S. McMurray recommended that J. Smith, the Academic Senate President, be on the committee. Other volunteers included J. Stanbery, N. Barakat, N. Malone, L. Yamakawa, J. Naranjo, E. Colocho, D. Humphreys or L. Rosas, N. Tan, A. Ahmed, and A. Tomlinson.

The meeting concluded at 3:30 p.m.