
The meeting came to order at 11:00 a.m. in SSA 219. The minutes from January 7, 2010 were approved as presented.

L. McKenzie began the meeting by stating the single item agenda: prepare a 2010-2011 operational plan that addresses a balanced budget. Harbor’s target reduction for 2010-2011 is $3.8M. A list of expenditure reduction recommendations from the District Fiscal Policy and Review Committee was distributed and discussed.

L. McKenzie noted the state budget picture continues to worsen. Fiscal decisions are being made by the District that impacts all the colleges. He added that the clusters have not made recommendations on how to reduce operational expenses in their areas, except Academic Affairs who did achieve their 2008-09 funded FTES base by reducing classes and eliminating Outreach. L. Spink noted the President’s cluster has eliminated two positions in the foundation, Administrative Services has taken a hit by not filling positions, and Student Services took a 48% cut in categoricals. Additional cuts will be difficult. Athletics may have to be suspended for a year. L. Rosas proposes increasing revenue by marketing to foreign students since one foreign student can fund one class. L. Spink added she will use advertising money for marketing to increase revenue.

Faculty obligation number (FON) was discussed. Harbor’s number was increased from four to five full time instructors. The penalty for not meeting this obligation is a $65,000 fine.

The Districts reserve account of $40M was discussed. With all nine campuses and the District office overspending, it is estimated we will go through the reserve in 1½ years.

Handouts of the monthly projection and budget reports for 2009-10 and 2010-11 were distributed and reviewed. Dr. Tomlinson reported Harbor’s deficit is $1.7M, not $1.4M as reported by the District. Even with increased enrollment and decreased expenditures our revenue source keeps dropping. Our proposed allocation for 2010-11 will be $28.2M. Our payback is $2.1M. If the District takes $2.1M off the front, our allocation will be $26.1M. Our projected expenditures are $31.4M.

The co-chairs referred to the following:
1. FTES target for next FY 10-11(Program 100) = 6871
Base (6737) + 2% = 6871

II. Contract ED (must invoice)
III. Enterprise.

B. Young wanted clarification in regards to cutting additional classes for fall. L. Rosas stated since there has already been 25 sections cut in fall, there will be no additional cuts. A six week summer session is planned with about 32 sections starting July 6 and ending August 22. There will probably be no winter session.

Other topics discussed included:
- Cluster reports showing five years of expenditures were distributed.
- L. Spink suggested to B. McNeel that a percentage of every contract go to Administrative Services to offset the budget. B. McNeel reported the District takes 5% off every grant but will check if that percentage has decreased.
- Advertising on the marquee would be revenue for the college, but it is questionable what will be allowed.
- Conoco Phillips wants to rent the PE & Wellness Center for their employees. All areas will look at their schedules to see if this is feasible.
- In regards to furloughs, all administrators got March 15 letters. L. Spink would rather see furloughs than job cuts.
- The Broad of Trustees will meet at Harbor on April 28.

It was decided that a small budget task force would be formed to discuss ways to cut expenditures and increase revenue. The group would consist of two members from each cluster. The task force will bring recommendations to budget committee.

The meeting adjourned at 12:15 p.m. with plans to meet in one month.