



**BUDGET COMMITTEE
MINUTES**

December 9, 2008

The meeting of the Palomar College Budget Committee scheduled for December 9, 2008, was held in RS-5. Dr. Bonnie Dowd called the meeting to order at 2:19 p.m., upon establishment of a quorum.

Roll Call

Budget Committee Members Present: Brannick, Cerda, Claypool, Dowd, Hishmeh, Lienhart, McCluskey, Madrigal, Sivert, Tortarolo, Towfiq, and Vernoy (for Cuaron)

Members Absent: Dimmick, Duran, Kovrig, Szames, and Von Son

Guests: Brent Gowen, Phyllis Laderman and Brandi Taveuveu

- I. Approval of Minutes:** The minutes of November 25, 2008, were approved as corrected (MSC: Brannick/Claypool) and will be posted on the Palomar webpage as follows: <http://www.palomar.edu/committees.htm>

Bonnie requested that the agenda be suspended to address Item IIIa (Budget Update), since there was little new information available at this time to allow sufficient time for discussion on other agenda items. There being no objection, the agenda was suspended to move to that discussion item.

III. Budget

a. Status Update on FY 2008-09 Budget Information

Bonnie reported that the Governor recently declared a Fiscal Emergency when state projections indicated the state would run out of cash sometime in February or March. Legislators were called into special session on December 8th; however, to date there has been no conclusion regarding FY2008-09 mid-year budget cuts. Bonnie stated that under Proposition 58, legislators have a limited period of time to address a Fiscal Emergency. If no action is taken by the legislators within the mandated time period, the Governor has the authority to take control of the state budget without the need for legislative approval. Bonnie also reported that to address the projected state cash flow situation, the state is considering the possibility of issuing RANS (Revenue Anticipation Notes); however, given the current financial markets, the cost of issuing such notes could be prohibitive. As a result, there is some discussion about IOUs being issued when the state runs out of cash. Bonnie also reported that the Governor's FY2009-10 Proposed Budget is expected to be released the week of January 12th. She will keep the committee informed as relevant information becomes available.

II. Action:

a. **FY 2009-10 Budget Development Timetable Draft**

Bonnie explained that the agenda was revised to add this item because today is the last meeting of the semester for the Budget Committee, and information related to development of the FY2009-10 timetable needed to be disseminated prior to the start of the spring semester. She went on to explain that past practice has been that budgets are developed at the unit/department level for discretionary accounts (i.e., 2300, 2400, 4000, 5000 and 6000 accounts) and brought up through the appropriate planning council for review by the Budget Committee (BC) and Strategic Planning Council (SPC). However, due to the significant cuts required to balance the FY 2008-09 Budget, at a joint meeting in April 2008 of the BC and SPC it was decided that budgets would not be developed at the unit level. Given that mid-year cuts for FY2008-09 are not known yet and that FY2009-10 is anticipated to be as challenging, Fiscal Services has prepared a proposed Budget Development Timeline for consideration by BC. The draft was distributed and discussed.

Shannon Lienhart sought clarification that the timeline indicates that the Budget Committee would have a month to review the budgets, to which Bonnie replied in the affirmative.

Becky McCluskey questioned whether the timetable could change if the college went into “stability.” Bonnie responded that yes, the timetable could change, but it was an unlikely scenario that the District would go into “stability”. Bonnie also stated that it was probable that the college would not be funded for all of its attained growth given the fact that all of the colleges in the state are experiencing growth. She also reminded the committee that growth is not recognized until it is funded.

Shayla Sivert questioned whether there will be a mechanism where departments can provide input on budget needs. Bonnie responded that the Vice Presidents work with the Deans/Directors to identify department needs.

A motion was unanimously approved (MSC: Madrigal/Lienhart) to accept the timetable as corrected (removal of the second line which states: “FY09-10 budget will be developed based upon past practice.”) Phyllis Laderman will distribute the approved timetable via email.

VI. **Discussion/Information**

a. **Role and Responsibilities of Budget Committee**

Discussion ensued as to the roles and responsibilities of the Budget Committee. Dr. Brent Gowen stated that sentence three of the Governance Structure is what he identifies as the committee’s role (relating to budgeting parameters aligning with the college’s priorities). Shannon Lienhart agreed but stated that alignment can be difficult if the Budget Committee is not aware of the needs of other departments. She questioned whether building a budget is simply operational or is it something that should go through the governance process, especially in light of the hiring freeze. Bonnie responded that budgets do go through the governance process by review of each planning council and the Budget Committee.

Brent stated the Budget Committee has been assigned Planning Agenda #3 (the budget development process) and he feels that the BC should have a sense of the needs of the whole college to align the budget accordingly. Shannon questioned whether there was a mechanism for planning councils to develop a list of needs that are then forwarded to the BC. The BC can identify “needs” versus “wants”, similar to the Instructional Planning Council (IPC) model. Bonnie responded that the budget development model allows for units to request budget adjustments that are subsequently approved by the appropriate planning council. Historically, unit requests exceed available revenues and then decisions are made at the appropriate planning council level as to what requests are to be funded. The BC role is to review the budgets that are sent forward from the planning councils.

John Tortarolo stated that the budgeting model at Long Beach Community College looked at the total monies available and the stated priorities of the college. It was then determined whether those priorities could be funded and he felt this might be an appropriate model for budget development at Palomar College.

In summary, several members stated that the roles and responsibilities of the Budget Committee need to be better-defined. Brent stated that he is of the opinion that the BC role is more on a “macro” scale, with coordination occurring with the other planning councils. Due to time constraints, discussion will continue at the first BC meeting of the Spring Semester.

The meeting adjourned at 3:30