



**BUDGET COMMITTEE
MINUTES**

September 23, 2008

The meeting of the Palomar College Budget Committee scheduled for September 23, 2008, was held in SU-18. Dr. Dowd called the meeting to order at 2:10 p.m.

Roll Call

Budget Committee Members Present: Cerda, Cuaron, Dowd, Duran, Gowen (for Brannick), Hishmeh, Madrigal, Sivert, and Towfiq

Members Absent: Claypool, Dimmick, Kovrig, Lienhart, McCluskey, Szames, Tortarolo, and Von Son

Guests: Mark Vernoy, Phyllis Laderman and Brandi Taveuveu

I. Approval of Minutes: The minutes of September 9, 2008, were approved as written (MSC: Cerda/Madrigal) and will be posted on the Palomar web page as follows: <http://www.palomar.edu/committees.htm>

II. Action: None

III. Budget

a. Status Update on FY 2008-09 Budget Information

Several members shared that they had heard an announcement just before the meeting that the Budget Act was signed. Dr Dowd had not yet received confirmation of a signed budget and in the absence of any formal announcement, she distributed the latest email sent to the CBO's from Erik Skinner, Vice Chancellor for Fiscal Policy at the System Office. In his email, Skinner stated that state leaders appeared to have reached agreement on a spending plan that includes the following for community colleges: 1) \$38.9 million to provide a 0.68% COLA on general purpose apportionments (no COLA is provided for categorical program funds); 2) enrollment growth funded at 2%; 3) categorical programs flat-lined at 2007-08 levels; 4) student fees remain at \$20 per unit; 5) \$75 million provided to partially backfill property tax shortfall for the 2007-08 fiscal year; 6) instituted new deferral of apportionment payments in order to address cash flow – January, February, and March payments will now be paid in April, May, and June; 7) \$200,000 cut to Chancellor's Office budget; and 8) competitive Cal Grant program sustained rather than eliminated.

Dr. Dowd shared that the System Office released dates for the budget workshops, which is a good indication that a signed Budget Act is imminent. In these workshops, the System Office identifies what level of apportionment each District can expect to

receive. The workshops will be held in Southern California and Northern California on October 6th and October 9th, respectively.

Discussion ensued on the college's cash situation and the impact it had on campus. Phyllis Laderman stated that Fiscal has been using capital outlay and retirement benefits as a "float" but that the college would have to seek outside borrowing soon if a signed Budget Act is not in place.

Fari Towfiq questioned whether the 25% cuts included in the 2008-09 Tentative Budget (in response to mid-year apportionment cuts during the 2007-08 fiscal year) would be reinstated. Dr. Dowd replied that when the books are closed and the \$5 million mandated reserve is satisfied, she will be able to more definitively answer that question. Bonnie shared that all of the divisions have been tightening their belts and savings are being realized. She appreciated everyone's efforts to get through the current budget challenge and if additional funding is realized, she will work with the Vice Presidents to restore funding to the greatest extent feasible.

IV. Discussion/Information:

a. **Review of Roles, Responsibilities, and Products of Budget Committee (Governance Structure Report)**

Dr. Dowd went over the Governance Structure Group Request Report that includes the roles, responsibilities and products of the Budget Committee for the benefit of new members.

Dr. Dowd stated that in past years, one of the roles of the Budget Committee has been to make recommendations in developing the Tentative Budget; however, due to severe mid-year cuts last year, the 2008/09 Tentative Budget was developed differently. Because it was already known that cuts would be necessary to balance the Tentative Budget, it did not seem appropriate to ask departments to spend time developing a "wish list" of needs and then have the Budget Committee make recommendations that could not be fiscally supported. The 2008/09 Tentative Budget was developed by comparing three years of actual expenses, where the highest year was compared to last year's budget and the lower of the two numbers was used.

Another role of the Budget Committee is to ensure that the budget aligns with the college's priorities with regard to institutional planning. This continues to be a challenge for the committee because much of Palomar's budget is spent on salaries, and there is not much left over to fulfill objectives in the Strategic Plan.

Mark Vernoy questioned the statement, "Reviews budgets as developed at the unit level and submitted through the appropriate planning council" (under Process) as he felt it was misleading in that we review nothing at the unit level. Discussion ensued over different interpretations of that sentence and in the interest of time, it was decided to revisit the language at a future meeting.

In conclusion, Mark Vernoy expressed his view that the Budget Committee meeting is the main place to disseminate information regarding the budget and the role of the membership is information sharing with their constituencies.

b. **Fiscal Plan Update**

Discussion on the Fiscal Plan Update has been tabled until next meeting in the interest of time.

c. **Perkins Funding**

Dean Wilma Owens will be presenting information at the October 28, 2008, meeting regarding Perkins Funding - what is eligible and how it works – at the request of Dr. Brent Gowen.

VI. Other

Dr. Dowd shared that the public will be able to view the Proposed Budget from October 7-13, 2008, and it is scheduled for adoption by the Governing Board October 14, 2008. In addition, she pledged to keep the committee informed of any pertinent information that comes forward with regarding to the State Budget

The meeting adjourned at 3:25