



BUDGET COMMITTEE MINUTES

April 28, 2009

The meeting of the Palomar College Budget Committee scheduled for April 28, 2009, was held in SU-18. Dr. Bonnie Ann Dowd called the meeting to order at 2:07pm upon establishment of a quorum.

Roll Call

Members Present: Brannik, Cerda, Claypool, Cuaron, Dimmick, Duran, Gowen, Hishmeh, Kovrig, Laughlin, Lienhart, McCluskey, Tortarolo, Wick

Members Absent: Madrigal, Towfiq, Von Son

Guests: Phyllis Laderman, Brandi Taveuveu, Mark Vernoy (Cuaron)

I. Approval of Minutes:

The minutes of April 14, 2009 were approved with corrections as noted (MSC: Brannik/Kovrig) and will be posted on the Palomar webpage as follows:
<http://www.palomar.edu/committees.htm>

II. Action – First Reading

No Action

III. Planning Agenda Item #3

A. Continuation of the discussion of Accreditation Planning Agenda item #3 relating to Palomar's budget development model to include brainstorming on integration of budgeting with institutional review and strategic planning.

The committee had been requested to bring handouts provided at last meeting so they could be discussed today. Bonnie began the conversation with the article from the University of Alberta (UA) and how they recently went through some of what California Colleges are experiencing due to limited state resources and the need for colleges to integrate program review with planning and resource allocations. Discussion continued related to California's state budget situation and how it will relate to enrollment, tuition and FTES.

Bonnie then referred the committee to the Gavilan Joint Community College (GJC) handout and how that college addressed its review, planning and resource allocation processes in response to accreditation standards. Discussion continued with brainstorming on how Palomar should go about improving its budgeting process. The process used by GJC and a Zero Based Budgeting (ZBB) model were discussed. Bonnie commented about the similarity with the GJC model to Palomar's AIP process and thought that an approach might be melding the AIP and budget development workshops into one document. Discussion followed on the relationship between program/institutional review with planning and resource allocation.

Shannon Lienhart stated that she would like to start with discussion to assist committee members with understanding how discretionary and non-discretionary expenses are defined. Shannon was interested in having non-discretionary/"fixed" costs identified; basically, those costs which must be incurred in order to keep operating. John Tortarolo defined some costs that are non-discretionary as all full time faculty (permanent and contract), all classified employees (permanent and probationary), and administrators. Examples of non-discretionary costs being: part-time faculty, short-term employees, and student employees. Both Shannon and John felt it was a good idea to get the bare bone costs otherwise known as Zero Based Budget (ZBB) from each planning council. Even though ZBB is a huge undertaking, Bonnie feels that if we are going to move in that direction, this is the time to develop a model that would allow the district to develop its FY2010-11 budget from a zero base. Bonnie stated that ZBB usually has a check in/review cycle of 5 years. She made the suggestion that the budget model also include two years of forecasted budget needs in addition to three years of past actual expenses when developing a budget year. Right now Palomar's budget is built at the unit/department level for discretionary costs. Bonnie mentioned that the issue with this is that folks at the unit/department level do a lot of work for an insignificant amount of budget dollars i.e., 4000, 5000 and hourly non-faculty because full-time (1000, 2000, 3000) are fixed as full-time salary costs. So, folks get discouraged when their requests can't be funded because so many requests are made that when built into the total budget can't be funded due to lack of revenue to support. Bonnie suggested that perhaps there should be consideration of budgeting being handled at the Planning Council (PC) level so they can tie it to the program reviews completed by the units/department with funding needs identified and make decisions for the whole division. Shannon wanted to know where the decisions are made to purchase things that seem to be discretionary. She mentioned that it would be great to know what is absolutely needed to keep the college doors open; so we can review what is really necessary. She feels that is why we should have the PC's bring forth their base line budgets for things they absolutely need; e.g., how many sections do we need to make cap and our fixed costs. Then the decision can be made about what we would like to have in the budget that is discretionary in nature. Discussion followed with committee members having varied opinions as to whether they Budget Committee's role is to decide what each planning council does with their discretionary funds.

Teresa Laughlin stated that funding money for Instructional supplies are a necessity, but budgeting a large portion of money to cover the deficit in a department's budget because they went over their approved annual budget is another story, that is when budgets need to be questioned.

Bonnie stated that the primary issue that arose during the Accreditation Team is related to evaluation (program review and SLO's), planning, and the need to tie both to resource allocation. Currently, our Strategic Plan is tied to budgets based on incremental needs.

Bonnie said that what she would like to accomplish at the next Budget Committee meeting is to have some direction on whether or not the committee is in agreement that ZBB is the way we need to go for FY2010-11 budget development and then hit the road running in the Fall by preparing the campus community through training and dialogue on the process that will be used to develop all budgets from a zero base for that year. There was agreement that ground rules/guidelines should be developed with the Budget committee that defines process and the primary role of the Budget Committee with regard to Budget development. Committee members feel that this will need to be a very open and transparent process. There was agreement. Bonnie and other members that were involved in the Fiscal Stability Task Force work, which took place over a two year period several years ago, has put the District in a great position of accomplishing this task and close the loop on these issues.

IV. Budget Update

No Report

V. Discussion/Information

No Report

VI. Old Business

No Report

VII. Other

Meeting was adjourned at 3:24pm.

NEXT MEETING: May 12, 2009