



## BUDGET COMMITTEE MINUTES

**February 24, 2009**

The meeting of the Palomar College Budget Committee scheduled for February 24, 2009, was held in SU-18. Dr. Bonnie Ann Dowd called the meeting to order at 2:06 p.m., upon establishment of a quorum.

### **Roll Call**

**Budget Committee Members Present:** Brannick, Cerda, Claypool, Cuaron, Dimmick, Dowd, Duran, Gowen, Hishmeh, Lienhart, McCluskey, and Tortarolo

**Members Absent:** Kovrig, Madrigal, Towfiq and Von Son

**Guests:** Phyllis Laderman and Brandi Taveuveu

### **I. Approval of Minutes:**

The minutes of February 10, 2009 were approved with corrections as noted (MSC: Brannick/Lienhart) and will be posted on the Palomar webpage as follows: <http://www.palomar.edu/committees.htm>

### **II. Action**

#### **A. First Reading - Change to membership**

The Governance Structure was amended as requested by the Faculty Senate to include as a voting member the past president of the Faculty Senate for purposes of continuity and training. (MSC: Brannick/Lienhart) The motion was unanimously approved. This brings the membership number to 18, which means 10 members establishes a quorum. Bonnie will take the amended document to SPC as an action item.

### **III. Budget**

Bonnie announced that an initial P1 came out just prior to the meeting; therefore, it hasn't been analyzed. She will distribute the FY2008-09 P1 at the next meeting; however, it is also anticipated that a revision to the P1 will be coming out in March. Bonnie reported highlights related to the recently approved budget as provided by the Chancellor's Office. Although the Governor signed the budget, he was talking about vetoing in three areas: Cal Grant, Prison System, and the UC/CSU system. He

ultimately did not line item veto the Cal Grant. However, he did line item veto US/CSU and the prison system. The expectation is that the Federal stimulus package will replenish the UC/CSU system and prison system budgets. Other related topics discussed included:

- Furloughs ordered for the staff of the Chancellor's Office;
- Actual growth and constrained growth rate for 07-08;
- Projected growth rate for FY2008-09;
- The 09-10 growth rates are not expected to be projected and distributed until April;
- Issues related to the omission of growth funding for single college districts that moved to mid -or large basic allocation districts;
- Funding for recently approved education centers;
- The deficit coefficient to computational revenue;
- Shortfalls in state revenue for property taxes;
- Statewide structural budget and cash issues that have resulted in an inability to sell bonds as a result of the downgrade of the state's credit and impact of national and state economy.

In addition to reducing the revenue to community colleges, the budget approved will result in cash deferrals from the state level down to the college level.

Shannon Lienhart expressed surprise that the district is going forward with the purchase of land for a southern site. Bonnie explained that we are obligated to proceed, as part of the resolution approved by the voters under passage of Prop M.

Bonnie also reported that per the Chancellor's Office the legislators believe that when they sell bonds at the state level they will be in the following priority order:

- 1) Operations
- 2) Capital projects already approved
- 3) New capital projects yet to be approved

Bonnie concluded the budget update with a comment made by a representative for CCLC that "the state budget is a house of cards". The budget included a 1% sales tax

increase, an increase to the vehicle license fee and securitization of the lottery. There will be a special election on May 19 addressing several ballot measures that if they do not pass there will be a \$5 billion shortfall that will likely result in additional cuts to the FY2008-09 budget year. Bonnie stated that it was also reported that the lottery securitization is not polling very well at this time.

#### **IV. Discussion/Information**

##### **A. Budget report information requests**

Bonnie distributed spreadsheets requested at the previous meeting by Shannon Lienhart for the Wellness Center and Police Department. In addition, a three-year history of transfers from fund 11 to fund 12 was distributed by Phyllis Laderman.

##### **B. Discussion of Accreditation Planning Agenda item #3 related to budget development model**

Brent Gowen introduced a discussion about the upcoming Accreditation site visit scheduled for March 9-12 and possible approaches for addressing the self-study planning agenda item #3 as it relates to a budgeting model for the District.

##### **C. Discussion of Role and Responsibilities of Budget Committee including protocol for BC decision-making and coordination with other planning councils**

No discussion due to time constraints.

##### **D. Development of a Fiscal Plan**

No discussion due to time constraints.

##### **E. Other**

Due to the large number of agenda items and the insufficient time to cover them at each meeting, there was discussion about changing the order of future agendas. It was suggested that state and college budget updates be moved to the last discussion item, and the other discussion items be addressed first.

The meeting adjourned at 3:37.