



**FINANCE & ADMINISTRATIVE
SERVICES
PLANNING COUNCIL**

April 17, 2008

A meeting of the Finance & Administrative Services Planning Council (F&ASPC) was held on April 17, 2008. The meeting was called to order at 2:08 p.m. by Dr. Bonnie Ann Dowd.

Roll Call

Members Present: Akins, Dowd, Ellis, Hishmeh, Jay, Kovrig, Laderman, Lyn, Simonds, and Sullins

Members Absent: None

I. MINUTES

The minutes of March 20, 2008, were approved as corrected and will be posted on the Palomar web page (MSC: Simonds/ Jay).

II. ITEMS FOR DISCUSSION/INFORMATION

1. 2008/09 Budget Development for District & F&ASPC

Bonnie handed out the Budget Compare reports effective April 15, 2008 for the Finance and Administrative Services Division. She also gave a brief overview of the “normal” budget development process used in the past, where units would develop their budgets and submit requests to her as Vice President and then the requests would be reviewed by the planning council. However, because of the current fiscal crisis at the State level, it has been determined that building a budget from the unit up would be an exercise in futility. SPC and the Budget Committee agreed with the recommendation that FY2008-09 budgets would be developed for discretionary accounts after all fixed salary and benefits, including step increases, has been calculated and input into PeopleSoft.

Bonnie reported that analysis of past year’s budget and actual expenditures by program provided a basis for determining possible areas that could be cut district-wide. Bonnie discussed the fixed costs that must be considered during budget development including, salaries, utilities, rental agreements, and insurance to name a few. She described those accounts that are considered discretionary and went over recommended cuts, along with other measures implemented (modified hiring freeze, critical expenditures only, and sweep of designated funds) to help balance the budget for FY2008-09. A balanced budget requires budgeted expenditures to equal budgeted revenue; therefore, once the fixed (non-discretionary) expenditures have been calculated all other budgeted expenditures would be reduced accordingly to arrive at a balanced budget for FY2008-09. Additionally, capital outlay (i.e., 6000 accounts) won't be funded in the proposed

FY2008-09 budget. Bonnie reported on all of the recommended cuts that have been made and then reviewed the budget development timeline, which has the FY2008-09 Tentative Budget going to the Governing Board for action on June 10th, and forwarded to the System Office by the June 15th legislatively required deadline. Lastly, the Governing Board must ratify its FY2008-09 Adopted Budget at its September 9th meeting in order to meet the legislatively required deadline of September 15th, unless an extension is granted as a result of a statewide budget impasse.

Bonnie also reported on the FY2007-08 (current) revenue shortfall as the result of a property tax shortfall experienced and reported system-wide. Property tax revenue was over-reported for two counties, resulting in a revised P-1 for all Districts thereby reducing anticipated apportionment (revenue) three months before the end of the fiscal year. Bonnie also reported on revenue projections for FY2008-09 based upon FTES reported for the college.

Finally, she reported that no COLA is anticipated for FY2008-09 and growth funding will be minimal (if at all) system-wide. Consequently, the need to reduce expenditures to maintain the Governing Board required minimum 5% reserve (approximately \$5 million) has required cost cutting measures previously discussed to arrive at a fiscally responsible Tentative Budget for FY2008-09. Concluding the budget update, Bonnie stated this the next fiscal year will be difficult and some belt-tightening will be required. Discussion followed including suggested ways in trimming expenses including being aware of electricity usage and purchasing of office supplies as that is an area of expense that can be reduced with conservation efforts by all.

2. Institutional/Program Review for 2008/09

Regarding the ongoing process of Institutional/Program Review, Bonnie stated that the goal is to have preliminary information from the Directors for the last F&ASPC meeting of the Spring Semester (May 15th); however, she has doubts as to whether it can be reasonably accomplished until the Fall semester for the Finance and Administrative Services Division.

3. Use of County Correctional Work Force on campus

This item was deferred to the next regularly scheduled Directors' meeting.

4. Planning for the "ideal" F&AS organization structure

Item was deferred to end of meeting if time permits.

III. 1st READING:

1. Approval of F&ASPC Governance Structure Group Request

The revised Governance Structure Group Request was reviewed and the entire Council agreed that the wording served as a representational model for operational planning and implementation. A unanimous motion was passed to move this item to second reading (MSC: Kovrig/Lyn). Another motion was (MSC: Kovrig/Simonds) to forward to the Strategic Planning Council as information on the new Governance Structure Group

Request form for F&ASPC to be placed on SPC's agenda for the May 6, 2008, meeting.

IV. 2nd READING: N/A

V. REPORTS

Bonnie reported that revised wording for the District's smoking policy was presented at the SPC meeting of April 15, 2008, for first reading and the item will return for second reading at the May 6, 2008, meeting.

Bonnie also reported on the power outage on April 14th, which was due to two blown fuses in the SDG&E transformer box that was quickly remedied. The transformer is operating at its maximum capacity and Facilities is working with SDG&E on an additional power source that supports campus growth.

In addition, Bonnie reported on the "e-mail problem" on April 15th, which happened because the server ran out of storage space allotted for e-mail. Don Sullins recommended that we begin formulating a policy on e-mail (such as length of time information is kept on the server, etc.) to avoid this problem in the future.

VI. OTHER

Due to time constraints, discussion on Item #4 was deferred to the next regular meeting.

Meeting adjourned at 3:40 p.m.

Next Meeting: May 1, 2008 at 2:00 p.m.
Conference Room: A4-C