



PLANNING AND BUDGETING COUNCIL (PBC) MEETING MINUTES

Present: Robert Cabral (*co-chair*), Sue Johnson (*co-chair*), Leo Orange, Jeff Hiben, Ralph Smith, Alex Lynch, Carolyn Inouye, Tom O'Neil, Ana Valle, Linda Robison, Erika Endrijonas (*ex-officio*), Lisa Hopper, Jeannette Redding, Elizabeth Rangel, Jim Merrill, Alan Hayashi

Absent: Karen Engelsen (proxy-Erika Endrijonas), Diane Eberhardy (proxy-Ana Valle)

Guests: Gail Warner, Richard Duran

Meeting Date: **03/21/12** Minutes Approved: **02/15/12** Recorded By: Darlene Inda

AN = Action Needed AT = Action Taken D = Discussion I = Information Only

DISCUSSION/DECISIONS

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| I. Called to Order | I | The meeting was called to order at 2:05 p.m. |
| II. Public Comment | I | R. Cabral said the Board meeting last night ended at 12:15a.m. and noted that S. Johnson asked for guidance from the Trustees for planning next year as we are looking at a \$1.6 million cut to OC. |
| III. Approval of Meeting Minutes | I | The council reviewed the meeting minutes of January 18, 2012. A. Valle moved to approve the minutes, J. Merrill seconded and <i>the motion carried with refinements.</i> |
| IV. Introduction of Sue Johnson and Budget Review | I | R. Cabral welcomed S. Johnson to the campus and PBC and introductions were made around the room. R. Cabral stated the best way to utilize her time here on campus would be to get into a dialogue on items that need a better understanding. |
| | I,D,AN | In creating a dialogue the following questions/concerns were asked of S. Johnson: <ul style="list-style-type: none">• A. Valle would like better communication in regards to rumor control and feels we need to be in sync in what we're doing and also what happens at the District and how it relates to us.• J. Merrill stated as a Dept. Chair there is a mystery as to where we get the funds for sabbaticals, load bank leave, and reassigned time. |

- T. O'Neil is curious where the funding for new faculty comes from and how it works.
- J. Redding would like to see what savings has been gained from the cuts so far.
- A. Lynch asked how much is actually saved when a program is discontinued due to teach outs, etc.
- R. Cabral asked about going from 2400 FTES to 1700. He would like help understanding when looking at unfunded FTES how it impacts our model.
- I. Edwards asked how budget cuts and faculty retirements will affect the FON.
- I. Edwards asked how the "funded" portion of the District and College budget was determined.
- C. Inouye would like help understanding the practical way the model is applied at the college level and how the funding is applied.
- A. Valle wants an application of how we use the funding once it gets here. Also, what the number of sections closing the bookstore equals to.
- R. Cabral asked how dollars allocated to independent colleges are being managed.

I S. Johnson said that all of questions asked are interconnected and encouraged everyone to go on the website review the budget documents as there is a full narrative of the model in the budget book which will help when going through the process. She also stated that any time she does a presentation such as a forum; it is posted on the web as well. She noted that she can show statistics related to revenue and loss of revenue but what it all amounts to is loss of services (i.e. instructional, classes, classified). We take FTES as a huge factor because that's how we are paid by the state.

I R. Cabral would like S. Johnson to work with the committee as somewhat of a consultant to help in understanding how to be more effective in influencing upwards to the President's office because we need to be able to speak the language he's looking to hear from us and will allow PBC to become a more effective unit. S. Johnson responded that regardless of the training, you want to maximize the best role you can play in achieving the best results and how to use your role to be effective. She added that part of the knowledge is how those pieces interrelate and if you understand the process you can use it to your advantage.

- I R. Cabral asked about the recommendation to close the two auxiliary services on campus and S. Johnson responded that auxiliary services (i.e. Cafeteria & Bookstore) are designed to breakeven or to be profitable and should not lose money, however, our food services cannot be competitive with fast food establishments because our district employees are benefited employees, which are all the things we stand for as a district. We are not competitive in a commercial world which leaves a couple choices; you can support food services through the general fund which for every \$5000 you take out of general fund, you cut a section. She stated that the recommendation is to close the cafeterias and provide food services in the form of hot and cold vending but still provide the area for students to use for more than just eating. She stated that on the Bookstore side, sales are going down because you can rent books from vendors and have them within 24 hours and you can buy books cheaper than we sell them. She added that we tried online sales of books but it is labor intensive and we do not specialize in this. She noted that as of right now we are watching the technology and the competition and may decide to have one bookstore staff that move to each college. She added that we need to stick to what we specialize in which is education and leave the specialties to others.
- I A. Lynch asked what types of savings we can expect to see from closing the cafeterias and bookstores. S. Johnson replied that we will stop incurring losses in these areas. She said that right now as a college we have used general fund to augment the losses. The reason the cafeteria's at the other colleges have survived is they were using bookstore proceeds to cover those losses, but OC was not able to do that. She talked about the losses in the cafeteria and the equivalent of those losses in sections.
- I S. Johnson talked about where money comes from to pay for sabbaticals, new faculty, etc. and stated that money doesn't come from anywhere; the state only funds the college based on FTES, we don't create money, we reallocate money and said that as a committee we need to keep an eye on funded FTES so we can look at where to spend the funds because nothing generates money in the model. R. Cabral added that we need to discuss what's important to us and how we can use the funds best and most effectively. A. Valle added that our charge is to look at what is CORE.

- I S. Johnson stated that we are not designed to cut which makes it difficult; we are designed to do better and to do more, which are the things that make academia what it is and we are doing the opposite. She added that if you don't cut class sections you have to cut classified as it's all a full picture (i.e. if you say all these programs are good then you have to take all the cuts out of classified or student services because you're not willing to take it out of instruction). She also stated that you could decide to cut class sections across the board rather than programs, but it's not up to her to say if that's the best solution or not as these are choices that as a group you have to decide. She added that FY14 is going to be worse so we as a college need to decide where we want to be at the end of FY14 when we're done.
- I I. Edwards asked what the target FTES for OC should be vs. the whole district. S. Johnson responded that she will talk about this when she goes into the cycle but said the state funds us as a district, not as individual colleges. She did say that this year we are projecting 1700 unfunded FTES by the end of the year FY11-12. In 2009, the funded cap was 26,847 as a district. In FY12 it's 24,477 so we are down 2400 FTES. She said that if the tax initiative fails and triggers are pulled in November, our funded FTES is 23,116. S. Johnson gave the following statistics for unfunded FTES: FY07 – Zero, FY08 – 300, FY09 – 2500, FY10 – 3300, and FY11 – 1170. These numbers mean that this many students were educated without state funding. S. Johnson said that in FY12 we had planned on taking off 500-600 of that but the state came in December and slashed us and although we were bringing our unfunded down, they brought it up when we they pulled the triggers in December, which is why we're projecting to be at 1733 at the end of the year. Ultimately, we want to eliminate 1200 unfunded FTES as we get approximately \$4700 per FTES and if the state reviewed this level of unfunded than the legislature is going to say that we can do it for a lower number per FTES because if you demonstrate that you can teach that many more students without funding, the state will make it the new target.
- I S. Johnson talked about small colleges vs. medium and large size colleges and the difference of funding between them of \$600K. She stated the college that's been growing over the past few years is Moorpark, so they were given the larger piece of 700 of the 1200 unfunded

FTES to drop. Ventura has to drop 400, and Oxnard will have to drop 100. She added that if you were to eliminate a program that had 300 FTES in it, it just means that you can add other courses that would bring it up to 200. We made OC's target 100 because we didn't think you could take more than 100 and we didn't want a spiraling affect to start (i.e. cut – get less money, etc.).

- I S. Johnson stated that Moorpark has to cut less classified staff because they are cutting more instruction whereas Oxnard is doing the opposite. She also gave a scenario for 2015 where we have a 3% growth and deciding where we want to spend the money. It's part of a suspension vs. discontinuation process.
- I,AT Regarding the allocation model, S. Johnson expressed that everyone needs to read the model in great detail and understand the components in it as well as the narrative and philosophical description. The council discussed having a special meeting to review and discuss the allocation model. It was decided to have a special meeting on February 29th.
- I R. Cabral asked about furloughs and salary reductions when looking at constraining budget. S. Johnson responded that the problem with furloughs is they tend to be temporary so she would rather recommend a salary rollback. She gave a scenario and said that furloughs don't solve the problem but it's something to be considered and for layoffs, the union comes to the table with a request to bargain the impact and talk about alternatives but they are triggered by an action.
- I A. Hayashi asked how long the base amount given to the college is fixed. S. Johnson replied that it's not an amount it's a percent which is 15% and has never been adjusted. She added that we must pattern our allocation somewhat after the state and right now that amount is significantly more than we are provided from the state. If we grew that much more, it would take that much more out of FTES. She stated that this is open for discussion every year when DCAS looks at the model.
- I,D C. Guerrero asked when we would know what our reduction is and S. Johnson responded that we have been directed towards \$8 million. A. Valle asked about Oxnard's portion and R. Duran said it is around \$2 million. S. Johnson stated that although it's going to be catastrophic you want it to be manageable and when talking about 2015, we are hoping it will stop sliding.

The decisions that are made need to be sustainable which means long term. She added that anything you do short term needs to be viewed in that perspective. She also asked for some partial one-time short fix money so we can do better planning over the long term but when you use one-time money it buys time, not a solution.

I T. O'Neil asked what the timeframe is for this committee to accomplish this and S. Johnson responded if you think about what you're doing in 2012 and 2013, you're not there, you need to consider the process through 2014 which is why you look at the CORE and see what you want to do, it has to be 2 years minimally.

I,D A. Hayashi asked when this group will know what decisions they will have an impact on what direction they are going and what things need to be considered so we can focus in on those particular items. R. Cabral responded that it's been discussed here and at Senate. He said that in the past we have had a pre-defined way of where to go, but we may have to redefine that as well as if it's the agreed mission and charge of this committee. S. Johnson responded that the decisions this committee will be making are not about good or bad programs, rather how are we going to best use our resources and reduce what we're doing whether it's in services or classes.

V. Discussion: Resource Ranking

I,AN R. Cabral stated that this group did not take action last month but received requests from the instructional side and Student Services and still needs Business Services

VI. Accreditation

I No Update

VII. Adjournment

I,AT The meeting adjourned at 3:50 p.m.

VIII. Future PBC Meetings

- I
 - February 29, 2012 (Special Budget Meeting)
 - March 21, 2012
 - April 18, 2012