

**COAST COMMUNITY COLLEGE DISTRICT**  
**District Budget Advisory Committee Meeting Summary**  
**District Board of Trustees' Room**

**October 14, 2010**

**CALL TO ORDER**

**Chancellor Ding-Jo Currie** called the meeting to order at 3:02 p.m. in the District Board Room.

Committee Members Present:

1. Minal Ajbani, Classified Representative, CCC
2. C.M. Brahmhatt, Vice Chancellor, Administrative Services, District
3. Wes Bryan, President, GWC
4. Susana Castellanos-Gaona, Classified Representative, GWC
5. Ding-Jo Currie, Chancellor, District
6. Raine Hambly, Classified Representative, District
7. Ann Holliday, Representing CCC Faculty
8. Janet Houlihan, Vice President, Administrative Services, GWC
9. Nancy Jones, Faculty Representative, CCC
10. Theresa Lavarini, Faculty Representative, GWC
11. Dean Mancina, CFE Representative
12. Michael Mandelkern, CDMA Representative
13. Vesna Marcina, Faculty Representative, OCC
14. Christine Nguyen, Representing Vice President, Administrative Services, CCC
15. Robyn O'Connor, Faculty Representative, OCC
16. Norma Pollaro, Confidential Representative
17. Jack Price, CCA Representative
18. David Salai, Representing GWC Student
19. Danny Wojciechowski, CFCE Representative
20. Linda York, Faculty Representative, GWC

Committee Members Absent:

1. Lee Fuller, Student Representative, CCC
2. Dennis Harkins, President, OCC
3. Helen Hawthorne, Student Representative, OCC
4. Michael Knotts, Student Representative, GWC (represented by David Salai)
5. Rich Pagel, Vice President, Administrative Services, OCC
6. Judi Lagerlof, Classified Representative, OCC
7. Cheryl Stewart, Faculty Representative, CCC (represented by Ann Holliday)

Also in Attendance:

1. Deb Hirsh, Vice Chancellor, Human Resources

**2010 -11 Budget**

**Discussion:**

- **C.M. Brahmhatt** reviewed the handout entitled, "Cash Flow Projection 2010-11," and noted that with approval of the state budget 100 days late, it has been difficult for public agencies to manage cash flow. The District borrowed \$5 million from the insurance fund during mid-October in order to cover payroll. Fortunately, although late, the state budget has now been approved. **C.M. Brahmhatt** thanked campus and district business office staff for managing cash flow in the best possible way.
- The League's line-item budget handout identifies:

- no negative COLA, which translates into \$648,000 that Coast will not have to give back to the state.
- The 2010-11 state budget provides \$126 million growth for apportionment, but it will not be paid until July 2011. Historically, Coast does not budget growth money in year one. Growth of 2.21% equates to 750-770 FTES.
- One-time money of \$35 million for categorical backfill, with the condition payment is made in July 2011. Coast's share is \$780,000.
- Funding deferrals have increased to more than \$900 million from \$200 million a couple of years ago. Deferral of money translates into significantly less revenue to Coast from earned interest.
- The Governor's 2010-11 state budget supports community colleges; it remains to be seen how the new Governor will support education in the 2011-12 budget. Traditionally, a new Governor does not impose mid-year budget cuts; however, in these unprecedented times, previous patterns may not hold true.
- **C.M. Brahmhatt** referred to System Office Vice Chancellor Erik Skinner's memo of October 6, and noted the 2010-11 state budget relies on unrealistic revenue assumptions, including \$5.3 billion from the federal government, which may not materialize.
- **C.M. Brahmhatt** expressed concern about the suspension of Proposition 98, as that is our only guarantee of continuous funding. Its suspension will be detrimental to K-14 in the future.
- **C.M. Brahmhatt** reassured the campuses that allocations in the District's 2010-11 adopted budget would be honored.
- The District has a 6.5 percent reserve for contingency.
- The District anticipates 600-700 unfunded FTES in 2010-11.

### **Budget Process/Calendar – Annual Budget Workshop**

#### **Discussion:**

- **Ding-Jo Currie** suggested a brief overview of the state budget process be provided for new DBAC members, and then implementation of an annual "Budget 101" workshop open to all District/College staff.
- **C.M. Brahmhatt** reviewed the "Annual Budget Process" handout, explaining the various levels the state budget process undergoes from inception to finalization. **Ding-Jo Currie** noted that legislators in Sacramento have complained that community college advocates do not have a single voice, making it difficult to respond to our needs. Coast staff members currently serve at the state level on the System Office Consultation Council, and it was suggested that they advocate on behalf of community colleges, particularly at the Budget Change Proposal (BCP) level.
- As a new DBAC member, **Vesna Marcina** asked for clarity on the purpose of this committee. **Ding-Jo Currie** responded that DBAC members serve in an advisory role related to the District budget (not the college budget), serving as liaison to provide timely and complete budget information to constituents and returning feedback, as appropriate. **Dr. Currie** emphasized her hope that members are active, informed and engaged, contributing to help in the planning of District budget.

### **Budget Deficit for Future Years: 2011-12 and 2012-13**

#### **Discussion:**

- The handout entitled, "Budget Shortfall Forecast for Future Years as of 9/15/10" was reviewed and discussed. The 2011-12 deficit is expected to be \$3 million on an ongoing basis and \$7 million for 2012-13. They include increases for internal items such as health benefits and step and column increases, as well as external increases for STRS and PERS estimates.
- For the benefit of new DBAC members, **Dean Mancina** noted that negotiation is to take place between the exclusive bargaining agent and management at a structured negotiation session. Management has agreed that DBAC discussions must avoid citing specifics of negotiable items (salary, health benefits, and step and column increases).

- **C.M. Brahmhatt** referred to the handout entitled, “2010-11 SSC Community College Financial Projection Dartboard, 2010-11 Adopted State Budget Version,” noting that it is considered when developing the District budget but not necessarily relied upon. **Andy Dunn**, who will begin as the District’s new Vice Chancellor of Finance and Administrative Services on October 18, noted that growth funding is expected to exceed COLA over the next several years, which will put tension between growth funding and the desire to extend services, absent meaningful COLA. It will be difficult to keep up with the cost of living.

**What information do you need for CCCD’s long-term/short-term financial solution planning/discussion? What kind of fiscal health do you want CCCD to have?**

**Discussion:**

- **Ding-Jo Currie** posed the above questions to Committee members. Discussion ensued on several related financial considerations, including financial stability, long-term financial independence, determining unfunded FTES for the next few years, entrepreneurial investment, desired amount of reserve for contingency, incorporation of auxiliaries’ income and expense, staffing plans, and greater focus on student services.
- In response to a question seeking clarity on the purpose of the District’s reserve funds, **C.M. Brahmhatt** replied that the reserves have been used during the Orange County bankruptcy in 1994 and to balance the District’s budget last year (2009-10), thereby avoiding layoffs. They also serve as protection against unexpected crises or events, such as a potential major lawsuit or catastrophic natural event or an earthquake. Although the reserves are not directly spent on students’ classroom needs, the District would be on shaky ground and unable to offer consistent education from year to year without an adequate and consistent reserve. **Ding-Jo Currie** suggested we find ways to generate alternative and additional funds in order to enlarge the District’s reserve, and involve everyone in the planning process.
- **Ding-Jo Currie** expressed her goal to invest the \$648,000 resulting from lifting of negative COLA into the classroom by offering additional sections and full-time faculty. The \$648,000 would fund six new faculty and preserve part-time class sections. A determination has not been made on this yet and **Dr. Currie** asked Committee members to think about making a recommendation at the next DBAC meeting, for presentation to the Board in January 2011.
- **Dr. Currie** suggested continuing the financial planning discussion at the next DBAC meeting.
- As this was **C.M. Brahmhatt’s** final DBAC meeting before retirement, he expressed appreciation to the DBAC members for their service in providing fiscal guidance to the District. **Ding-Jo Currie** thanked **Mr. Brahmhatt** for his 24 years of service to Coast, noting that the Board of Trustees granted the first Vice Chancellor Emeritus status to **Mr. Brahmhatt** at the October 13 Board meeting.

**NEXT MEETING DATE:**

It was agreed that the next meeting would be held on November 18, 2010, 3:00 – 5:00 p.m. in the District Board Room.

The meeting adjourned at 5:00 p.m.

Recorded by Nancy Sprague