PRESENT: Mikki Adams, Dennis Bailey-Fougnier, Diane Goody, Paul Harvell, Steve Hodges, Renée Kilmer, Brian King, Victoria Lewis, Dan Rothwell, Barbara Schultz Perez, Chris Peeden, Letitia Scott-Curtis, and Kathie Welch

ABSENT: Diane Goody, Roy Pirchio and Stephanie Stainback

VISITORS: Lori Amato, Tatiana Bachuretz, Nancy Brown, Sesario Escoto, Kristin Fabos, Wanda Garner, Lena Mason, Graciano Mendoza, Loree McCawley, Patty Nelson, Joel Rogers, Georg Romero, Deborah Soria

1.0 Call to Order and Introduction of Substitutes
Brian called the meeting to order at 2:04 pm.
Substitutes: Alta Northcutt for Stephanie Stainback and Tatiana Bachuretz for Diane Goody

2.0 Review of Agenda
Brian reviewed the agenda. There were no changes or additions.

3.0 Oral Communications
None.

4.0 Management Dialog
Barbara asked about the October 5 Cabinet meeting and the Satellite Facility Locations agenda item. Brian responded that the district is pursuing ways to keep and enhance its presence in Scotts Valley with perhaps a lower cost.

5.0 Budget Update and Overview of $2.4 M Budget Reduction October Timeline and Overview
Victoria provided an update on the state budget which is expected to pass on Thursday, Oct. 7. The budget includes pension reform, community college deferrals, state employee compensation cuts, and increased funding to CSU and UC. The Cabrillo Governing Board approved the district’s budget in September. Graciano gave an update on cash flow. The current cash balance is $2.2 million which is an all-time low. The district was considering borrowing from the county but Victoria is hopeful the district won’t have to do that. Average monthly payroll is about $5 million. The administration is trying to raise awareness within the campus community that while the end of year balance shows a surplus there is actually considerably less cash in the bank.

Barbara asked Victoria to explain the deferred payments and if the district should consider deferred payments a budget cut. Victoria responded that the state continues to push districts with the borrowing time. There are a number of
smaller districts who won’t make payroll at the end of October. The state does not reimburse the district for the interest when the state has to borrow.

Next Victoria discussed the 2011-12 budget and the deficit. The deficit is estimated at $3.6 million and the district is planning to use $1.2 million in reserves to bridge part of the deficit, which leaves a cut of $2.4 million for 2011-12. The strategy is to allocate the estimated cuts based on a component’s share of the personnel budget. Student hourly budgets are not included. Victoria provided the component targets.

The next step is for components to come up with reduction plans. Components can include operating costs, but there does not seem to be a lot left to reduce. Victoria said the administration will continue to look at college wide accounts to see if baseline costs can be reduced.

In addition to looking at the base budget the district is also reviewing categorical programs. The administration plans to look at the bookstore fund and transportation costs. Victoria noted the cap on parking fees remains the same, but the district is considering charging for parking at special events.

In early November the district we will begin to roll out budget reduction plans to the college. A Budget Town Hall is scheduled for November 17. In December the reductions will go to the board. In January the districts hopes to see a real budget for 2010-11 and a preliminary budget for 2011-12. The district plans to take proposed personnel reductions to the board in March. In June the district will adopt the preliminary budget.

Questions from CPC members and guests included:

- Where are we with regards to the 50 percent law?
  - Victoria said the district is usually somewhere between 50.3 – 51.3 percent. The state does enforce the law and the district can ask for a waiver, but that is not a long term solution.
- Do the budget reduction criteria include plans for workload reduction?
  - Victoria responded the components will be evaluating the all the impacts of reductions, including workload.
- We really need to flush out how this deferral business works and how to determine when it becomes a cut. Take it out if it is really gone. We need a clear visual of how it works and what it is and isn’t.
- We need to address deferred maintenance. We can no longer afford to hold off on some issues.

Senate President Steve Hodges passed out a financial handout with his interpretation of the colleges ending balance. Senate President Hodges asked why the ending budget balance isn’t more transparent. He asked why it appears that, on average, our proposed expenditures are $2.7 million higher than the actual expenditures. Where can we find numbers we trust?
Brian said one of the reasons the campuses unspent fund balance is growing is because of the spending freeze and Victoria added that you also have to take into account net transfers. The $2.7 million is lowered significantly when net transfers are considered.

Senate President Hodges also asked why do the campus consistently authorize expenditures that it is not going to spend? Can’t we be more realistic when we budget?

Victoria responded that the budget could be tighter but then the district could be faced with layoffs every year. The board mandated five percent reserve as part of the ending balance.

Senate President Hodges stated shouldn’t we spend the dollars we have now to teach students we have now, versus saving money for the future? Too big of a reserve feels like a profit and loss column.

Brian agreed that projections should be as close as possible. The administration wants to present the numbers in a way that CPC is comfortable with. Brian added the district will learn more about the budget by March but somewhere between now and then we have to start to make some decisions.

7.0 Review of Decision Making Flow Chart
Brian explained to CPC this is an effort to show the collaborative process.

Suggested edits to the flow chart included:

- There needs to be a line at the bottom showing this demonstrates the typical process. Need to note that this is not supposed to be for every decision.
- Acronyms should be spelled out.
- Make the CPC trapezoid larger and include the groups CPC represents.
- List who is included in Cabinet.

8.0 Student Success and Professional Development
Renee will provide an update at the next CPC meeting

9.0 Other/Agenda Building
The next CPC meeting is scheduled for:
- Wednesday, October 20, 2 – 4 p.m. in Sac 225.

10.0 Adjournment
The meeting was adjourned at 4 pm.