

**IMPERIAL VALLEY COLLEGE**  
**Budget and Fiscal Planning Committee**  
**Tuesday, June 24, 2014, 1:00 p.m.**

Accreditation Standard III: Financial Resources -- Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning is integrated with institutional planning.

**Mission:** Coordinate and integrate college plans and establish budget priorities consistent with the college's vision and mission statements, with recommendations, expressed in dollars, made to the Superintendent/President. Review the Tentative and Adopted budgets for consistency with annual institutional goals and objectives, college plans, and the planning and budget philosophy.

**Minutes**

√ Members present:

√ **John Lau, VP for Business Services, Co-Chair**

\_ Administrative Rep. (vacant)

\_ Dr. Martha Garcia, College Council Rep.

√ Michael Heumann, Faculty Representative

√ Dave Drury, Faculty Representative

\_ ASG Representative

√ **Kevin White, Academic Senate Rep., Co-Chair**

√ Carlos Fletes, Director of Fiscal Services

√ Jeff Cantwell, Classified Manager/Confidential Rep.

√ Mike Nicholas, Classified Representative

√ Matthew Thale, Classified Representative

Recorder: Mary Carter

Visitors: Tina Aguirre, Trinidad Arguelles, Ted Ceasar, Melody Chronister, Gaylla Finnell and Mary Jo Wainwright

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- A. Call to Order: The special meeting of the Budget and Fiscal Planning Committee was called to order by co-chair Kevin White at 1:10 p.m. on Tuesday, June 24, 2014. The meeting was held in the board room.
- B. Review and Approval of Minutes:
  - a. ***M/S/C Cantwell/Fletes to approve the minutes of the June 16, 2014 meeting as presented.*** Comments: Director Fletes stated that the budget increases mentioned in the minutes are a result of the budget guidelines not being followed. Items such as adjunct salaries must be entered accurately by departments, for example, there is another \$45,000 - \$50,000 that needs to be added to adjunct costs.
- C. Reports: none
- D. Update on Previous Discussion Items
  - a. 2014-15 Budget update/Planning for financial stability:

Co-chair White noted the concerns expressed by some committee members: the committee seems to be having special meetings for routine work; there is a lack of urgency; the committee doesn't seem to be working on critical issues; timelines

need to be adhered to. It was also suggested that there should perhaps be more emphasis on the President, Executive Council and the Board.

VP Lau proposed that the Business Office continue with the budget analysis. The amounts of savings may not be large, but it's worth a second look in order to try to reduce the deficit.

- The Business Office will e-mail the committee with the result of the budget analysis and its proposed recommendations within two weeks.
- VP Lau stated that he didn't want to operate outside the committee; the committee would be kept informed and would be asked for a recommendation either at a meeting or via e-mail.
- The final default action may be across-the-board cuts. Reductions could be done within each vice president's area by the needed percentage.
- The outcome of fact finding with CSEA will affect the budget; when the impact is known the Business Office will notify the committee.
- In order to protect operations, it may be necessary to use a percentage of the ending balance to reduce the deficit.
- A series of three or four budget workshops will be held for the Board at the end of July and beginning of August. The topics will include: budget assumptions; revenue; use of General Fund for restricted programs; health insurance and pension increases; pending legislation that might change ESL classes to non-credit; the FON (what goes into the calculation and why IVC's is higher than the state average).
- Member Drury asked for a meeting to discuss the budget findings and recommendations.

#### 2014-15 Budget Update:

Director Fletes reported that the 2014-15 budget is now available in Banner. He asked that departments check their budgets and give feedback to the Business Office if any changes are needed. The deficit is now \$700,000 due to some corrections (-\$150,000 in salaries, +\$50,000 in adjunct costs). The summer schedule is now fully staffed, so salary projections can be verified. Also, winter intersession will be checked for accuracy.

VP Lau reported that the purchase order cut-off has not worked. Next year the Business Office proposes that the threshold for VP approval be set at \$1,000 in order to tighten up on last minute spending.

#### Variance Analysis:

Mike Nicholas asked if the \$634,000 increase in the variance analysis was due to salary increases or were some enhancements included. Director Fletes stated that legally required items were added. VP Lau stated that it will be a real challenge to balance the budget. The Business Office will e-mail the committee information on the results of its review of variances. The review will also look at actual expenditures vs. budget requests to see if there are areas that can cut back.

Review of FCMAT recommendations:

At the request of Member Nicholas, the committee reviewed START action plan 27 (FCMAT recommendation 22: Clarify the roles, responsibilities and expectations for budget development and monitoring).

Comments:

- Training on budget monitoring is needed
- Information is available, but there is a disconnect; accountability is needed
- Rationale for budget enhancements should be in Program Review
- VP Lau – the three column budget development model aids in decision making
- VP Lau – what do departments need in order to monitor their budgets?
- Departments own their budgets--they work with budgets all year
- There needs to be awareness of the budget-to-actual amounts
- Monthly or quarterly budget reports would be helpful in budget monitoring and encouraging follow-through
- Banner reports are available and not that hard to use
- Carlos Fletes – Banner is a tool that allows departments access to their budget data in real time; department heads are expected to be looking at budget activity
- There is a lack of accountability regarding budgets
- Is it ignorance or apathy?
- Can we be more frugal? Are on-going expenses re-evaluated?

Funding of Restricted Programs from General Fund: VP Lau distributed results of the survey completed by restricted programs. VP Lau reported that on one grant, the salary split will be changed from 55% District/45% grant to 45% District/55% grant. He is recommending that Dean Ceasar provide information to the board on restricted programs, especially DSP&S which is the most complex, at an upcoming workshop. VP Lau stated that when existing operations (such as Admissions and Records salaries) are used for in-kind match, these are expenses that do not go away with the grant or program. When salaries are used for in-kind match, they increase over time if the coding is not adjusted. Director Fletes reported that the state funding for Student Success will increase from \$300,000 to \$800,000 with a 3:1 match. Currently the program is reporting matching (in-kind) funds of \$2.3 million. The new match will be \$2.4 million.

Comments:

- A policy is needed that states that programs cannot exceed their match without discussion and review of current operations
- The policy/guide on matching funds needs to be written and clear to everyone

- District match for restricted programs is a hot issue; the \$1.2 million noted in the FCMAT report needs to be clarified
- There needs to be an open discussion of the use of General Fund money
- Every grant should be included in the planning process – can we afford it? Grants have costs going forward
- VP Lau – there are also unique discussions needed on categoricals, grants, contracts, Preschool and Foundation
- Information is needed on how much is the District is paying in matching funds versus what is required before instituting across-the-board budget cuts; a full picture is needed

E. New Discussion: none

F. Action Items: none

G. Other:

Comments and questions from committee members and visitors included:

- Why is Winter Intersession being held? VP Lau responded that it is needed for FTE generation in order to hit FTE target of 6600; without winter we are 300 FTE short. It is cost effective and will have a positive impact on the bottom line.
- It was noted that the newspaper reported that the budget (with a projected \$800,000 deficit) was approved by the board with “little or no discussion”. VP Lau stated that the board will be having a series of workshops on the budget with many areas of discussion prior to adoption of the final budget in September.
- Transparency is needed on funding of categorical program in order for there to be buy-in from the campus on budget cuts. A comparison with similar districts is needed.

H. Next Meeting: TBA

I. Adjournment: Meeting adjourned at 2:30 p.m.