Budget Committee Meeting Agenda
February 13, 2014
3:00-5:00
PCR

Members

Administration: Christine Statton, Co-Chair, Dianna Fauvor, Kristin Hollabaugh, Tim Hollabaugh
Faculty: Matt Bourez, Marla Prochnow, Mike Skaff, Linda Yamakawa
Adjunct Faculty: Anne Leonard
Classified: Stephen Meier, Amelia Sweeney
Confidential: Omar Gutierrez, Co-Chair
Students: Alex Bony, Michelle Rivera
Non-Voting Member: Leangela Miller-Hernandez or Designee

1. Call to Order

2. Approval of the January 23, 2014 Budget Committee Minutes

3. Report to Committee
   a) District Governance Senate Actions
   b) Board of Trustees Actions and Items

4. Bookstore Agreement Presentation

5. Above-Base Requests - Rankings

6. Budget and Fiscal Items on Board Agenda

7. Budget Assumptions

8. Information Only - Budget Forum Dates
   Hanford – March 20th 3:00-4:00 in E63
   Tulare – March 24th 3:00-4:30 in B223
   Visalia – March 26th 3:00-4:00 in Ponderosa

9. Date of Next Meeting – February 27, 2014

10. Items for the Next Agenda

11. Adjourn

District Objective #7 for 2013-14: Allocate resources based on an accountable and systematic District-wide planning and budget development process that links this allocation to Institutional Program Review and the Strategic Plan
Budget Committee Meeting Minutes
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Members Present

Administration: Christine Statton, Co-Chair, Dianna Fauvor, Kristin Hollabaugh, Tim Hollabaugh,
Faculty: Matt Bourez, Marla Prochnow, Mike Skaff, Linda Yamakawa
Adjunct Faculty: Anne Leonard
Classified: Stephen Meier, Amelia Sweeney
Confidential: Omar Gutierrez, Co-Chair
Students: Alex Bony, Michelle Rivera
Non-Voting Member: Leangela Miller-Hernandez, Designee

Members Absent

Administration:
Faculty:
Adjunct Faculty:
Classified:
Student:

Guests

1. Call to Order
Christine Statton called the meeting to order at 3:06

2. Approval of the December 5, 2013 Budget Committee Minutes
Marla Prochnow moved to approve the minutes of 1/23/14 and Dianna Fauvor seconded the motion. Motion passed unanimously.

3. Report to Committee

District Governance Senate Actions – Christine Statton reported that she submitted the mid-year report to DGS and it was accepted.

Board of Trustees Actions and Items - Christine Statton reported the annual audit report was presented to the Board on February 10th and she also pointed out that it was a clean audit report as there were no Federal, State or financial findings. Copies of the annual audit were available for committee members to take.

4. Bookstore Agreement Presentation
Denise Nakakihara from Barnes & Noble gave a brief presentation about the bookstore. She pointed out that their number one commitment to COS is providing the lowest cost options for our students. She talked about our textbook rental program. The average rental price is 50% off new textbook price and 60% of titles are available for rent. Student can rent in-store or on line and all forms of payment are accepted. Christine Statton discussed the agreement with Barnes & Noble. It is up for renewal on April 1, 2014 and the District is going to continue with Barnes & Noble. Follett, which does a complete takeover of the store and Sequoia Textbooks were the only other options. Barnes & Noble is doing a hybrid with COS, which allows CSEA employees to remain and continue as our employees (they cover $300,000 of employee salaries & benefits). With the new Barnes & Noble proposal either party can get out of the agreement with 120 day notice. Barnes & Noble is increasing the percentage of gross sales commission to 1.5% up to one million dollars and 2% above one million dollars. They are also giving the District a one-time $10,000 signing bonus. The bookstore still has a debt to the District of approximately $69k and the signing bonus or a portion of it may be used towards paying down that debt. The proposal also includes Barnes & Noble putting Point of Sale (POS) in Hanford. The Hanford bookstore is staffed in January and August and for summer school. After that, books are delivered to the HUB and are normally delivered a day after an order has been placed. There was discussion about the margin of mark-up and the cost of books. Barnes & Noble has a 25% margin, which is industry standard and bundles (packaged books) have a 30% margin. Denise Nakakihara pointed out that pricing is set by publishers. Dorianna Mendietta, Bookstore Manager, pointed out that Barnes & Nobles has honored our textbook payment plan and COS continues to be only college in California that offers a textbook payment plan.

5. Above-Base Requests
Christine Statton reviewed the summary sheet handout to go over the scoring and ranking of the above-base request. Omar Gutierrez also reviewed a handout that broke out scoring averages by the total rubric, faculty, managers, and
by classified staff. He explained that there were a few items that were pulled but some members scored them anyway. He told the committee to ignore those as their rubric average is an unreliable number.

There was discussion about a breakdown in the use of the rubric as there were a several inconsistencies (4 requests where individuals gave it the highest possible score & lowest possible score). We need to norm the rubric so the committee is fairly consistent in how all view it. There should be subtle variances, but not extreme. Matt Bourez told the committee that the rubric has to be rewritten because the forms coming out of Program Review won’t feed the current rubric. Mike Skaff said he would like to see a 0 in the ranking because there are some things that just don’t qualify with the rubric.

Christine asked for volunteers to attend a meeting with her and Omar to discuss Program Review and TracDat with Cindy Delain and Thea Trimble. No committee members responded with interest at this time.

There was discussion about a few ranking that tied (3’s, 7’s & 9’s). A high and a low score was dropped from each tied ranking (trend mean) to determine how they would be listed. The 9’s were still tied so the request ranked higher by the department will go first. Christine Statton will summarize the results into four final lists and forward on to DGS for their next meeting.

6. **Budget and Fiscal Items on Board Agenda**

Linda McCauley reviewed several fiscal reports that were presented to the Board of Trustees on February 10, 2014 and discussed the contents in detail.

7. **Budget Assumptions**

Christine Statton talked to the committee about working together to make sure everyone is comfortable with the budget assumptions being used to build next years’ budget. There are several things to consider when putting together the assumptions. What is our budget going to be next year? What is the state saying we are going to get in new revenue? Are there other assumptions besides the state revenue? What are the increased expenditures? Christine Statton will give a PowerPoint presentation at the next meeting showing what those assumptions are starting to look like for next year.

Christine Statton talked about the PERS & STRS employer contribution increases that are on the horizon. She pointed out that a speaker at an ACBO meeting is telling Districts to budget for 1.2% PERS increase for 14-15. The CalPERS Board is proposing to hold off until 16-17, but the Governor is saying we have to deal with it now. PERS wants to start in 16-17 and do a five year phase in, however the Governor wants to start in 14-15 and do a three year phase in. As a committee we can decide if we want to build that into the 14-15 budget assumptions. She talked about the built-in escalators in the technology contracts (4% of $450,000) and proposed that those be built into the assumptions. She also talked about the savings from eliminating a TRAN or line of credit being used in our assumptions. Budget assumptions should be as realistic as possibly.

This will be an ongoing agenda item for the next few meetings.

8. **Information Only – Budget Forum Dates**

Christine Statton reviewed the dates, times and locations of the March budget forums. Christine Statton will be leading the forums with Leangela Miller-Hernandez or Linda McCauley there as back-up. She invited committee members to attend the forums.

9. **Date of Next Meeting**

February 27, 2014 is the next scheduled meeting.

10. **Items for the Next Agenda**


11. **Adjourn**

The meeting was adjourned at 4:40 p.m.