

**Official Minutes of the Planning and Budgeting Council**  
**Ocean Avenue Campus, Room E200**  
**2005 May 26**  
**10:30–11:30 a.m.**

**Present** John Bilmont, Ron Bixler, Denton Crews, Carlota del Portillo, Robert Gabriner, Peter Goldstein, Don Q. Griffin, Stephen J. Herman, James Kendrix, Marc Kitchel, Donald Lind, Susan Lopez, Joanne Low, Keith McAllister, Fred Teti (humble scribe), Rose Vela, David Yee

**I. Budget Report 2005–2006**

Vice Chancellor Peter Goldstein distributed an Update on Closing the Budget Shortfall for 2005–2006. The new shortfall had two additions since last time:

- \$400K additional expense according to a more precise calculation of the full impact of not qualifying for Basic Skills funding.
- \$700K additional expense according to a more precise calculation of the amount needed for instructional salaries.

The new projected shortfall is \$7,060,000.

The other items on the list were Goldstein’s budgeting suggestions to eliminate the projected shortfall. The PBC discussed these items.

- Vice Chancellor Don Griffin explained that there were 52 faculty searches for positions originally intended to start in Fall 2005. He plans to let 18 of these proceed. The job offers for the other 34, a mix of 27 tenure-tracks and 7 LTSSs, will be deferred until Fall 2006, pending on-going discussions with department chairs.
- We still await the Second Principal Apportionment (“P2”), to be announced in June, which will include the true deficit factor. (Mathematically, the “deficit factor” is actually a coefficient.)
- Some items, notably tenure-review compensation, sabbatical deferrals, and all-electronic direct deposit notices are subject to union negotiations. Peter agreed to add the “negotiations” footnote to the direct-deposit item.

2005-05-26-01 (Herman/del Portillo) (AFT rep abstaining)

Resolved, that the PBC approve the recommendations in the official Update for Closing the Budget Shortfall for 2005–2006 with the understanding that

- (1) tenure-review compensation, sabbatical deferrals, and all-electronic direct deposit notices are subject to union negotiations, and
- (2) if these negotiations do not result in the savings projected by administration, the administration will propose other cost-saving measures.

**II. Budget Forecast 2006–2007**

Vice Chancellor Goldstein is already working on the 2006–2007 budget. His working assumptions include:

- 2.5% COLA from the State, to be passed along entirely to employees
- 4% increase in sales tax revenues
- \$500K from other revenues

- same growth cap, same closeout as last year, and no transfer from the reserve
- 10% increase in health care costs
- refunding equipment budget without block grants
- funding deferred faculty and classified positions

These lead to a ~\$5M projected shortfall for 2006–2007. Goldstein encouraged the District to embrace all possible cost-savings through technology and other means.