

HARTNELL COMMUNITY COLLEGE DISTRICT

SPECIAL MEETING OF THE BOARD OF TRUSTEES

AGENDA October 20, 2009

TIME/PLACE:

411 Central Avenue
Salinas, California

Board Room, CAB 112

5:00 p.m. – Open Session

5:15 p.m. – Closed Session

6:15 p.m. – Reconvene Open Session

Board of Trustees

Patricia Donohue, President

Kevin Healy, Vice President

Bill Freeman, Elia Gonzalez-Castro

John Martinez, Ray Montemayor, Brad Rice

Armando Cortes, Student Trustee

Dr. Phoebe Helm, Superintendent/President, Secretary to the Board

MISSION STATEMENT

Hartnell College provides the leadership and resources to ensure that all students shall have equal access to a quality education and the opportunity to pursue and achieve their goals. We are responsive to the learning needs of our community and dedicated to a diverse educational and cultural campus environment that prepares our students for productive participation in a changing world.

I. OPEN SESSION, CALL TO ORDER

A. ROLL CALL

Action

B. ADOPT AGENDA

C. DISCLOSURE OF ITEMS DISCUSSED IN CLOSED SESSION, AS FOLLOWS:

Items discussed in Closed Session will include, legal, personnel, labor, and/or contract matters authorized for Closed Session per Government Code Sections, 3549.1, 54956.9, 54957, and/or 54957.6.

1. Concessions from bargaining groups
2. Notice of Intent to Layoff:
 - (1) Two full-time faculty whose programs were discontinued effective Summer 2010
– Animal Health Technology and Electronics
 - (2) One L-39 classified employee

D. PUBLIC COMMENT ON CLOSED SESSION ITEMS

Fifteen minutes set aside for public comment regarding closed session items.
Maximum three minutes each presentation.

II. MOVE TO CLOSED SESSION

The Board of Trustees of Hartnell Community College District will meet in Closed Session to consider legal, personnel, labor, and/or contract matters authorized for Closed Session per Government Code Sections, 3549.1, 54956.9, 54957 and/or 54957.6.

III. RECONVENE TO OPEN SESSION

Pledge of Allegiance

A. REPORT OUT FROM CLOSED SESSION

IV. CONDUCT PUBLIC HEARING ON 2009-2010 BUDGET

Conduct public hearing on the 2009-2010 Budget per California Education Code 58306

A. PUBLIC COMMENTS REGARDING THE 2009-2010 BUDGET

B. PRESENTATION ON THE 2009-2010 BUDGET

V. ACTION ITEMS

Action **A. PERSONNEL ACTION**
 Approve and/or ratify personnel actions.

Action **B. CAMPUS CLOSURE**
 Approve Campus Closure from December 20, 2009 until January 4, 2010 as recommended.

Action
Roll-call **C. ADOPT RESOLUTION 09:22**
 Adopt Resolution 09:22, To Decrease the Number of Academic Employees Due to a Reduction in Particular Kinds of Services.

Action
Roll-call **D. 2009-2010 BUDGET**
 Adopt the 2009-2010 Budget

VI. INFORMATION ITEM

A. NOTICE OF INTENT TO REDIRECT CATEGORICAL FUNDS

Receive Notice of Intent to redirect categorical funds from Matriculation to the categorically funded Disabled Students Programs and Services. The resolution to do so will be on the November 10, 2009 board agenda.

VII. ADJOURNMENT

Adjourn the October 20, 2009, Board of Trustees Special Meeting.

AGENDA ITEM FOR BOARD MEETING OF: October 20, 2009

Title: Approve and/or Ratify Personnel Actions	Number: V. A.
Area: Human Resources & Equal Employment Opportunity	Status: Consent Action

Recommendation:

Approve and/or ratify personnel actions as listed below.

Summary:

Approval of:

Release of one regular classified (L-39) employee due to layoff
Decrease of academic employees by 2 FTE in discontinued programs (see resolution 09:22)

Ratification of:

1 appointment to interim management position

Detail:

I. Retirements, resignations, releases, and leave requests

A. Approve release of regular personnel:

1. Concepcion Margarito, Laundry Operator (#CL-31), Physical Education, effective December 4, 2009, due to layoff, and placement on 39-month re-employment list in accordance with Education Code §88117.

II. Appointments

A. Ratify interim assignment to management position:

1. Neil Ledford, interim Dean of Advanced Technology, effective October 9, 2009, management range III, step D. There is no impact to the general fund.

AGENDA ITEM FOR BOARD MEETING OF: October 20, 2009

<u>Title:</u> Approve Campus Closure	<u>Number:</u> V. B.
<u>Area:</u> Superintendent/President Prepared by: Phoebe Helm	<u>Status:</u> Action

Recommendation:

The administration recommends that the Board of Trustees approves to close the college from Sunday, December 20, 2009 until Monday, January 4, 2010.

Summary:

The period of time of being closed is similar to last year and has been discussed with all employee groups.

Budget Implications:

The impact to the budget is not yet known, but it is anticipated that closing the college for two weeks will result in some utility and salary savings.

AGENDA ITEM FOR BOARD MEETING OF: October 20, 2009

<u>Title:</u> Adopt Resolution 09:22, To Decrease the Number of Academic Employees Due to a Reduction in Particular Kinds of Services	<u>Number:</u> V. C.
<u>Area:</u> Superintendent/President	<u>Status:</u> Action

Recommendation:

The Superintendent/President recommends that the Board of Trustees adopts Resolution 09:22, To Decrease the Number of Academic Employees Due to a Reduction in Particular Kinds of Services

Summary:

The Board previously approved the discontinuance of two academic programs--the Electronics Program and the Animal Health Technology Program--pursuant to its Discontinuance Process, effective for the 2010-11 academic year. There was one academic employee in each of those programs, and there will be no assignments for them as a result of the discontinuances. Adopting this resolution to decrease the number of academic employees in those areas is necessary to carry out the discontinuance of these two programs.

Budget Implications:

There will be a positive impact on the general budget as a result of this action.

HARTNELL COLLEGE

RESOLUTION 09:22

TO DECREASE THE NUMBER OF ACADEMIC EMPLOYEES DUE TO A REDUCTION IN PARTICULAR KINDS OF SERVICES

WHEREAS, Education Code section 87743 permits the Governing Board to reduce or discontinue particular kinds of services not later than the beginning of the following academic year; and

WHEREAS, the Governing Board of the Hartnell Community College District has determined that it is necessary to reduce or discontinue the following particular kinds of service of the District no later than the beginning of the 2010-2011 academic year; and

WHEREAS, the Governing Board has already determined to discontinue these services by discontinuing the programs in Electronics and Animal Health Technology; and

WHEREAS, it shall be necessary to terminate at the end of the 2009-2010 academic year the employment of certain academic employees of the District as a result of the elimination of the particular kinds of service;

THEREFORE, BE IT RESOLVED by the Governing Board of the Hartnell Community College District that the following services shall be reduced or eliminated no later than the beginning of the 2010-2011 academic year:

1 FULL TIME EQUIVALENT ELECTRONICS FACULTY

1 FULL TIME EQUIVALENT ANIMAL HEALTH TECHNOLOGY FACULTY

The Superintendent is directed to give Notice of Recommendation Not to Re-employ in accordance with the provision of Education Code sections 87740 and 87743 to the number of academic employees allowable pursuant to Education Code section 87743.

PASSED AND ADOPTED at a meeting of the Board of Trustees of the Hartnell Community College District held on October 20, 2009.

YES:

NOES:

ABSENT:

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

NOTICE TO THE BOARD OF TRUSTEES OF RECOMMENDATION NOT TO RE-EMPLOY ACADEMIC EMPLOYEES

To: The Governing Board
Hartnell Community College District

The undersigned hereby recommends to this Board that certain academic employees of the District receive Notice of Non-Re-employment for the ensuing school year (2010-2011) and that this Board give notice as required by Education Code sections 87740 and 87743 to those academic employees that their services will not be required for the ensuing school year.

The reason for this recommendation is as follows:

The following particular kinds of services will be reduced or discontinued for the 2010-2011 academic year:

1. Electronics (1 FTE)
2. Animal Health Technology (1 FTE)

Because of the foregoing reasons, it is necessary to decrease the number of academic employees of the District. You are further notified that no probationary or tenured employee with less seniority is retained who is rendering a service in a faculty service area which the employee(s) who will receive Notices of Non-Re-employment are minimally qualified to render.

Respectfully submitted,

Phoebe K. Helm
Superintendent/President

AGENDA ITEM FOR BOARD MEETING OF: October 20, 2009

<u>Title:</u> Adopt the 2009-2010 Budget	<u>Number:</u> V. D.
<u>Area:</u> Office of Support Operations Supplement OSO-1 Prepared by: Barbara Yesnosky	<u>Status:</u> Action

Recommendation:

Having conducted the public hearing on the budget, the administration recommends that the Board of Trustees adopts the 2009-2010 budget.

Summary:

The 2009-2010 budget is presented for public review and adoption by the Board of Trustees, per the California Code of Regulations (Title 5), Sections 58301 and 58305.

The tentative budget, approved by the Board of Trustees, June 2, 2009, indentified the need to reduce expenses by \$3.3 million. As a result of the Shared Governance process, those changes have been made and are now reflected in the budget for 2009-2010. Attached is the 2009-2010 budget for all funds.

Budget Implications:

Establishes the 2009-2010 budget for all funds.

2009-2010
BUDGET BACKGROUND
INFORMATION

Background

Revenues throughout California, the nation, and globally, have continued to decline. That decline is evident in Hartnell College's budget, just as it is in virtually every public and private sector budget. It hits Hartnell especially hard because the reserves have been declining, with one exception, since at least 2002. Appropriations are based on enrollments of Full Time Equivalent Students (FTES). Tuition and fees that the students pay, do not impact the college's budget (except as bad debt) because they are considered in calculating the overall appropriation from the State. As can be seen in the table entitled, Seven Years of FTES History, FTES reached a significant low of 5,987 in 2005-2006. The fluctuations in FTES between 2002 and 2006 were primarily caused by "borrowing FTES" from future years in an effort to lessen the impact of enrollment declines. Since 2006, the "borrowing" has stopped and the FTES has grown – in 2008-2009 to 7,624. That is the highest FTES in the history of the college and for the first time since 2002, Hartnell earned more FTES than the State was able to fund. A total of 536 FTES were unfunded in 2008-2009, yielding a loss in appropriations of approximately \$2.4 million.

The **2008-2009 Budget** anticipated a deficit of almost \$1 million, but managed to end the year with an unaudited surplus of \$2,263. In addition to closing that deficit, the college absorbed an additional loss of \$1.5 million in State cuts, including \$260,000 in property tax declines, during the year. The college was able to close that gap primarily because of (1) the one-time restoration of \$1.7 million and the growth dollars earned as a result of the FTES earned in 2008-2009, (2) the conservative growth estimate, and (3) the decision to set aside \$500,000 in anticipation of a mid-year cut. Thus, the anticipated deficit and cuts (approximately \$2.5 million) in 2008-2009 were virtually equal to the increase revenue.

The **2009-2010 Tentative Budget**, approved by the Board on June 8, 2009, identified a \$4.9 million gap between anticipated revenues and expenses. The gap was to be resolved by reducing the reserves by \$1.6 million and cutting expenses by \$3.3 million. A Shared Governance group of approximately 20 employees spent much of the summer identifying those cuts. They were able to identify \$1.6 million in cost savings and efficiencies, leaving \$1.7 million to be cut from salaries and benefits. They then set targets for the employee groups, such that the \$1.7 million reduction in salary and benefits was perceived to be distributed in a fair and equitable manner. All of the groups exceeded or came very close to meeting their targets. As a result, the reduction to the reserves increased only slightly. Based on the State cuts made in 2008-2009 and the fact that there would be no restoration or growth dollars available to be earned in 2009-2010, the college estimated a reduction of almost \$3 million in revenue (\$2,383,720 in appropriations and \$722,272 in property tax shortfalls).

The **2009-2010 Budget**, being presented for **Adoption** by the Board of Trustees, October 20, 2009 incorporates the reduction of \$3.3 million in expenses as set forth in the tentative budget. In addition the revenue set aside in the tentative budget as \$2,383,720, appears in two parts: Initial cuts of \$1,227,066, which have already happened, and an anticipated mid-year cut of

\$1,156,654 in appropriations. Hopefully that, along with the set aside of \$722,272 in anticipated property tax short fall, will be enough to avoid further cuts this year. That will not be the likely case for next year.

The reserves remain at a worrisome low of 3.35%. And, while this is slightly above the State's requirement of 3.0%, but below the State's "minimum prudent reserve" of 5%, it must be kept in mind that this reserve (\$1,176,767) represents about two weeks of the college's budgeted expenses this year. The college needs to start now preparing for 2010-2011. Additional cuts cannot continue without a serious reduction in programs and services. Thus, the college must decide how it will chart its future.

Restricted Funds

In addition to the General Operating Funds, discussed above, the **2009-2010 Budget** includes State, Federal and local restricted funds – funds that can be used only for specific purposes. Student Financial Aid and the Measure H Bond are the largest of these funds. The number of students qualifying for financial aid has grown significantly this year and all of the capital funds have now been sold. As a result of Measure H, the college will open a new advanced technology campus in Alisal in August, 2010 to add to the new library, parking structure and classroom building on the main campus. In addition to new buildings, the bond has enabled the college to upgrade the external lighting, athletic fields, the college center, and numerous classrooms.

State and Federal grants enable the college to develop new programs and services, such as the math and science academy and numerous workforce development programs in agriculture, construction, computer science, green technologies, and nursing. In addition, these programs are supported through the Hartnell College Foundation as a result of generous donations from local community and business partners. These restricted funds allow the college to continue to improve. Without their support, it would be hard to deliver our mission to serve the education and training needs of the community.

Statement Prepared by:
Dr. Phoebe K. Helm, Superintendent/President

SEVEN-YEAR FTES HISTORY

YEAR	ACTUAL	BORROWED (REPAID)	REPORTED	FUNDED
2002-2003	7,328.59	(150.00)	7,178.59	6,959.90
2003-2004	6,728.29	310.09	7,038.38	6,970.86
2004-2005	6,327.98	169.91	6,497.89	6,497.89
2005-2006	6,467.85	(480.00)	5,987.85	5,987.85
2006-2007	6,501.42	0.00	6,501.42	6,501.42
2007-2008	6,585.98	0.00	6,585.98	6,585.98
2008-2009 (1)	7,624.06	0.00	7,624.06	7,088.37

- (1) These numbers reflect the actual FTES reported on the P3 on July 15, 2009 and the funded FTES as reported by the Chancellor's Office on the P2. Actual FTES will be reported in the 2008-2009 recalculation, which is due out in March 2010. 2008-2009 represents the highest earned FTES and, despite the State's underfunding, it represents the highest level of income.

Hartnell Community College District
Fiscal 2009-2010 Budget

	2008-2009 Projection	2009-2010 Tentative Budget	
Revenue			
Apportionment			
Basic allocation	3,598,340	3,598,340	
Credit	29,999,941	30,992,325	
Noncredit	38,429	45,457	
Subtotal	<u>33,636,710</u>	<u>34,636,122</u>	
Restoration	1,742,097	-	
Growth	628,026	-	
Subtotal	<u>2,370,123</u>	<u>-</u>	
initial cuts			
mid-year cut	(471,971)	(2,383,720)	
categorical programs	(657,707)	-	
property tax shortfall	(260,563)	(722,272)	
growth	(628,026)	-	
Total apportionment	<u>33,988,566</u>	<u>31,530,130</u>	<u>31,530,130</u>
Other revenue			
Other federal revenue	13,629	12,000	12,000
Other state revenue	1,017,649	931,577 (1)	931,577
Other local revenue	957,000	408,000 (2)	408,000
Interfund transfers	469,275	350,000 (3)	350,000
Total revenue	<u>36,446,119</u>	<u>33,231,707</u>	<u>33,231,707</u>
Expenses			
Salaries and benefits			
Academic salaries	13,700,000	13,866,059	
Classified salaries	7,300,000	7,128,448	
Fringe benefits	7,200,000	8,092,211	
Total salaries and benefits	<u>28,200,000</u>	<u>29,086,718</u>	<u>29,086,718</u>
Cuts to salaries and benefits			(3,300,000)
Other operating expenses	8,400,000	9,081,282	9,081,282
Capital	100,000		
Contingency			
Total expenses	<u>36,700,000</u>	<u>38,168,000 (4)</u>	<u>34,868,000</u>
Net surplus/(deficit)	(253,881)	(4,936,293)	(1,636,293)
Unrestricted general fund reserve:			
Beginning balance	2,946,704	2,692,823	2,692,823
Ending balance	2,692,823	(2,243,470)	1,056,530
Reserve percentage	7.34%	-5.88%	3.03%

Notes:

- (1) The decrease in other state revenue is due to the decrease from the state for enrollment fee administration, apprenticeship allowance, and part-time faculty parity.
- (2) The decrease in other local revenue is primarily due to the reclassification of the Salinas Valley Memorial Hospital grant from unrestricted to restricted. It also assumes a decrease in facility rental and no miscellaneous revenue.
- (3) Interfund transfers include indirect cost recovery on grants and a \$100,000 transfer from the Bookstore fund.
- (4) Assume total expenses increase 4.0% from 2008-2009 to 2009-2010.

Employee Concessions

	Target	Health Insurance	Furlough	Other	Total	Remaining
Administrators and supervisors	269,985	151,000	120,000	-	271,000	(1,015)
Confidentials	70,938	53,000	35,000	-	88,000	(17,062)
Faculty	696,809	286,000	-	341,128	627,128	69,681
CSEA	536,024	-	417,000	65,422	482,422	53,602
L-39	126,244	60,049	20,883	32,688	113,620	12,624
Total	1,700,000	550,049	592,883	439,238	1,582,170	117,830

Target 1,700,000
 Balance remaining 117,830

HARTNELL COMMUNITY COLLEGE DISTRICT

Fiscal 2009-2010 Budget

October 20, 2009

Hartnell Community College District
Fiscal 2009-2010 Budget

	2008-2009 Budget	2008-2009 Unaudited Actual	2009-2010 Budget	
Revenue				
Apportionment				
Basic allocation	3,598,340	3,598,340	3,598,340	
Credit	29,879,004	30,123,543	30,992,325	
Noncredit	-	38,429	45,457	
Subtotal	<u>33,477,344</u>	<u>33,760,312</u>	<u>34,636,122</u>	
Restoration	-	1,742,097	-	
Growth	<u>300,000</u>	<u>628,026</u>	<u>-</u>	
Subtotal	300,000	2,370,123	-	
initial cuts	-	-	(1,227,066)	
mid-year cut	(500,000)	(537,471)	(1,156,654)	
categorical programs	-	(657,707)	-	
property tax shortfall	-	(260,563)	(722,272)	
growth	-	(79,917)	-	
Total apportionment	<u>33,277,344</u>	<u>34,594,777</u>	<u>31,530,130</u>	
Other revenue				
Other federal revenue	12,000	13,629	12,000	
Other state revenue	1,235,000	1,114,218	856,577	(1)
Other local revenue	1,869,166	1,193,210	408,000	(2)
Interfund transfers	469,275	386,093	513,603	(3)
Total revenue	<u>36,862,785</u>	<u>37,301,927</u>	<u>33,320,310</u>	
Expenses				
Salaries and benefits				
Academic salaries	13,492,027	13,700,149	12,953,829	
Classified salaries	7,549,444	7,229,762	6,526,757	
Fringe benefits	8,067,806	7,326,082	6,868,045	
Total salaries and benefits	<u>29,109,277</u>	<u>28,255,992</u>	<u>26,348,631</u>	
Other operating expenses	7,922,850	8,932,436	8,555,379	(4)
Capital	505,469	111,236	188,500	
Contingency	<u>300,000</u>	<u>-</u>	<u>-</u>	
Total expenses	<u>37,837,596</u>	<u>37,299,664</u>	<u>35,092,510</u>	
Net surplus/(deficit)	(974,811)	2,263	(1,772,200)	
Unrestricted general fund reserve:				
Beginning balance	2,946,704	2,946,704	2,948,967	
Ending balance	1,971,893	2,948,967	1,176,767	
Reserve percentage	5.21%	7.91%	3.35%	

Notes:

- (1) The decrease in other state revenue is due to the decrease from the State for enrollment fee administration, apprenticeship allowance, and part-time faculty parity.
- (2) The decrease in other local revenue is primarily due to a correction in the classification of the Salinas Valley Memorial Hospital grant from unrestricted to restricted. It also assumes a decrease in facility rental due to closure of Steinbeck Hall for remodeling.
- (3) Interfund transfers include indirect cost recovery on grants and a \$100,000 transfer from the Bookstore fund to the unrestricted general fund.
- (4) There was a one-time increase in the operating costs of 2008-2009 to include \$621,000 for faculty and classified early retirement programs. Without this one-time expense, there is an increase in operating costs of \$221,000 from 2008-2009 to 2009-2010 budget.

HARTNELL COMMUNITY COLLEGE DISTRICT
SUMMARY OF ALL BUDGETS
2009-2010 BUDGET

Fund	Fund Num.	Revenue	Expenditures		Net Other Sources (Uses)	Net Incr. (Decr.) in Fund Balance	Beginning Balance (July 1, 2009)	Ending Balance (June 30, 2010)
General - Unrestricted	11	\$ 32,806,707	\$ 35,092,510	1	\$ 513,603	\$ (1,772,200)	\$ 2,948,967	\$ 1,176,767
General - Restricted	12	\$ 17,840,092	\$ 10,290,690	2	\$ (7,549,402)	\$ -	\$ 882,955	\$ 882,955
General	1x	\$50,646,799	\$45,383,200		(\$7,035,799)	(\$1,772,200)	\$3,831,922	\$2,059,722
Bookstore	31	\$178,400	\$0	3	(\$115,000)	\$63,400	\$1,088,283	\$1,151,683
Child Development	33	\$643,163	\$643,163		\$0	\$0	\$91,095	\$91,095
Capital Outlay Projects	41	\$25,500	\$100,000		\$0	(\$74,500)	\$104,945	\$30,445
Scheduled Maintenance(Capital Bond Match)	43	\$5,752,000	\$5,752,000		\$0	\$0	(\$0)	(\$0)
Property Acquisition	44	\$396,000	\$100,000		\$0	\$296,000	\$2,751,347	\$3,047,347
Hartnell Bond Projects	45	\$48,744,000	\$20,067,286		\$0	\$28,676,714	\$33,571,971	\$62,248,685
Cafeteria	52	\$578,000	\$653,571	4	\$16,600	(\$58,971)	\$367,287	\$308,316
Self-Insurance(Work Comp. Tail Claims)	61	\$6,800	\$78,000		\$0	(\$71,200)	\$1,122,273	\$1,051,073
Retiree Health Benefits	62	\$9,300	\$0		\$0	\$9,300	\$1,240,012	\$1,249,312
Associated Student Body	71	\$70,700	\$38,500	5	\$15,000	\$47,200	\$564,305	\$611,505
Scholarship, Loan, and Trust	75	\$3,975	\$3,000		\$0	\$975	\$119,100	\$120,075
Intercollegiate Athletic	79	\$35,150	\$70,000		\$0	(\$34,850)	\$53,080	\$18,230
Capital Assets	90	\$0	\$2,500,000	6	\$23,300,000	\$20,800,000	\$105,081,001	\$125,881,001

Net Other Sources/(Uses)

1. General Unrestricted: \$413,603 transfer in from General Restricted Fund for indirect cost recovery; Transfer in from Bookstore Fund \$100,000
2. General Restricted: Student Financial Aid \$7,135,799; Balance of \$413,603 transfer to General Fund Unrestricted for indirect cost recovery from grants.
3. Bookstore: Transfer \$100,000 to General Fund. Transfer \$15,000 to Associated Student Body.
4. Cafeteria: Interest income \$2,100 and \$14,500 ATM commission
5. Associated Student Body: Transfer in \$15,000 from bookstore.
6. Capital Assets:
 - CALL Building - \$18,300,000
 - Fields - \$4,000,000
 - Small Projects - \$1,000,000

HARTNELL COMMUNITY COLLEGE DISTRICT
GENERAL FUND UNRESTRICTED #11
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Federal	\$ 13,629	\$ 12,000
State	1,114,218	856,577
Local	1,193,210	408,000
Apportionment	<u>34,594,777</u>	<u>31,530,130</u>
Total	<u>36,915,834</u>	<u>32,806,707</u>
EXPENDITURES:		
Academic Salaries	13,700,149	12,953,829
Classified Salaries	7,229,762	6,526,757
Employee Benefits	7,326,082	6,868,045
Supplies & Materials	346,252	494,565
Other Operating Expenses & Services	8,586,183	8,060,814
Capital Outlay	<u>111,236</u>	<u>188,500</u>
Total	<u>37,299,664</u>	<u>35,092,510</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(383,830)</u>	<u>(2,285,803)</u>
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	<u>386,093</u>	<u>513,603</u>
Total	<u>386,093</u>	<u>513,603</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>2,263</u>	<u>(1,772,200)</u>
BEGINNING BALANCE - JULY 1	<u>2,946,704</u>	<u>2,948,967</u>
ENDING BALANCE - JUNE 30	<u>\$ 2,948,967</u>	<u>\$ 1,176,767</u>

HARTNELL COMMUNITY COLLEGE DISTRICT
GENERAL FUND RESTRICTED #12
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Federal	\$ 10,695,669	\$ 12,788,922
State	4,742,976	4,851,170
Local	<u>160,991</u>	<u>200,000</u>
Total	<u>15,599,636</u>	<u>17,840,092</u>
EXPENDITURES:		
Academic Salaries	1,765,301	2,254,960
Classified Salaries	2,066,610	2,103,462
Employee Benefits	1,083,329	1,223,608
Supplies & Materials	309,608	512,882
Other Operating Expenses & Services	2,067,820	3,245,231
Capital Outlay	<u>1,090,986</u>	<u>950,547</u>
Total	<u>8,383,654</u>	<u>10,290,690</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,215,982</u>	<u>7,549,402</u>
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	(365,476)	(413,603)
Student Financial Aid	<u>(6,799,368)</u>	<u>(7,135,799)</u>
Total	<u>(7,164,844)</u>	<u>(7,549,402)</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>51,138</u>	<u>(0)</u>
BEGINNING BALANCE - JULY 1	<u>831,817</u>	<u>882,955</u>
ENDING BALANCE - JUNE 30	<u>\$ 882,955</u>	<u>\$ 882,955</u>

HARTNELL COMMUNITY COLLEGE DISTRICT
BOOKSTORE FUND #31
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Commission Income	\$ 175,600	\$ 170,000
Interest Income	(10,077)	8,400
Other Income	-	-
Total	<u>165,523</u>	<u>178,400</u>
EXPENDITURES:		
Academic Salaries	-	-
Classified Salaries	-	-
Employee Benefits	-	-
Supplies & Materials	-	-
Other Operating Expenses & Services	150	-
Capital Outlay	-	-
Total	<u>150</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>165,373</u>	<u>178,400</u>
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	<u>(113,741)</u>	<u>(115,000)</u>
Total	<u>(113,741)</u>	<u>(115,000)</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>51,631</u>	<u>63,400</u>
BEGINNING BALANCE - JULY 1	<u>1,036,652</u>	<u>1,088,283</u>
ENDING BALANCE - JUNE 30	<u>\$ 1,088,283</u>	<u>\$ 1,151,683</u>

HARTNELL COMMUNITY COLLEGE DISTRICT
CHILD DEVELOPMENT FUND #33
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
State Preschool Grant	\$ 508,665	\$ 571,539
State Bailout	72,517	35,536
Interest Income	(78)	680
Child Development Fees	7,091	31,208
Enrollment Fees	13,065	4,200
Other Local Income	5,710	-
Total	<u>606,970</u>	<u>643,163</u>
EXPENDITURES:		
Academic Salaries	-	-
Classified Salaries	430,597	452,603
Employee Benefits	135,948	152,575
Supplies & Materials	14,596	15,385
Other Operating Expenses & Services	5,557	16,600
Capital Outlay	2,793	6,000
Total	<u>589,491</u>	<u>643,163</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>17,479</u>	<u>-</u>
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>17,479</u>	<u>-</u>
BEGINNING BALANCE - JULY 1	<u>73,616</u>	<u>91,095</u>
ENDING BALANCE - JUNE 30	<u>\$ 91,095</u>	<u>\$ 91,095</u>

HARTNELL COMMUNITY COLLEGE DISTRICT
CAPITAL OUTLAY PROJECTS FUND #41
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Interest Income	\$ (8,465)	\$ 500
Library Services-Vending Machine Sales	31,142	25,000
Total	22,677	25,500
EXPENDITURES:		
Academic Salaries	-	-
Classified Salaries	-	-
Employee Benefits	-	-
Supplies & Materials	12,129 1	15,000
Other Operating Expenses & Services	2 220,078	55,000
Capital Outlay	10,543	30,000
Total	242,750	100,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(220,073)	(74,500)
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	-	-
Total	-	-
NET INCREASE (DECREASE) IN FUND BALANCE	(220,073)	(74,500)
BEGINNING BALANCE - JULY 1	325,018	104,945
ENDING BALANCE - JUNE 30	\$ 104,945	\$ 30,445

1. Supplies & Materials cost is paper supply cost for copiers in library.
2. Private contributions were deposited in District in prior years. The funds should have been deposited to Hartnell College Foundation and therefore the District transferred \$132,128 to Hartnell College Foundation during fiscal year 2008/2009. DataTel cost of \$69,000 included in actual costs.

HARTNELL COMMUNITY COLLEGE DISTRICT
SCHEDULED MAINTENANCE FUND #43 (Capital Bond Match)
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
State-Funded Projects	\$ 10,171,263	\$ 5,752,000
Interest Income	-	-
Other Income	-	-
Total	<u>10,171,263</u>	<u>5,752,000</u>
EXPENDITURES:		
Academic Salaries	-	-
Classified Salaries	-	-
Employee Benefits	-	-
Supplies & Materials	-	-
Other Operating Expenses & Services	83,820	-
Capital Outlay	10,087,443	5,752,000
Total	<u>10,171,263</u>	<u>5,752,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES/(USES):		
Incoming Transfers	-	-
Total	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>-</u>	<u>-</u>
BEGINNING BALANCE - JULY 1	<u>(0)</u>	<u>(0)</u>
ENDING BALANCE - JUNE 30	<u>\$ (0)</u>	<u>\$ (0)</u>

1. Call Building \$1,752,000
 CAT Building \$4,000,000

HARTNELL COMMUNITY COLLEGE DISTRICT
PROPERTY ACQUISITION FUND #44
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Rents & Leases	\$ 224,046	1 \$ 375,000
Interest	(41,640)	21,000
Total	182,406	396,000
EXPENDITURES:		
Academic Salaries	-	-
Classified Salaries	-	-
Employee Benefits	-	-
Supplies & Materials	-	-
Other Operating Expenses & Services	29,113	33,875
Capital Outlay	-	66,125
Total	29,113	100,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	153,293	296,000
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	-	-
Student Financial Aid	-	-
Total	-	-
NET INCREASE (DECREASE) IN FUND BALANCE	153,293	296,000
BEGINNING BALANCE - JULY 1	2,598,054	2,751,347
ENDING BALANCE - JUNE 30	\$ 2,751,347	\$ 3,047,347

1. Tenant paid 1st rent installment for 08/09 in 07/08. District posted rent income in error to 07/08 fiscal year. This transaction created an overstatement in rents for 07/08 and an understatement in rents for 08/09. The 09/10 budget reflects correct estimated annual rent.

HARTNELL COMMUNITY COLLEGE DISTRICT
HARTNELL BOND PROJECTS FUND #45
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Sale of bonds	\$ 12,597,888	\$ 48,406,000
Interest Income	(840,429)	338,000
Other Income	4,496	-
Total	11,761,955	48,744,000
EXPENDITURES:		
Academic Salaries	23,686	54,087
Classified Salaries	32	-
Employee Benefits	9,719	13,199
Supplies & Materials	-	-
Other Operating Expenses & Services	-	-
Capital Outlay	13,891,330	20,000,000
Due to County of Monterey BI&RF	-	-
Total	13,924,767	20,067,286
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,162,812)	28,676,714
OTHER FINANCING SOURCES/(USES):		
Incoming Transfers	-	-
Interfund Transfers	-	-
Total	-	-
NET INCREASE (DECREASE) IN FUND BALANCE	(2,162,812)	28,676,714
BEGINNING BALANCE - JULY 1	35,734,783	33,571,971
ENDING BALANCE - JUNE 30	\$ 33,571,971	\$ 62,248,685

- 1. College Center \$5,000,000
- CAB 1st floor \$5,000,000
- Athletic Fields \$4,000,000
- Small Projects \$6,000,000

HARTNELL COMMUNITY COLLEGE DISTRICT
CAFETERIA FUND #52
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
SALES:		
Cafeteria	\$ 570,521	\$ 473,000
Vending	100,786	105,000
Total Sales	<u>671,307</u>	<u>578,000</u>
COST OF SALES:		
Beginning Inventory	22,875	18,034
Cafeteria Purchases	278,897	218,000
Vending Purchases	32,000	48,000
Cost of Goods Available for Sale	<u>333,772</u>	<u>284,034</u>
Ending Inventory	18,034	18,034
Total Cost of Sales	<u>315,738</u>	<u>266,000</u>
GROSS PROFIT OR (LOSS)	<u>355,569</u>	<u>312,000</u>
OPERATING EXPENDITURES:		
Classified Salaries	210,511	202,016
Employee Benefits	145,909	137,705
Supplies & Materials	29,275	29,850
Other Operating Expenses & Services	21,443	18,000
Capital Outlay	984	-
Total Operating Expenditures	<u>408,122</u>	<u>387,571</u>
INCOME (LOSS) FROM OPERATIONS	<u>(52,553)</u>	<u>(75,571)</u>
NON-OPERATING INCOME (EXPENSE):		
Interest Income	(6,906)	2,100
Other Income	13,954	14,500
Interfund Transfers	-	-
Articulation Expense	-	-
Other Expense	-	-
Total Non-Operating Income (Expense)	<u>7,048</u>	<u>16,600</u>
NET INCOME (LOSS)	<u>(45,505)</u>	<u>(58,971)</u>
BEGINNING BALANCE - JULY 1	<u>412,792</u>	<u>367,287</u>
ENDING BALANCE - JUNE 30	<u>\$ 367,287</u>	<u>\$ 308,316</u>

HARTNELL COMMUNITY COLLEGE DISTRICT
SELF-INSURANCE FUND #61
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Interest Income	\$ (57,172)	\$ 6,800
Other Income	-	-
Total	<u>(57,172)</u>	<u>6,800</u>
EXPENDITURES:		
Academic Salaries	-	-
Classified Salaries	-	-
Employee Benefits	57,353	60,000
Supplies & Materials	-	-
Other Operating Expenses & Services	18,000	18,000
Capital Outlay	-	-
Total	<u>75,353</u>	<u>78,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(132,525)</u>	<u>(71,200)</u>
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	1 <u>180,000</u>	<u>-</u>
Total	<u>180,000</u>	<u>-</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>47,475</u>	<u>(71,200)</u>
BEGINNING BALANCE - JULY 1	<u>1,074,798</u>	<u>1,122,273</u>
ENDING BALANCE - JUNE 30	<u>\$ 1,122,273</u>	<u>\$ 1,051,073</u>

1. Transfer from General Fund to bring balance to accrued liability for fund. The amount is determined at end of fiscal year. The District needs to assess cost at end of each year. District costs can be reduced by providing training for staff in work environment safety procedures.

HARTNELL COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS FUND #62
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Interest Income	\$ 8,937	\$ 9,300
Other Income	-	-
Total	<u>8,937</u>	<u>9,300</u>
EXPENDITURES:		
Academic Salaries	-	-
Classified Salaries	-	-
Employee Benefits	-	-
Supplies & Materials	-	-
Other Operating Expenses & Services	-	-
Capital Outlay	-	-
Total	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>8,937</u>	<u>9,300</u>
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	-	-
Student Financial Aid	-	-
Total	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>8,937</u>	<u>9,300</u>
BEGINNING BALANCE - JULY 1	<u>1,231,075</u>	<u>1,240,012</u>
ENDING BALANCE - JUNE 30	<u>\$ 1,240,012</u>	<u>\$ 1,249,312</u>

HARTNELL COMMUNITY COLLEGE DISTRICT
ASSOCIATED STUDENT BODY FUND #71
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Club Accounts	\$ 6,237	\$ 6,500
Student Identification Cards	72,778	60,000
Interest	<u>(6,075)</u>	<u>4,200</u>
Total	<u>72,940</u>	<u>70,700</u>
EXPENDITURES:		
Club Accounts	6,134	6,500
Classified Salaries	158	3,000
Employee Benefits	3	360
Supplies & Materials	1,265	5,000
Other Operating Expenses & Services	13,731	23,640
Capital Outlay	<u>2,809</u>	<u>-</u>
Total	<u>24,100</u>	<u>38,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>48,840</u>	<u>32,200</u>
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	13,741	15,000
Student Financial Aid	<u>-</u>	<u>-</u>
Total	<u>13,741</u>	<u>15,000</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>62,581</u>	<u>47,200</u>
BEGINNING BALANCE - JULY 1	<u>501,724</u>	<u>564,305</u>
ENDING BALANCE - JUNE 30	<u>\$ 564,305</u>	<u>\$ 611,505</u>

HARTNELL COMMUNITY COLLEGE DISTRICT
SCHOLARSHIP, LOAN, AND TRUST FUND #75
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Interest Income	\$ (2,524)	\$ 975
Other Trust Income	-	3,000
Total	<u>(2,524)</u>	<u>3,975</u>
EXPENDITURES:		
Endowed Funds	2 50,484	-
Loan and Trust Funds	8,159	3,000
Administrative Costs	-	-
Total	<u>58,643</u>	<u>3,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(61,167)</u>	<u>975</u>
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	-	-
Student Financial Aid	-	-
Total	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>(61,167)</u>	<u>975</u>
BEGINNING BALANCE - JULY 1	<u>180,267</u>	<u>119,100</u>
ENDING BALANCE - JUNE 30	<u>\$ 119,100</u>	<u>\$ 120,075</u>

1. Funds held in trust for various Hartnell programs
 - Employee payroll deduction for Hartnell Cares Program \$1,000
 - SIFE program, etc \$2,000
2. Donated funds transferred to Foundation

HARTNELL COMMUNITY COLLEGE DISTRICT
 INTERCOLLEGIATE ATHLETIC FUND #79
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
REVENUES:		
Team Accounts	\$ 3,365	\$ 15,000
Basketball - Gate Receipts	1,332	2,000
Football - Gate Receipts	6,388	13,000
Football - Concession Sales	3,557	4,000
Basketball - Concession Sales	493	1,000
Interest	(1,725)	150
Miscellaneous	-	-
Total	<u>13,410</u>	<u>35,150</u>
EXPENDITURES:		
Team Accounts	25,324	15,000
Classified Salaries	-	-
Employee Benefits	-	-
Supplies & Materials	3,291	7,000
Other Operating Expenses & Services	25,838	48,000
Capital Outlay	-	-
Total	<u>54,453</u>	<u>70,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(41,043)</u>	<u>(34,850)</u>
OTHER FINANCING SOURCES/(USES):		
Interfund Transfers	-	-
Student Financial Aid	-	-
Total	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>(41,043)</u>	<u>(34,850)</u>
BEGINNING BALANCE - JULY 1	<u>94,123</u>	<u>53,080</u>
ENDING BALANCE - JUNE 30	<u>\$ 53,080</u>	<u>\$ 18,230</u>

HARTNELL COMMUNITY COLLEGE DISTRICT
CAPITAL ASSETS FUND #90
 2009-2010 BUDGET

	2008-2009 <u>Actual</u>	2009-2010 <u>Budget</u>
EXPENDITURES:		
Depreciation Expense	\$ 2,359,224	\$ 2,500,000
BEGINNING BALANCE - JULY 1	78,752,809	105,081,001
Capital Additions	28,687,416	23,300,000
Capital Retirements	-	-
	<u>107,440,225</u>	<u>128,381,001</u>
ENDING BALANCE	<u>\$ 105,081,001</u>	<u>\$ 125,881,001</u>

1. Capital Additions
- CALL Building \$18,300,000
 - Fields \$4,000,000
 - Small Projects \$1,000,000

AGENDA ITEM FOR BOARD MEETING OF: October 20, 2009

<u>Title:</u> Notice of Intent to Redirect Categorical Funds	<u>Number:</u> VI. A.
<u>Area:</u> Office of Student Affairs and Athletics Prepared by: Greg Peterson	<u>Status:</u> Information

Recommendation:

That the Board of Trustees receives Notice of Intent to redirect categorical funds from Matriculation to the categorically funded Disabled Students Programs and Services. The resolution to do so will be on the November 10, 2009 board agenda.

Summary:

In order to help districts manage the deep categorical program cuts in FY09-10, Assembly Bill X4 2 (the education budget trailer bill) provides categorical flexibility for districts for some categorical programs, including Matriculation. A summary of the categorical flexibility language is as follows:

- Districts are allowed to redirect funds from any of the categorical programs designated “flexible” to support any other categorical program funded in the state budget.
- Before exercising this flexibility, districts are required to discuss the redirection of funds at a regularly scheduled public meeting and take testimony from the public.
- Districts exercising this funding flexibility are relieved of all state statutory, regulatory, and provisional requirements associated with the twelve programs contained in the flexibility category.
- For categorical programs in the flexibility category, funding allocations for each district are set at the same amount received by the district in 2008-09, less the 2009-10 cut.

The complete categorical flexibility language may be found in Section 84043 of Assembly Bill X4 2.

It is the intention of Hartnell Community College District during FY09-10 to reallocate approximately \$70,000 from Matriculation categorical funding to the categorically funded portion of the Disabled Students Programs and Services (DSP&S) Program. The \$70,000 is in support of a classified position in DSP&S and DSP&S counseling faculty.