OPEN SESSION
Meeting called to order at 5:01 p.m. by Trustee DePauw.

PLEDGE OF ALLEGIANCE
Trustee Pruneda led the Pledge of Allegiance.

ROLL CALL
Erica Padilla Chavez, President (arrived at 5:10 p.m.)
Candi DePauw, Vice President
Patricia Donohue
Bill Freeman
Elia Gonzalez-Castro
Ray Montemayor
Demetrio Pruneda

Dr. Phoebe K. Helm, Superintendent/President

PUBLIC COMMENTS
Community member, Jay Macispina, spoke in support of adding an Alcohol and Drug courses to the Fall 2012 course schedule stating that the courses are needed to complete the program.

Ann Wright, Faculty Association President, and Francisco Estrada, Student Senate President, spoke about the course schedule and shadow courses.

PRESENTATION ON BUDGET AND COURSE DEVELOPMENT
Trustee Padilla-Chavez stated that tonight's presentation will address the budget and course schedule development processes and that the Board would further review the budget in June when the Board is required to adopt a tentative budget.

Alfred Muñoz, Interim Vice President, Support Operations, gave a presentation that focused on current year revenues, history and projections, sound budget principles, and reserves. Following the budget presentation, Dr. Helm addressed course schedule planning and development. She explained how the budget and course planning are connected and explained the purpose principles of a guaranteed course schedule are designed to meet students needs, are data driven and that shadow courses provide flexibility to meet student priorities (general education and major requirements, and basic skills) while staying within budget constraints. Guaranteed Course Schedules avoids
canceling classes and “jerking students around at the last minute, as the ‘old’
approach did”. Also, this method respects faculty schedules and avoids last
minute disruptions for them. Dr. Helm then described the step by step course
schedule planning process and FTES goal for 2012-13 and efficiency
comparisons back to 2007. While Mr. Muñoz and Dr. Helm gave their
presentations, the Board engaged in discussions and asked questions.
(See Appendix A for the slides used in these presentations.)

ADJOURNMENT The meeting adjourned at 7:08 p.m.

________________________________________
Erica Padilla-Chavez                        Phoebe K. Helm
Board of Trustees President                 Board Secretary
I. Revenues – Current Year

CA METHOD OF FUNDING CCC’S

1. $ Allocated to CCC’s
2. CCCC0 – Subtracts out of the base for the 112 colleges
3. CCCC0 – assigns “workload/FTES” and $ to each of the districts
4. Who Pays
   a. Property Tax
   b. Student Fees
   c. State (balance)
### Basic Allocation Calculation

#### #1 College/Center Base Funding Rates

- **College less than 9,236 FTES**
  - Funded at $3,321,545
- **Center less than 462 FTES**
  - Funded at $276,795

**Total Base Funding**: $3,598,340

### THE FEBRUARY SURPRISE

#### THE DEFICIT COEFFICIENT

- **Total Computational Revenue**: $33,071,344
- **Less: Deficit Coefficient %** ($1,130,790)

**Adjusted Revenue Entitlement**: $31,940,554

### General Revenue Source (FTES + Base)

- **Property Taxes**: $17,203,847
- **Student Enrollment Fees**: $1,911,580
- **State General Apportionment**: $12,825,127

**Total Available General Revenue**: $31,940,554
Other General Revenue

State Lottery Funds $743,130
Other General Funds $700,000

Total Revenue $33,383,687

District Projected Revenue
Fiscal Year 2011-12
$33,383,687

District Projected Expense
Fiscal Year 2011-12
$34,100,936

II. HISTORY AND PROJECTION
Revenue Projection for 2012-13

Revenue projection based on failure of ballot measure to approve temporary increase in state sales and income tax.

IMPACT TO DISTRICT APPORTIONMENT CALCULATION
- Workload Reduction by approximately 350 FTES
- New base funding level will be 6,100 FTES
- Additional revenue loss of approximately $1.5 million.

HARTNELL REVENUE HISTORY

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2010-11</th>
<th>2009-10</th>
<th>2008-09</th>
<th>2007-08</th>
<th>2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed</td>
<td>$30,895,781</td>
<td>$31,940,554</td>
<td>$35,471,168</td>
<td>$34,692,917</td>
<td>$35,393,835</td>
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<tr>
<td>Revised</td>
<td></td>
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</tbody>
</table>

HARTNELL REVENUE AND EXPENSE PROJECTION BASED ON VOTER REJECTION OF TEMPORARY SALES AND INCOME BALLOT

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Deficit</th>
<th>Reserve: 5% required</th>
<th>Working:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>$33,383,687</td>
<td>$34,100,936</td>
<td>$717,249</td>
<td>$1,705,047</td>
<td>$5,824,312</td>
</tr>
<tr>
<td>2012-13</td>
<td>$32,297,511</td>
<td>$35,016,859</td>
<td>$2,719,348</td>
<td>$1,750,843</td>
<td>$3,053,938</td>
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<tr>
<td>2013-14</td>
<td>$33,186,925</td>
<td>$35,501,386</td>
<td>$2,314,461</td>
<td>$1,775,069</td>
<td>$610,131</td>
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<tr>
<td>2014-15</td>
<td>$34,120,201</td>
<td>$36,241,087</td>
<td>$2,120,885</td>
<td>$1,812,054</td>
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</table>

HARTNELL COMMUNITY COLLEGE DISTRICT

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
<th>Total Expenses</th>
<th>Total FTES</th>
<th>Paid FTES</th>
<th>Unpaid FTES</th>
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<tbody>
<tr>
<td>2011-12</td>
<td>$33,383,687</td>
<td>$34,100,936</td>
<td>6,100</td>
<td>6,071</td>
<td>329</td>
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<td>2012-13</td>
<td>$32,297,511</td>
<td>$35,016,859</td>
<td>5,824</td>
<td>5,725</td>
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<tr>
<td>2013-14</td>
<td>$33,186,925</td>
<td>$35,501,386</td>
<td>5,624</td>
<td>5,525</td>
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<tr>
<td>2014-15</td>
<td>$34,120,201</td>
<td>$36,241,087</td>
<td>5,671</td>
<td>5,572</td>
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</table>
Hartnell Revenue and Expense Projection with Ballot Measure Approved by Voters

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$33,630,733</td>
<td>$34,539,337</td>
<td>$35,050,839</td>
<td>$35,751,391</td>
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<tr>
<td>Expenses</td>
<td>$34,200,936</td>
<td>$35,118,859</td>
<td>$35,616,386</td>
<td>$36,356,087</td>
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<tr>
<td>Deficit</td>
<td>$570,203</td>
<td>$579,522</td>
<td>$565,547</td>
<td>$604,696</td>
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</table>

Reserve:

- 5% required: $1,710,047 $1,755,943 $1,780,819 $1,817,804

III. SOUND BUDGETING PRINCIPLES

Maximize Revenue

- General Fund (11) revenue is primarily generated by Full-time Equivalent Students (FTES) through the State Apportionment

State Apportionment is funded by:

- Local Property Taxes
- Student Fees
- State General Fund

- Maximize classroom space utilization, increase class size
- State assumes average class size of 35

Control Expenses

- Control inflationary growth of expenditures
- Accurately forecast long-term obligations
- Don’t budget anticipated savings or growth until realized
- Tie compensation adjustments to state apportionment revenue (income)
Balance Revenue and Expenses

- Use on-going revenue for on-going expenses
- Use one-time revenue for one-time investments

Establish Clear Budget Controls

- Provide timely, accurate information for budget monitoring
- Make mid-year adjustments when necessary
- Adopt sound cash management policies (borrowing is costly)

Maintain Adequate Reserves

- Cash Flow – During July-November expenses exceed revenue
- Available for unforeseen obligations
- Acts as “shock absorber” during times of funding uncertainty
- Demonstrates sound fiscal management (favorable in bond ratings)
- Used to smooth budgets for variable spending patterns
- Required by state (3%), accreditation (5%) (2 weeks of expenditures)

IV. RESERVES

HISTORY AND PROJECTIONS
HARTNELL RESERVE
(3 Year Impact)

One time opportunities account for reserve as follows:

- Base FTES Increase: $5.1 million
- Mortgage savings: $750,000
- Move Nursing to CALL: $750,000

Total: $7.6 million

Reserve Balance at 6/30/11: $8,246,608

2011-12 Budget Outlook (presented Sept. 2011)
Revenue, Expense, and Fund Balance, 2011-12 through 2015-16

2011-12 Budget Outlook (revised April 2012)
Revenue, Expense, and Fund Balance, 2011-12 through 2015-16

HARTNELL COMMUNITY COLLEGE DISTRICT
V. Course Schedule Planning and Development
1. Purpose of guaranteed course schedule
   • Meet student demand
   • Avoid canceling classes for lack of enrollment
   • Respect faculty and student schedules
   • Improve planning and efficiency

2. Principles of guaranteed course schedule
   • Small core of courses in printed schedule
   • Shadow courses to be opened based on demand
   • Number offerings based on 3 year history and FTES goal

3. Priorities of offerings (set 2008-09)
   • General Education (IGETC/CSU/UC) Requirements
   • Major specific requirements
   • Protecting full time faculty load
4. Planning Process
   • Begin with FTES goal (generally a moving target)
   • Assign FTES goals to each term:
     a. Summer – 700-800
     b. Fall – 2500-3000
     c. Spring – 2700-3300
     d. Plan for some loss due to audit (100 per term?)
   • Plan for JPA purchased FTES (use to fill gap/stabilize)
   • Develop schedule draft
   • Place Draft online for review by students, faculty, counselors

5. Registration and opening shadows
   • Open shadows when 95-100% closed-get tighter closer to beginning of term.
   • Reset after July 16th when students dropped for non-payment
   • Open shadows within constraints of priorities set earlier.

6. 2012-13 Course Schedule/FTES Goal 6200-7100
   • **Summer** – FTES 700-800
     a. 757 FTES in Schedule; 61 FTES in Shadow
     b. 200 sections in Schedule; 13 sections in Shadow
   • **Fall** – FTES 2500-3000
     a. 2380 FTES in Schedule; 673 FTES in Shadow
     b. 616 sections in Schedule; 151 sections in Shadow
   • **Spring** – FTES 2700-3000

   • JPA purchased 300 FTES
   • Audit loss (#FTES)