



Rio Hondo Community College
Budget Reduction Task Force
December 3, 2012, 1:00 p.m.
Board Room

Facilitator: Teresa Dreyfuss
Attendees: Teresa Dreyfuss, John Frala, Henry Gee, Shari Magnus, Eva Menchaca, Sandra Rivera, Mike Slavich, Rene Tai, Colin Young
Absent: Kenn Pierson, Robert Holcomb, Adrian Tanakeyowma, Adam Wetsman

The meeting commenced at 1:00 p.m.

Minutes

The September 13, 2012 Minutes were approved as presented.

Introduction

Dreyfuss began the meeting by informing everyone that Proposition 30 passed, which was mentioned in the August 2, 2012 meeting as possibly having a \$4 million effect on the Budget. In this year's Adopted Budget, Dreyfuss made the assumption that only 50% of the \$4 million would be covered and budgeted \$2 million accordingly in case Proposition had not passed. Dreyfuss transferred \$3 million from other funds to cover the deficit, but since Proposition 30 passed the deficit is only \$1 million.

The Chancellor's Office reported a \$17 million Inter and Intra Deferment last year, but this deferment was also reduced by Proposition 30 leading to a \$9.5 million deferment this year. Dreyfuss at this point does not know which portion is Intra and which portion is Inter.

There was a shortfall of enrollment fees as well as property tax. This year, the Department of Finance projected Enrollment fees and since enrollment fees are low, they project the deficit will still be \$1.4 million using the same guideline as last year. Add to that \$500,000 growth and the deficit is almost at \$2 million.

Parking Fees

On November 14, 2012, the Board of Trustees approved the plan recommended by the Budget Reduction Task force to increase the parking fee over two semesters in two phases as stated in the September 13, 2012 meeting.



The plan that was approved by the Board of Trustees is shown below:

The Budget Reduction Task Force has reviewed the parking fee comparison and favors a fee increase spread over two semesters in two phases:

Phase One: Spring Semester 2013 from \$22.50 to \$30 per semester

Phase Two: Fall Semester 2013 from \$30 to \$40 per semester

The committee would like to raise the Summer parking permits from \$10 to \$20;

The committee would also like to see the daily permit raised from \$2 a day to \$3;

The committee would like to implement a charge for replacement parking permits of \$12.00

The rise in parking fees has created a potential revenue increase of \$113,750 per semester. This is the first time the Board of Trustees has agreed to a change in parking fees in twenty years as well as a rise in fees for the Child Development Center.

Magnus contacted a few other schools to see what they charge Staff for parking permits. The only school that responded was Joanna Downey from Cerritos and she found out that Full Time and Part Time Faculty and Administration pay \$20 each semester, \$10 each summer session, or \$50 annually. Classified do not pay any parking fees.

Re-Assigned

Pierson has reviewed the Release Time and feels it cannot be reduced any more.

Copy Services

Bob is working on limiting the number of copies per department. Magnus suggested moving the copy room to the Evening College for Faculty to use at night.

Student Health Services

Rivera asked if the Health Center is able to check to see if students using the Health Center have paid or not. Gee says they are still working on it, but it is too soon to tell how much savings there will be.



Drop Fee

It was asked if there was any impact of the drop fee for students who did not pay on time. Enrollment fees are only \$.02 on every \$1.00 and whatever is collected goes to the State.

Consolidation of Contracts

Rivera while reviewing the Board Agenda noticed that there are various Copier Maintenance Agreements and Bottled Water Services for each department.

Rivera wonders if it would be possible to consolidate the Copier Maintenance Agreements or Bottled Water Services into one Master Agreement for the college rather than twenty. Dreyfuss said it would be possible that when the contracts run out the college could choose a company to merge into a new agreement. However, the Purchasing Department does shop around and sometimes finds after manufacturer deals. The Purchasing Department works to find whichever is the cheapest for each department on an individual basis.

Dreyfuss mentioned that sometimes departments have certain preferences on water and copier machines. Slavich mentioned he buys water for the office lounge from his budget which costs \$400 a year.

Office Supplies

Slavich spoke with Purchasing regarding buying supplies and found that the issues with dealing with another company is that many do not deliver directly to the office, which means taking an extra step in sending it to the Warehouse. With shipping factored in, Staples is very competitively priced.

Target requires each division to have a credit card, which would not work with the college. Some other suppliers require big orders. Perhaps at the beginning of the year when each department is making large orders of \$1,000 to \$1,500 it may be better to find another vendor, but otherwise handling fees seem to be the biggest deterrent from using a company other than Staples.

Timothy Connell in purchasing has already looked into getting a better deal on printer cartridges from vendors other than Staples and has a list for those who are interested.



Legal Fees

Rivera mentioned legal fees were over \$200,000. Much of this is tied to faculty requests and negotiations. Last year, personnel litigation was not that much. Construction legal fees are funded by the Bond Capital Project Fund. Dreyfuss noted that Litigation is being monitored and a lot of Litigation and Investigation fees are transferred to the Insurance Companies.

Class Cuts

Young asked what the forecast for Spring 2014 looks like as far as class section cuts. Dreyfuss noted that some have been deferred to the Fall.

Assessment Center

Menchaca mentioned that TOEFL testing could bring \$35,000 a year. Dreyfuss would like Menchaca to review the revenue versus the additional costs incurred as well as liability to determine if it is cost effective for the college. Menchaca mentioned that the contracts do ask for \$1 million liability insurance, but Dreyfuss noted that sometimes \$1 million is not enough.

Faculty and Administrative Positions

Dreyfuss has decided to open up the position for the Director of Information Technology and is looking to work on it this Spring.

When faculties retire it depends on the planning procedure if the position is prioritized for re-hire. There are only so many vacant positions can be filled. Magnus keeps track of all the unfilled positions.

Young mentioned that some departments are woefully understaffed. Dreyfuss mentioned that it may be helpful to change the criteria used for the ranking system as it is set up by a point by point system. The number of positions will be based on obligation ranking. The Nursing program is an example of an exception, because a certain number of positions are required to retain accreditation.

Young asked about Don Mason's position for this year and next year. Dreyfuss noted it is up to the next President of the college to make the decision. Magnus also mentioned Mike Munoz also does the double duty as the Director of Student Activities.



Slavich noted that compared to 28 other colleges in the consortium including Citrus, Pasadena, El Camino and Long Beach, Rio Hondo College is very lean on administrators.

When looking at statistics it is important to focus on total compensation rather than base salary, because it does not factor in Faculty stipends and benefits or other forms of compensation. Staff Data reports are compiled using the base monthly salary x the number of months and a furlough day here and there would not show in their calculation.

Slavich also noted that Rio Hondo Community College has remained financially solid compared to many other colleges in the surrounding area. Some colleges have cut summer sessions while others have already instituted furloughs.

Conclusion

Proposition 30 passing had an immediate positive impact on the college budgeting process for this fiscal year and has helped to reduce the deficit.

Increasing parking fees is a big step forward, since this is the first time in twenty years that the Board of Trustees has approved an increase in parking fees as well as the Child Development Center fees.

The committee will continue to review areas in which the college can reduce costs and help to generate more revenue.

Next Meeting

Next meeting is _____ in the Boardroom.

The meeting ended at 2:00 p.m.