



Budget Advisory Committee

Minutes

February 17, 2016
Meeting

Approved

ATTENDANCE (A = absent):

✓	Ann-Marie Gabel	✓	Chris Carter
✓	Eva Bagg	A	Cindy Baker
A	Lou Anne Bynum	✓	Sem Chao
A	Sheila Daniels	A	Rose DelGaudio
A	Thomas Hamilton	A	James Henchey
A	Dina Humble	A	Karen Kane
✓	Wendy Koenig	✓	Terri Long
✓	Lynne Misajon	A	Greg Peterson
✓	John Thompson		

NOTE TAKER: Janet Falcon

Welcome (Chris)

- Chris welcomed everyone to the meeting and introductions were made.

Approval of Minutes (Chris)

- The minutes of the January 25, 2016 meeting were approved as submitted.

Apportionment Calculations (John)

(Refer to "Apportionment Calculation – Budget 2015-16 P-1 FTES and 2016-17 January Budget Estimate (3-Year Comparison)" handouts)

- John reviewed the Apportionment Calculations for 2015-16 and 2016-17 January Budget Estimate.

	2014-15 FTES Recal Amount	2015-16 P-1 FTES Amount	2016-17 Jan Budget Est Amount	Change from 2015-16 Amount
Total Base Revenue	98,675,514	108,418,190	110,937,823	2,519,633
COLA Adjustment (0.85%/1.02%/0.47%/-0.55%)	838,742	1,105,866	521,408	(584,458)
Restoration	3,763,350	310,780		(310,780)
Full-Time Faculty Hiring		1,091,851		(1,091,851)
Total Computational Revenue	103,277,606	110,926,686	111,459,231	532,544
Deficit Factor (0.00%/0.50%/0.50%/0.00%)		(554,633)	(557,296)	(2,663)
Adjusted Computational Revenue	103,277,605	110,372,053	110,901,935	529,882
Stability Adjustment (FTES)	20,774.97	20,775.58	20,775.58	(0.00)

Apportionment Calculations (continued)

- Approximately 225 FTES was borrowed from Summer 2015 which called for a recalculation of Apportionment for 2014-15.
- Ann-Marie cautioned if the college is not able to grow in order to capture the growth funds, there would only be \$529,882 available revenue. Expenses for the fiscal year would have to include the hiring of 25 full-time faculty with cost of \$2.5 million.

2015-16 Mid-Year Budget Performance Report (General Fund Unrestricted and Restricted) (John)
(Refer to "LONG BEACH COMMUNITY COLLEGE DISTRICT 2015-2016 Mid-Year Budget Performance Report As of December 31, 2015 UNRESTRICTED & RESTRICTED GENERAL FUND" handouts)

- John reviewed the *Unrestricted General Fund* document with the following highlights (comparing budget to projected amounts):

• Revenue	Current Budget	Projected	Over/(Under) Budget
○ Beginning Balance	25,606,796	25,606,796	0
○ Federal Revenue	119,000	119,000	0
○ State Apportionment	109,986,826	110,372,053	385,227
○ Prior Year Recalculation		1,978,427	1,978,427
○ Other State Revenue	15,529,964	15,529,814	(150)
○ Total Local Revenue	3,215,825	3,202,381	(13,444)
○ Total Other Financing Sources	325,731	327,470	1,739
○ Total Revenue and Other Financing Sources	129,177,346	131,529,145	2,351,799
 Expenditures			
○ Total Academic Salaries	50,118,623	49,947,337	(95,038)
○ Total Classified Salaries	26,092,554	25,449,688	(891,430)
○ Total Benefits	28,935,159	30,659,536	1,777,480
○ Total Expenditures & Other Outgo	130,834,669	132,531,669	767,942
○ Operating (Deficit)	(1,657,323)	(1,002,524)	1,583,857

- The change in Prior Year Recalculation is due to additional FTES claimed and a decrease in the deficit factor.
- The change in Academic Salaries occurred mainly because of a reclassification of the Counselors' salaries to SSSP and the pay raise for Academic Hourly Instructional Salaries.
- Annual Contribution for Benefits shows an increase due to the actuarial study for retiree benefits. The increase was over \$2 million and was offset by salary savings. There were over 60 additional employees accounted for in the latest study which can be attributed to the increase shown on the report.

2015-16 Mid-Year Budget Performance Report (General Fund Unrestricted and Restricted) – (continued)

➤ John also reviewed the *Restricted General Fund* document with the following highlights:

Restricted General Fund	CURRENT BUDGET 2015-2016	PROJECTED YEAR-END 2015-2016	VARIANCE
Total Federal Revenue	6,732,401	6,732,401	0
Total State Revenue	24,438,387	26,047,573	1,609,186
Total Local Revenue	7,453,458	7,453,458	0
TOTAL REVENUE	46,517,086	48,126,272	1,609,186
TOTAL EXPENDITURES & OTHER OUTGO	46,109,479	47,718,665	1,609,186
OPERATING SURPLUS/(DEFICIT)	407,607	407,607	0
Plus Beginning Balance	3,347,541	3,347,541	0
ENDING BALANCE	3,755,148	3,755,148	0

- The increase in State Revenue includes a plan to increase the number of students into full-time students as well as an increase in Student Success and Support Program Credit. These increases have been offset by the associated expenses incurred with these grants.
- Lynne asked about the rent revenue from the East Campus. Ann-Marie gave a brief review of the situation with Los Coyotes. The property fell out of escrow and the District is currently preparing a resolution for the Board of Governors to allow an exemption for the District to go to bid for the sale of the Los Coyotes property.

Fund Balance Projections (John)

(Refer to "LBCC Fund Balance Projection" handout)

- John reviewed the Fund Balance Projections for 2015-16 & 2016-17 focusing on the major changes between the two years. The chart below summarizes the spreadsheet.

	2015-16 Amount	2016-17 Amount
Projected Beginning Fund Balance	25,606,796	24,604,272
PY Revenue 15-16 Adopted & 15-16 Projection	129,177,346	131,529,145
Apportionment Changes	385,227	529,882
Other Revenue Changes	(11,855)	(9,944,008)
Projected Revenue	131,529,614	122,115,019
PY Expense 15-16 Adopted & 15-16 Projection	(130,834,669)	(132,531,669)
New and Restored Positions	-	(2,575,000)
Salary Rate Changes	(636,106)	(1,004,649)
Other Salary & Benefit Changes	(274,119)	(5,487,446)
Other Expense Changes	(786,775)	11,008,783
Projected Expense	(132,531,669)	(130,589,981)
Projected Operating Surplus/(Deficit)	(1,002,524)	(8,474,962)
Projected Ending Fund Balance	24,604,272	16,129,310
	18.56%	12.35%

- The projections are just a start from the Governor's 2016-17 Budget. The preliminary report is showing (\$8.47) million deficit. Items may change with the May Revise or as situations call for adjustments.

Other (Chris) - None

Meeting adjourned at 4:40 pm.

Next Meeting: March 17th at LAC (T-1200) at 3:00 pm as a combined meeting with CPC.