



**Budget Advisory Committee**  
**Minutes**  
 April 27, 2016  
 Meeting

*Approved*

**ATTENDANCE (A = absent):**

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

**NOTE TAKER:** Janet Falcon

**Welcome (Chris)**

- Chris welcomed everyone to the meeting.

**Approval of Minutes (Chris)**

- The minutes of the March 28, 2016 meeting were approved as submitted.

**Institutional Priorities (Eva)**

*(Refer to "Institutional Priorities 2016-17" handout)*

- Eva reviewed the Institutional Priorities that were approved by the College Planning Committee on April 21, 2016. The document was written with information submitted by the VP Level Plans for 2016-17.

**Institutional Priorities 2016-17**

**The top priority of the College is to enhance the infrastructure of the learning environment and support services to directly improve rates of course completion, progress through foundational skills sequences, and student attainment of academic credentials.**

In order to accomplish this top priority, the College will:

- Focus resources to introduce or scale-up student success innovations that are supported by data showing promising preliminary results or demonstrated effectiveness
- Maintain fiscal stability
  - Acquire and manage funding to support student success initiatives
  - Acquire and manage funding to support equitable outcomes to close achievement gaps

**Institutional Priorities (continued)**

- Analyze and dedicate resources that build effective organizational structures college-wide including:
    - Focus resources to implement Business Process Reviews and Design Thinking vetted recommendations
    - Focus resources to continue analysis throughout other areas of the College
  - Support effective integrations of technology in the learning and work environment
- Lynne commented on the hiring of staff for departments. Ann-Marie said the topic is covered by the 3<sup>rd</sup> bullet and a list of new positions for 2016-17 will be brought to the May Budget Advisory Committee meeting.

**Tentative Budget Assumptions** (Ann-Marie)

*(Refer to “2016-2017 Tentative Budget Assumptions and Implications” handout)*

- Ann-Marie reviewed the changes to the Budget Assumptions and Implications for 2016-17.
- The Institutional Priorities are now stated in the document.
  - The FTES amount was corrected to be 20,775.
  - The PERS rate was adjusted to 13.888% (2.041% increase).
  - Item VII K was added as suggested at the prior BAC meeting: \$3 million is budgeted for additional Business Process Reviews and to implement recommendations in the areas of Admissions and Records, Degree Audit, Counseling, Cashiering, Human Resources, Payroll and Fiscal Services. This one-time allocation will come from unassigned reserves.
- The Tentative Budget Assumptions were approved with the changes noted above.

**FTES Summary 2015-16 P-2 (Eva)**

*(Refer to “FTES Analysis” handout)*

- Eva reviewed the FTES Analysis Report and provided an update for P2; listed below are the totals:

	Current Year						
	Target	2015-16 P-1	P-2	Target to P-2		(14/15 to 15/16)	
				Variance	% Variance	Change	%
Total FTES	20,754.20	20,775.58	20,775.00	20.80	0.10%	0.03	0.00%
Funded:							
Non-Credit	152.03	14.34	112.69	(39.34)	-25.88%	(42.68)	-27.47%
Enhanced	275.44	411.57	379.20	103.76	37.67%	106.95	39.28%
Non-Credit							
Credit	20,326.73	20,349.67	20,283.11	(43.62)	-0.21%	(64.24)	-0.32%
Total Funded	20,754.20	20,775.58	20,775.00	20.80	0.10%	0.03	0.00%

- Eva mentioned that the P-2 estimate includes 1,692 FTES from Summer 2016. If we don't generate those, then we will not meet our base and thus fall into stabilization.
- Ann-Marie discussed stricter eligibility requirements for BOGG fee waivers, which go into effect July 1, 2016. New completion and GPA requirements have been added. Approximately 1,500 students (1,100 FTES) could be lost. If so, this will make it more difficult to come out of stabilization if we don't make Summer 2016 targets. Our goal is to meet the targets for Summer 2016.

**Apportionment Calculations (John)**

(Refer to “Apportionment Calculation – 2015-16 P-1 Apportionment March Revision” and “Apportionment Calculation – Budget 2014-15 Recal Apportionment March Revision” handouts)

- John reviewed the 2015-16 **Apportionment Calculation**. The Adjusted Computational Revenue for the 3<sup>rd</sup> Quarter Projection is \$110,461,017.
  - This includes COLA of 1.02%.
  - The change from the Adopted Budget is a \$474,191 increase due to the change in the mix of enhanced and non-credit FTES.

	<b>2015-16 Adopted Budget</b>	<b>2015-16 P-1 Mar Rev. 3<sup>rd</sup> Qtr. Proj.</b>	<b>Change from Adopted Budget</b>
Total Base Revenue	106,651,415	103,656,853	(2,994,562)
COLA (1.02%/1.02%/0.00%)	1,087,844	1,057,300	(30,545)
Restoration/Growth	1,708,413	268,502	(1,439,911)
Other Revenue Adjustments	1,091,851	6,033,443	4,941,592
Total Computational Revenue	110,539,524	111,016,097	476,574
Deficit Factor (0.50/0.50/0%)*	(552,698)	(555,080)	(2,383)
Adjusted Computational Revenue	109,986,826	110,461,017	474,191

\*The Deficit Factor applied on the Exhibit C was 1.2774% totaling (\$1,418,065). The Chancellor’s Office is projecting a lower Deficit Factor for future apportionment reports. Therefore, the District is staying with the projection of 0.50% for the 3<sup>rd</sup> Quarter Report.

- John reviewed the 2014-15 **Apportionment Recalculation**. After the recalculation, the Adjusted Computational Revenue is \$103,285,180.
  - The change from Year-End is \$1,985,902 due to additional FTES and elimination of the deficit factor.
  - The District borrowed more from Summer 2015 to capture as much growth as possible in 2014-15 since there was no cap on growth. This was the last time it was possible to restore from the recession.

	<b>2014-15 P-2 Y/E Amount</b>	<b>2015-16 Mar Rev. Amount</b>	<b>Change from 2014-15 YE Amount</b>
Total Base Revenue	98,675,514	98,675,514	(0)
COLA (0.85%/0.85%/0.85%/0.00%)	838,742	838,742	(0)
Restoration/Growth	2,108,085	3,770,924	1,662,839
Total Computational Revenue	101,622,341	103,285,180	1,662,839
Deficit Factor (0.3179/0.0%/0.0%/-0.3179%)	(323,062)	-	323,062
Adjusted Computational Revenue	101,299,278	103,285,180	1,985,902

**3<sup>rd</sup> Quarter Performance Report (John)**

*(Refer to “2015-16 Third Quarter Budget Performance Report” handout)*

- John reviewed the 2015-16 Third Quarter Budget Performance Report.
  - Revenues projected to be \$133,857,893 and exceed budget by \$5,029,348. A portion of that amount includes the line item for STRS On-Behalf Payments for \$2,582,763; however, it is a pass-through item. New guidelines require us to show our share of STRS contributions from the State and the reciprocal amount is shown in Benefits. The increase in Revenues is also due to an increase of 2014-15 FTES by 367, which generated \$1.99 million prior year apportionment revenue.
  - A decrease of -20% in Counselor Salaries is due to the transfer of those salaries to SSSP.
  - The report shows a savings of \$1,110,449 in the line item for Total Classified Salaries mainly due to vacancies.
  - The Benefits line item shows an increase of \$4,151,299 caused by the \$2.5 million for STRS On-Behalf Payments and \$2.2 million increase to our annual required contribution (ARC) for our retiree benefits offset by the reduction in salaries.
  - Total Expenditures & Other Outgo projected to be \$131,550,037 which is a savings of \$209,033.
  - The projected Surplus is \$2,636,143. This includes a carryover of the one-time mandated cost funds.
  - Ending Balance is currently projected to be \$28,242,939; \$1,212,695 is related to one-time mandated cost funds and \$2,575,000 will be spent on hiring 25 new faculty in 2017-17.

**State Budget Update (Ann-Marie)**

*(Refer to “Community College Update” handouts)*

- Ann-Marie discussed the State Budget Update including the following highlights:
  - The Chancellor’s Office is reporting April tax revenues are coming in short.
  - CalPERS 2016-17 Employer Contribution Rate was approved at 13.888%, this is an increase from the projected amount of 13.05%.
  - California’s minimum wage will be increasing over the next few years so the rate will be \$15/hour in January 1, 2022. This will impact Federal Workstudy Students and other students on campus as well as some of the Classified employees.

**Other (Chris) - None**

Meeting adjourned at 4:07 pm.

**Next Meeting:** May 16<sup>th</sup> at PCC (BB-103) at 3:00 pm