



Budget Advisory Committee
Minutes
 June 15, 2015
 Meeting

Approved

ATTENDANCE (A = absent):

✓	Ann-Marie Gabel	✓	Chris Carter
✓	Eva Bagg	✓	Cindy Baker
✓	Lou Anne Bynum	✓	Sem Chao
✓	Casey Crook	A	Rose DelGaudio
✓	Thomas Hamilton	A	James Henchy
A	Dina Humble	✓	Karen Kane
✓	Terri Long	A	Lynne Misajon
A	Greg Peterson	✓	John Pope
✓	Sigrid Sexton	A	Elijah Sims
✓	John Thompson	✓	Stacey Toda

NOTE TAKER: Janet Falcon

Welcome (Chris)

- Chris welcomed everyone to the meeting.

Approval of Minutes (Chris)

- The minutes of the May 11, 2015 meeting were approved as submitted.

Tentative Budget Apportionment Spreadsheet (John)

(Refer to “Apportionment Calculation – Budget 2015-16 Tentative Budget (May Revise Estimates)” handout)

Apportionment Calculation – Budget	2014-2015 P-1 Feb Amount	Tentative 2015-2016 May Revise 1.22% Growth 1.02% COLA Amount	Change from 2014-2015 Amount
Total Base Revenue	98,675,514	106,186,941	7,511,427
COLA (0.85%/1.02%/0.17%)	838,742	1,083,107	244,365
Restoration/Growth	1,641,460	1,220,981	(420,479)
Total Computational Revenue	101,155,715	108,491,028	7,335,313
Deficit Factor (1.4815/1.0/-0.4815%)	(1,498,268)	(1,084,910)	413,358
Adjusted Computational Revenue	99,657,447	107,406,118	7,748,670

Tentative Budget FY 2015-16 (John)

(Refer to “Tentative Budget 2015-16” PowerPoint presentation, “Tentative Budget FY 2015-2016” and “Apportionment Calculation – Budget” handouts)

- Tentative Budget going to the Board on June 23, 2015 for approval.
- John indicated the numbers in the Tentative Budget are based on the Governor’s Budget from January with changes from the Governor’s May Revise.
- John reviewed the Tentative Budget for the fiscal year 2015-16 PowerPoint presentation; listed below are the highlights:
 - State Budget Overview:
 - \$156.5 million (3%) in growth funding:
 - \$1.22 million (1.22%) for LBCC is built into budget if we grow 248 FTES for a total of 20,555.
 - \$61.1 million (1.02%) COLA:
 - Approximately \$1.1 million for LBCC.
 - \$299.2 million for Student Success and Support Program (SSSP, formerly Matriculation).
 - 2:1 match requirement.
 - \$185 million for Student Equity.
 - \$48 million for Career Technical Education programs.
 - \$49.5 million for enhanced non-credit rate equalization.
 - Approximately \$290,000 for LBCC.
 - \$266.7 million base allocation increase.
 - Approximately \$4.8 million for LBCC.
 - \$75 million for full-time faculty hiring.
 - Approximately \$1.3 million for LBCC if paid out on a per FTES basis.
 - \$50 million for Innovation Awards. Grant awards are based on college proposals.
 - \$2.5 million for COLA for categorical programs (DSPS, EOPS, and CalWORKs).
 - Approximately \$35, 000 for LBCC.
 - \$148 million for deferred maintenance/instructional equipment with no match requirement.
 - Approximately \$2.6 million for LBCC.
 - \$38.7 million in Proposition 39 Energy Efficiency and Renewable Generation funding.
 - Approximately \$435,000 for LBCC.
 - \$94.5 million to pay down remaining deferrals. As a result, we have no plans for short-term financing (TRAN) in 2015-16.
 - Approximately \$2 million for LBCC.
 - \$626 million to pay down Mandated Cost reimbursements to be allocated based on FTES.
 - \$6.2 million included in the Tentative Budget based on the Governor’s January budget of \$351 million.
 - \$60 million for Basic Skills and Student Outcomes Transformation Program.
 - The highlights from the Tentative Budget Unrestricted Fund include:
 - The total budget for 2015-16 is \$125,234,413.
 - The Operating Deficit for 2015-16 is (\$3,913,268) and an Ending Fund Balance of \$18,568,304.
 - The highlights from the Tentative Budget Restricted General Fund include:
 - The total budget for 2015-16 is \$36,477,402.
 - The revenue section lists all of our federal, state and local grants and breaks out prior year carryover amounts.

Tentative Budget FY 2015-16 (John) (continued)

- Major Revenue Change highlights:
 - Apportionment - \$6.80 million increase is the net of:
 - \$0.41 million due to the reduction of the deficit factor from 1.48% to 1.0%.
 - \$1.22 million in growth revenue.
 - \$1.08 million in COLA.
 - (\$0.95) million decrease due to prior year apportionment recalc revenue and FON penalty.
 - \$4.75 million increase to base allocation.
 - \$0.29 million increase in enhanced FTES rate.
 - Other State Revenue - \$5.4 million increase due to:
 - \$6.26 million one-time allocation of Mandated Cost Revenue.
 - (\$0.8) million reduction of prior year Mandated Cost allocation.
- Major Expenditure Changes highlights:
 - Academic Salaries – \$3.5 million increase is due to hiring 27 new full-time faculty and the effect of salary increases applied to a full fiscal year in 2015-16.
 - Classified Salaries – \$1.7 million increase is due mainly to the restoration of certain previously reduced positions (9.4 FTE – 44 positions), step & column increases, and the assumption that vacancies will be filled.
 - Total Benefits – \$4.8 million increase due to the increase in positions, pay rate increases, and increases to certain benefit rates, most notably the 16.2% health & welfare, 1.85% STRS and 0.076% PERS increases.
 - Contract Services and Operating Expenses – \$3.6 million increase & Capital Outlay – \$1.6 million increase are due mainly to one-time expenditures including technology refresh and professional development projects funded by the Mandated Cost revenue augmentation.
 - Other Outgo – \$2.1 million increase is due mainly to the transfer to the Capital Outlay Fund for scheduled maintenance projects funded by the Mandated Cost revenue augmentation.

State Budget Update (Ann-Marie)

(Refer to “Community College League of California, School Services of California, and Chancellor’s Office Updates” handouts)

- Ann-Marie briefly discussed the State Budget Update. Dan Troy, Vice Chancellor, College Finance and Facilities Planning for the Chancellor’s Office sent an email regarding the Governor’s budget. In the email, Mr. Troy explained the key areas of agreement by the Conference Committee (items in *italics* represent specific comments from Ann-Marie):
 - \$271M in general operating expense funding (a compromise figure between the Senate and Assemble level) *up approximately \$4 million (new)*
 - \$60M in 1-time funds for the Governor’s Basic Skills and Student Outcomes Transformation Program – a grant program aimed at improving/expanding evidence-based practices in basic skills education. The Senate had previously rejected this proposal.
 - \$148M total for deferred maintenance and instructional equipment (the Senate had approved a higher amount) *Possible \$2.6 million to LBCC. Ann-Marie asked the committee if they wanted to split these funds 50/50 for deferred maintenance and instructional equipment. The committee deferred to the Executive Committee in order for a decision to be made knowing the dollar amounts needed for each area.*

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State Budget Update (Ann-Marie) (continued)

- \$15M in one-time funds approved for Professional Development, of which \$6M is for PD related to the SB 850 BA pilot programs (*new*)
 - \$39M for financial aid support for Cal Grant B recipients taking 12 or more units (the Senate had not approved this proposal) (*new*)
 - \$10M increase for financial aid administration (the Senate had not approved this proposal)
 - Increases for certain categorical programs, including \$250k increase for the Academic Senate, \$2.4M (*new*) for the Fund for Student Success, and \$2.23M to fund COLAs for various programs.
 - Reduces the 1-time pot of mandate reimbursement payments by about \$22M (the total amount would decrease from \$626M to about \$604M) (*we budgeted \$351 million*)
- Governor Brown to make a decision and sign the state budget by July 1, 2015.

2015-16 Meeting Dates (Chris)

(Refer to “Budget Advisory Committee Meeting Dates for 2015-16” memo handout)

- The next meeting will be August 31st. The Adopted Budget will be on the agenda. The meeting calendar will be as follows and the meetings taking place from 3:00 – 4:30 pm:

Fall 2015

August 31

September 21

October 29

November 16

Spring 2016

January 25

February 17

March 17 (Combined with CPC)

March 28

April 27

May 16

June 20

Other (Chris)

(Refer to “Spring Semester 2015 Status Report to the College Planning Committee” handout)

- BAC Update for CPC
- Information sent to the College Planning Committee about the issues addressed by BAC throughout the spring semester.

Meeting adjourned at 4:12 pm.

Next Meeting: August 31st at LAC (T-1046) 3:00 pm