



Budget Advisory Committee

Minutes

January 26, 2015
Meeting

Approved

ATTENDANCE (A = absent):

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

NOTE TAKER: Janet Falcon

Welcome (Chris)

- Chris welcomed everyone to the meeting and introductions were made. Elijah Sims was introduced as the new CHI Representative.

Approval of Minutes from the October 30, 2014 Meeting (Chris)

- The minutes of the October 30, 2014 meeting were approved as submitted.

P-1 FTES Report (John)

(Refer to "Long Beach Community College District FTES Analysis" handout)

- John reviewed FTES information for 2014-15; listed below are totals:

Current Year						
	2014-15		Target to P-1		(13/14 to 14/15)	
	Target	P-1 (Actual)	Variance	% Variance	Change	%
Total FTES	20,700.00	20,307.18	(392.82)	-1.90%	397.05	1.99%

- Eva commented on the change in Enhanced Non-Credit classes from the funded amount of 103.99 in 2013-14 to 227.63 in P-1. This change will show a decrease in current-year revenue. Ann-Marie drew attention to the decrease in Credit classes.
- The information stated for January is only an estimate for Spring 2015.
- At this point, we are not planning to borrow from Summer 2015. The projections look like we are on track for 2014-15.

Apportionment Calculations (John)

(Refer to “Apportionment Calculation – Budget 2014-2015” and “Apportionment Calculation – Budget 2014-2015 (Dec. 2014 Revision) handouts)

- John reviewed the 2014-2015 Apportionment Calculation including the 2014-2015 December Recalc. The Adjusted Computational Revenue is \$100,144,158.

Apportionment Calculation – Budget	2014-2015 Budget Amount	2014-2015 P-1 FTES Amount	Change from 14-15 P-1 FTES Amount
Total Base Revenue	98,679,211	98,679,211	0
Restoration	1,854,258	1,637,731	(216,527)
Total Computational Revenue	101,372,243	101,155,716	(216,527)
Deficit Factor (1.0%)	(1,013,722)	(1,011,557)	2,165
Adjusted Computational Revenue	100,358,520	100,144,158	(214,362)

- A decrease of \$214,362 from budget due to a change in FTES mix.
- Additional Computational Revenue due to the recalculations: an increase of \$187,143 for 2012-13 (\$19,126 correction of four FTES & \$168,017 due to the deficit factor decreasing from 0.193% to 0.017%); an increase of \$603,285 for 2013-14 (Chancellor’s Office revision decrease of \$10,597 & an increase of \$613,882 due to the deficit factor decreasing from 1.718% to 1.096%). Totaling \$790,428 in prior year recalculations.
- Ann-Marie said the 2013-14 numbers will most likely change again in February 2015 including a change to the deficit factor.

2014-15 Mid-Year Budget Performance Report (General Fund Unrestricted and Restricted) (John)

(Refer to “LONG BEACH COMMUNITY COLLEGE DISTRICT 2014-2015 Mid-Year Budget Performance Report As of December 31, 2014 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	\$21,201,743	\$21,201,743	0
○ Total State General Apportionment ¹	100,358,520	100,644,165	285,645
○ Other State Revenue	3,946,640	4,825,830	879,190
○ Total Revenue and Other Financing Sources	\$107,861,258	\$109,198,369	\$1,337,111
Expenditures			
○ Total Academic Salaries	\$46,460,180	\$46,558,832	\$98,652
○ Total Classified Salaries ²	25,356,388	24,217,996	(1,138,392)
○ Total Benefits	25,482,555	25,025,799	(456,756)
○ Total Expenditures & Other Outgo	111,256,226	109,044,130	(2,212,096)
○ Operating (Deficit)	(\$3,394,968)	\$154,239	\$3,549,207

2014-15 Mid-Year Budget Performance Report (General Fund Unrestricted and Restricted) – (continued)

¹ Apportionment decreased by \$214,362 due to a change in FTES mix; there was an increase of \$790,428 due to a change in the deficit factor; a decrease of \$290,421 due to our Full-time Faculty Obligation penalty. Totaling a projected revenue increase of \$285,645.

² Under budget due to vacancies and the negotiations not being finalized with AFT.

- The \$879,190 for Mandated Cost Reimbursement was not in our 2014-15 budget. This is new one-time funds that were just announced in the Chancellor’s Office December revision.
- The prior year apportionment and mandated cost changes are the main factors that have changed the projected Total Revenue and Other Financing Sources by \$1.3 million.
- There was a change to TRANS Cost on Issuance & IRS Costs. The District reached a settlement with the IRS that was \$715,600 less than originally estimated.
- We had budgeted \$371,685 for an Election in case a special election was held in 2015. There is no special election scheduled so the funds have been reallocated to Other Services and Expenses for a RFP to have a consulting firm study our Student Services Workflow. This is a top priority to help the students and possibly help streamline the processes for staff. The Vice Presidents and Eloy discussed the option. Ann-Marie wanted to draw attention to the line item to garner support from BAC for the project. It was stressed the consulting firm would look at all avenues regarding the registration/enrollment process. BAC supported the reallocation of funds for the purpose stated.
- Casey asked about Los Coyotes and the status on the sale of property. Ann-Marie announced we are in escrow with the property and still receiving rent from the tenants.

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

Restricted General Fund	CURRENT BUDGET 2014-2015	PROJECTED YEAR-END 2014-2015
Total Federal Revenue	8,918,385	8,918,385
Total State Revenue	17,030,472	17,030,472
Total Local Revenue	6,849,795	6,849,795
TOTAL REVENUE	32,798,652	32,798,652
TOTAL EXPENDITURES & OTHER OUTGO	32,554,463	32,554,463
OPERATING SURPLUS/(DEFICIT)	244,189	244,189
Plus Beginning Balance	2,883,876	2,883,876
ENDING BALANCE	3,128,065	3,128,065

State Budget Update (Ann-Marie)

(Refer to “Memorandum” dated January 14, 2015; “Governor’s Proposed Budget 2015-16” PowerPoint Presentation; “Community College League of California” and “Community College Update” handouts)

- Ann-Marie discussed the State Budget Update including the following highlights:
 - The Governor released his 2015-16 State budget.
 - The K-12 and Higher Education systems within California make up 54% of the State budget.
 - COLA is only provided for unrestricted funds not for any categorical funds.
 - The \$125 million base allocation adjustment and the \$351 million for mandate seems to be the most susceptible funds to be changed with the Governor’s May revise.
 - The \$100 million for Student Success and Support Program may have a match requirement that we will have to budget for.
 - Ann-Marie has concerns the state may change the way we receive funds for new capital facilities as they are now looking at the formulas for K-12.
 - Total ongoing revenues would be approximately \$3.5 million from COLA, base allocation, and CDCP rate change.
 - If we are able to generate 374 additional FTES, we would be able to earn an additional \$1.77 million for Access (Growth).

Other (Chris)

- None

Meeting adjourned at 4:40 pm.

Next Meeting – February 23rd at LAC (A-1006) 3:00 pm