



Budget Advisory Committee

Minutes

March 28, 2016
Meeting

Approved

ATTENDANCE (A = absent):

✓	Ann-Marie Gabel	✓	Chris Carter
✓	Eva Bagg	A	Cindy Baker
✓	Lou Anne Bynum	✓	Sem Chao
✓	Sheila Daniels	A	Rose DelGaudio
✓	Thomas Hamilton	✓	James Henchey
✓	Dina Humble	✓	Karen Kane
✓	Wendy Koenig	✓	Terri Long
A	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 February 17, 2016 meeting were approved as submitted.

State Budget Update (Ann-Marie)

(Refer to “Community College Update” and “2016 Budget Trailer Bill Language Summary” handouts)

- Ann-Marie discussed the State Budget Update including the following highlights:
 - Update on the bills currently in the legislative process. The bills include College Affordability, Campus Safety, Employees, and Student Health.
 - Additional information was distributed regarding augmentations to The Strong Workforce Program, The Student Success for Basic Skills Program, The Zero-Textbook-Cost Associate Degree Grant Program, The Awards for Innovation in Higher Education, and The Adult Education Block Grant.
 - Thomas asked about the Non-Smoking bill and how it would be policed. Ann-Marie said it would be everyone’s responsibility to make sure we comply if the bill is approved. Areas on campus currently designated as Smoking Areas would be modified.
 - Wendy asked how we anticipate to support the College Affordability bill, if passed. Ann-Marie reminded the committee approximately 65-70% of the students at LBCC receive the BOGG Fee Waiver. This bill would be for those students that do not receive the BOGG Fee Waiver.
 - Karen commented on the importance of having information regarding the bills. This helps voters understand the bill not only on a personal level but also how the community college system understands the bill.
 - Ann-Marie announced Dan Troy, from the Chancellor’s Office, said the May Revise amount for COLA will most likely be lowered.

Budget Assumptions (John)

(Refer to "2016-2017 Tentative Budget Assumptions and Implications" handout)

- John reviewed the Budget Assumptions and Implications. The Tentative Budget will be presented at the June Board meeting. Some of the highlights are listed below:
 - The Budget Assumptions and Implications were adjusted where necessary from the 2015-16 Adopted Budget.
 - Section II – B: FTES targets will be 20,775.58. There is no growth in FTES anticipated, the amount budgeted is our base FTES from 2015-16.
 - Section II – C: Carryover will only exist for the one-time allocations provided in previous years specific to the One-Time Mandated Cost items, technology refresh, professional development, instructional equipment, and mobile application deployment.
 - Section III – C: A restricted liability reserve for year-end vacation liability is estimated at \$436,900.
 - Section V – B: COLA will be budgeted at 0.47%.
 - Section V – C: FTES are expected to be funded at a 20,755 FTES level with no additional growth revenue.
 - Section V – F: A total of \$5.2 million for LBCC block grants are included in the State Budget for scheduled maintenance and instructional equipment with no match requirement. We will allocate \$500,000 to supplement instructional equipment Mandated Cost carryover amount of \$2.4 million and use the remaining funds for classroom lockdown and to address accessibility issues at the Pacific Coast Campus.
 - Terri discussed Instructional Equipment \$2.4 rollover plus \$500,000 additional funds. The Deans support prioritizing these funds between safety and instructional equipment.
 - Section V – G: Approximately \$1.3 million in One-Time Mandated Cost funds are included in the current State Budget. We will allocate these funds towards the implementation of our Business Process Review recommendations.
 - Karen asked if this was enough money. Ann-Marie said this should be enough funds for the three process reviews that have been completed at this time. Financial Aid, Academic Services, and Purchasing have already been completed. There could be possibly another \$3 million and Ann-Marie asked if this was something we wanted to suggest we use from Reserves. We need to start the Business Process Reviews for Enrollment Services, Counseling, Curriculum, Human Resources, Payroll and Accounts Payable. A discussion regarding the amount that should be allocated from Reserves regarding this assumption took place. It was agreed to add Line K to Section VII for a total amount of \$3 million. Lou Anne and Karen supported the allocation of funds from reserves to finish the project.
 - Section VII – C: The Assumptions include 25 new faculty positions.
 - Section VII – D: Overall the Health and Welfare benefit costs will result in a 0.1% blended rate decrease.
 - Section VII – E: Other Payroll related benefits will be budgeted based upon the rates established by the regulatory agencies. Significant changes include a 13.050% increase in PERS and a 12.58% increase in STRS.
 - Section VII – J: The Annual Required Contribution (ARC) for the Retiree Health Benefits will be adjusted according to the actuarial study dated July 1, 2015 in the amount of \$5,153,982. This would represent approximately 7.71% of covered payroll.
- The Budget Assumptions will be finalized at the BAC meeting on April 27th. It is anticipated that the Institutional Priority will be established for this meeting.

50% Law and the FON Proposal (Ann-Marie)

(Refer to “The 50% Law and the Faculty Obligation Number: A Proposal” handout)

- Ann-Marie reviewed the 50% Law and the FON Proposal with the following highlight:
 - Chancellor Harris established a workgroup to review the 50% law and the full-time obligation number to see if any changes could be made. The handout is the summary of the workgroup’s findings. If any of the changes are to move forward, it would require changes to both the Education Code and Title 5.

Institutional Effectiveness Goals (Ann-Marie)

(Refer to “Institutional Effectiveness” handout)

- Ann-Marie reviewed the Institutional Effectiveness Goals in Eva’s absence.
 - Ann-Marie discussed the Institutional Effectiveness (IE) Fund Balance. The IE Fund Balance is a requirement for 2016-17 as part of the IE goals framework and 2016-17 college IE goals. The requirement includes a one-year goal as well as a six-year goal. The goal for 2015-16 was 15%. Ann-Marie is recommending 12.5% for the one-year goal and 15% for the six- year goal.
- The committee agreed to recommend to CPC the one-year goal of 12.5%, 15% for the six- year goal, and “Yes” for the three Audit questions indicating our desire to have clean audit opinions and zero findings on our audits.

Other (Chris) - None

Meeting adjourned at 4:11 pm.

Next Meeting: April 27th at LAC (T-1046) at 3:00 pm