



# Budget Advisory Committee

## Minutes

March 23, 2015  
Meeting

*Approved*

**ATTENDANCE (A = absent):**

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

**NOTE TAKER:** Janet Falcon

**Welcome (Chris)**

- Chris welcomed everyone to the meeting.

**Approval of Minutes (Chris)**

- The minutes of the January 26, 2015 meeting were approved as amended with one minor correction.
- The minutes of the March 16, 2015 combined BAC/CPC meeting were approved as amended with one correction.

**BAC Charge New Format and Ground Rules (Ann-Marie)**

*(Refer to “Charge and Membership” and “Ground Rules for Committees” handouts)*

- CPC has recommended all committees under their governance re-format their charge to have a standardized format.
- Ann-Marie reviewed the changes that are highlighted on the new format.
- Discussion took place for the Meeting Frequency and Schedule. It was suggested to identify the day of the week. The verbiage “typically held on Mondays between 3:00-4:30 pm, but subject to change” will be added to the charge language.
- CPC developed Ground Rules for committees. They were discussed as a guideline for the committee.

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

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

- Ann-Marie discussed the State Budget Update including the following highlights:
  - The Legislative Analyst’s Office (LAO) reviewed the Governor’s 2015-16 Budget Proposals and made recommendations regarding the Growth Formula for the 2015-16 fiscal year.
  - Ann-Marie is on the committee to determine the Growth Formula and was able to give more insight to the upcoming change with regard to unemployment rates, poverty rates, no college degree attainment, and other factors.
  - The Growth Formula is being reworked to narrow the disparities within the state.

- Categorical Programs were also reviewed by the LAO. They would like to see large block grants; however, people who work with the individual categorical programs are trying to ensure that funding continues for their programs.
- There will be changes to the Governor’s Budget with the May Revise.
- Thomas expressed concern over increasing our student population for people that live within our boundaries rather than having them going to colleges outside our district. Marketing and year-in-advance scheduling has been started in order to outreach to more of the people within our district to attend LBCC. For Fall 2014, enrollment was 25,145. Of those enrolled, the percentage of students within our District was 15,593 or 62.01%.

**Budget Assumptions** (John)

*(Refer to “2015-2016 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 2014-15 Adopted Budget.
  - Item II-C (reserves carryover) will include one-time allocations to the Technology Master Plan and refresh, extension courses excess revenues, professional development, instructional equipment, and mobile application deployment.
  - The Growth Formula may be adjusted and therefore item V-C may change the FTES level.
  - At this time, there are no block grants in the Governor’s budget. Currently, item V-F discusses Mandated Costs which are meant for deferred maintenance, instructional equipment, and other one-time costs.
  - Item V-G is regarding the increase of 2.15% to the base allocation. These funds will be used to offset health and welfare, STRS and PERS contribution rate increases.
  - The overall combined rate increase in health and welfare benefit costs, at the time of this meeting, will be 17%. Rose said we just got a slight revision to that rate. The committee agreed to review these revisions at the next meeting.
- It was agreed to accept the Tentative Budget Assumptions and Implications as presented. The health and welfare revisions noted above will be presented at the next meeting.

**Apportionment Calculations** (John)

*(Refer to “Apportionment Calculation – Budget 2015-2016 Jan. Budget Estimates” handout)*

- John reviewed the 2015-16 Apportionment Calculation. The Adjusted Computational Revenue is \$105,429,734.

Apportionment Calculation – Budget	<b>2014-2015 P-1 Feb Amount</b>	<b>2015-2016 Jan Budget Amount</b>	<b>Change from 2014-2015 Amount</b>
Total Base Revenue	98,675,514	103,096,473	4,420,959
Restoration/Growth	1,641,460	1,769,284	127,824
Total Computational Revenue	101,155,715	106,494,681	5,338,965
Deficit Factor (1.48/1.0/-0.48%)	(1,498,580)	(1,064,947)	433,633
Adjusted Computational Revenue	99,657,135	105,429,734	5,772,599

- The calculated 2015-16 Total Base Revenue is \$103,096,473.
  - This has been increased from the 2014-15 Total Computational Revenue amount of \$101,155,715 for an estimated increase to base funding of approximately \$1.6 million and an increase due to the new Enhanced Non-Credit rate estimated at \$310,758.

**Fund Balance Projections (John)**

*(Refer to “LBCC Fund Balance Projection” handout)*

- John reviewed the Fund Balance Projections for 2014-15 & 2015-16 focusing on the major changes between the two years. The chart below summarizes the spreadsheet.

	<b>2014-15 Amount</b>	<b>2015-16 Amount</b>
Projected Beginning Fund Balance	21,201,743	21,314,844
PY Revenue 14-15 Adopted & 2 <sup>nd</sup> Qtr Projection	107,919,726	109,157,231
Apportionment Changes	244,507	4,826,707
Other Revenue Changes	992,998	5,431,754
Projected Revenue	109,157,231	119,415,692
PY Expense 14-15 Adopted & 2 <sup>nd</sup> Qtr Projection	(111,278,494)	(109,044,130)
New and Restored Positions	-	(2,920,599)
Salary Rate Changes	-	14,909
Other Salary & Benefit Changes	1,518,842	(5,266,074)
Other Expense Changes	715,522	(5,716,279)
Projected Expense	(109,044,130)	(122,932,173)
Projected Operating Surplus/(Deficit)	113,101	(3,516,481)
Projected Ending Fund Balance	21,314,844	17,798,363

**One-Time Funding – Mandated Costs** (Ann-Marie)

*(Refer to “Mandate Claims – One-Time Funding Proposal” handout)*

- The one-time funding proposal includes Scheduled Maintenance Projects, Technology Refresh, Professional Development, Website Design and Implementation, Redevelopment Fund Projects, Instructional Equipment, Communication Plan Implementation, Title IX Compliance, Innovate So Cal, Educational Master Plan Development, and 10% increase to Discretionary Budgets.
- The group approved the recommendations as presented.

**Other (Chris)**

- Coach Crook was congratulated for win number 500 for LBCC baseball.

Meeting adjourned at 4:30 pm.

**Next Meeting** – April 27<sup>th</sup> at LAC (T-1046) 3:00 pm