



Budget Advisory Committee
Minutes
 April 27, 2015
 Meeting

Approved

ATTENDANCE (A = absent):

✓	Ann-Marie Gabel	✓	Chris Carter
A	Eva Bagg	✓	Cindy Baker
✓	Lou Anne Bynum	✓	Sem Chao
✓	Casey Crook	✓	Rose DelGaudio
✓	Thomas Hamilton	A	Dina Humble
✓	Karen Kane	✓	Terri Long
✓	Lynne Misajon	A	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 March 23, 2015 meeting were approved as submitted.

3rd Quarter Budget Performance Report (John)

(Refer to "2014-15 Third Quarter Budget Performance Report" handout)

- John reviewed the 2014-15 Third Quarter Budget Performance Report.
 - Expenditures are projected to be under budget by \$3.5 million after allocating an additional \$800,000 to the Self-Insurance Fund for 3 lawsuits that aren't covered by insurance.
 - This quarter, we changed our philosophy on projections to include only actual expenses plus encumbrances in the Supplies, Services, and Capital Outlay categories rather than projecting equal to budget.
 - Classified salary expenditures show a savings mainly due to vacancies and the Classified salary negotiations still pending. In turn, Benefits show a savings.
 - The increase in the projected total for Academic Hourly Instructional Salaries is due to the additional class sections offered and 2.07% increase for CHI as of November 1, 2014.
 - Revenues projected to exceed budget by \$1.3 million primarily due to \$879,000 in one-time mandated cost funds and \$244,000 in additional state apportionment after adjustment for the full-time faculty obligation number (FON) penalty of \$290,000.
 - Even after hiring 53 full-time faculty in 2014, we fell 4 short of our full-time faculty obligation. As such, we need to hire 27 full-time faculty in 2015-16.
 - The projected Surplus is \$1,399,167.
 - Ending Balance is currently projected to be \$22,600,910.

P-2 FTES Report (Ann-Marie)

(Refer to “FTES Analysis” handout)

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

	Current Year						
	Target	2014-15 P-1	P-2	Target to P-2		(13/14 to 14/15)	
				Variance	% Variance	Change	%
Total FTES	20,700.00	20,307.18	20,407.44	(292.56)	-1.41%	497.31	2.50%
Funded:							
Non-Credit	129.87	157.00	157.00	27.13	20.89%	19.99	14.59%
Enhanced	106.07	227.63	227.63	121.56	114.60%	130.27	133.80%
Non-Credit							
Credit	20,071.24	19,922.55	19,922.55	(148.69)	-0.74%	246.79	1.25%
Total Funded	20,307.18	20,307.18	20,307.18	0.00	0.00%	397.05	1.99%

- We plan to borrow 784.00 FTES from Summer of 2015 to meet our goal. The amount will be adjusted accordingly if needed in July depending whether we get funded for these at P-2 or not. If not funded, we will adjust down at our annual report.
- As of P-2, we show 100.26 Unfunded FTES.
- Summer enrollment targets were discussed and the barriers involved with LBUSD students enrolling for summer school, specifically assessment tests and deadlines for enrolling.

Assumptions & Implications (John)

(Refer to “2015-2016 Tentative Budget Assumptions and Implications” handout)

- John reviewed the changes to the Budget Assumptions and Implications. The Tentative Budget will be presented at the June Board meeting. Some of the highlights are listed below:
 - The growth revenue was adjusted; funded FTES amounts were updated to 20,555 while the target remains the same of 20,680.83; the base allocation increase was changed to 2.00%; health and welfare benefit costs were updated as well as the rate for PERS.
- It was agreed to accept the revised Tentative Budget Assumptions and Implications as presented.

Apportionment Projection for 2015-16 (John)

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

- John reviewed the 2015-16 Apportionment Calculation. The Adjusted Computational Revenue is \$105,279,665.
 - The calculated 2015-16 Total Base Revenue is \$103,534,087.

Apportionment Calculation – Budget	2014-2015 P-1 Feb Amount	2015-2016 Jan Budget Amount	Change from 2014-2015 Amount
Total Base Revenue	98,675,514	103,534,087	4,858,573
COLA (0.85%/1.58%/0.73%)	838,742	1,635,839	797,097
Restoration/Growth	1,641,460	1,173,170	(468,290)
Total Computational Revenue	101,155,715	106,343,096	5,187,380
Deficit Factor (1.48/1.0/-0.48%)	(1,498,580)	(1,063,431)	435,149
Adjusted Computational Revenue	99,657,135	105,279,665	5,622,529

Position Changes for 2015-16 (Ann-Marie)

(Refer to “Budget Proposals Summary Faculty and Classified Staffing Changes for 2015-2016” handout)

- Ann-Marie discussed the list of Faculty and Classified Staffing Changes for 2015-16 including the following highlights:
 - The hiring of 27 full-time faculty.
 - Restoring 44 Classified positions and 3 new Classified positions. The 3 new positions are paid from special funds.
 - Those positions listed were pulled from the Department Plans and VP Level Plans and will be put into the Tentative Budget for 2015-16.

IE Fund Balance (Ann-Marie)

(Refer to “Letter from Theresa Tena, Vice Chancellor dated April 2, 2015” handout)

- Ann-Marie reviewed the letter from Chancellor Brice Harris regarding the requirement and process for adopting Institutional Effectiveness (IE) goals framework and 2015-16 college IE goals.
 - The Chancellor’s Office is expecting every college to establish Institutional Effectiveness goals regarding the following:
 - Student performance and outcomes: Course Completion Rate
 - Accreditation status: Accreditation Status
 - Fiscal viability: Fund Balance
 - Compliance with State/Federal guidelines: Overall Audit Opinion
 - The Budget Advisory Committee was asked to establish a goal for Fund Balance for 2015-16. The Committee discussed Reserves and the history of the Fund Balance for the District.
 - It was decided to bring back this agenda item at the May meeting for further discussion and decision.

State Budget Update (Ann-Marie)

(Refer to “Community College Update” handout)

- Ann-Marie discussed the State Budget Update including the following highlights:
 - PERS rate was updated and built into the Tentative Budget assumptions.

Other (Chris)

- None

Meeting adjourned at 4:38 pm.

Next Meeting: May 11th at PCC (BB104) 3:00 pm - 2015-16 Meeting Dates and IE Fund Balance