



Budget Advisory Committee
Minutes
 August 20, 2014
 Meeting

Approved

ATTENDANCE:

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

NOTE TAKER: Janet Falcon

Welcome (Chris)

- Chris welcomed everyone to the meeting and introductions were made. Dr. Terri Long, Vice President Academic Affairs, was welcomed to the committee.

Approval of Minutes from the June 16, 2014 Meeting (Chris)

- The minutes of the June 16, 2014 meeting were approved as submitted via email.

FTES Analysis – Annual 320 (John/Eva)

(Refer to “FTES Analysis” handout)

- John and Eva discussed the 2013-14 FTES Analysis. The Total FTES for 2013-14 was 19,910.13.
 - A total of 716 FTES was borrowed from Summer 2014 in order to bring up our total FTES for 2013-14. Approximately 515 FTES is available for the 2014-15 year. FTES for Fall 2014 is currently low. There was discussion on possible late starting Fall classes as well as increasing the number of Winter classes.
 - Fall numbers are showing 77% fill rate.
 - Discussion on wait lists and offering more classes to part-time faculty.

FTES Analysis

	Current Year				(12/13 to 13/14)		2014-15
	2013-14		Target to Annual				
	Target	Annual	Variance	% Variance	Change	% Change	Target
Total FTES	20,400.00	19,910.13	(489.87)	-2.40%	393.09	2.01%	20,700.00

Adopted Budget FY 2014-2015 (John)

(Refer to “Adopted Budget Fiscal Year 2014-2015” and “Adopted Budget 2014-15” PowerPoint presentation handouts)

- John reviewed the Adopted Budget 2014-2015 with a PowerPoint presentation. The Budget will be going to the Board on September 9, 2014 for approval. Following are highlights from the presentation:

- \$140.4 million (2.75%) in access/restoration funding:
 - \$1.85 million (2%) for LBCC is built into budget if we grow 397 FTES for a total of 20,307
 - If we grow to 20,656 FTES we could generate an additional \$1.6 million
- FTES History and Projection
 - 12-13 – 284 Disallowed FTES; 19,517 funded
 - 13-14 – 0 Unfunded FTES; 19,910 funded
 - 14-15 – 20,307 funded FTES; total budget 20,700 FTES

- List of Funds – Expenditures & Other Outgo (in millions)

	Adopted Budget <u>2013-14</u>	Unaudited Actual <u>2013-14</u>	Adopted Budget <u>2014-15</u>
Total	\$415.7	\$213.1	\$389.1

a) Unrestricted General Fund

- Unrestricted General Fund Overall Summary

	Unaudited Actual <u>2013-14</u>	Adopted Budget <u>2014-15</u>	Change Increase (Decrease)
Total Revenue	\$106,827,394	\$107,919,726	\$1,092,332
Total Expenditures	102,806,353	111,278,494	8,472,141
Surplus/(Deficit)	4,021,041	(3,358,768)	(7,379,809)
Fund Balance	\$21,201,743	\$17,842,975	(\$3,358,768)

- Major Revenue Changes in 2014-15
 - Apportionment - \$1.37 million increase is the net of:
 - \$0.68 million due to the reduction of the deficit factor from 1.72% to 1.0%.
 - \$1.85 million in increased access/restoration.
 - \$0.84 million in COLA.
 - (\$2.00) million decrease due to prior year apportionment recalc revenue and full-time faculty adjustment (FON penalty).
- Major Expenditure Changes in 2013-14
 - Academic Salaries – \$4.7 million increase is due to hiring 42 new faculty and the proposed 2% & approved 3% salary rate increase for full-time and part-time faculty respectively.
 - Classified Salaries – \$2.1 million increase is due mainly to the restoration of certain previously cut positions and creation of new positions (10.65 FTE) (*correction after the meeting: 9.75 FTES*) and the proposed 2% on- and 2% off-schedule increases.

Adopted Budget FY 2013-2014 (continued)

- Total Benefits – \$3.1 million increase due to the increase in positions, pay rate increases, and increases to certain benefit rates, most notably the 6.1% health & welfare, 0.63% STRS and 0.329% PERS.
 - Contract Services and Operating Expenses – (\$0.8) million decrease is due to one-time IRS costs less the net increases in various other areas.
 - Other Outgo – (\$1.0) million decrease is due to the elimination of the scheduled maintenance match and the 2013-14 one-time additional self-insurance costs.
 - Approximately \$6.9 million cuts in apportionment since 2009-10. Approximately \$1.4 million cuts in expenditures since 2009-10.
- Unrestricted General Fund Two-Year Projection

	Adopted Budget 2014-15	Projected 2015-16
Beginning Fund Balance	\$21,201,743	\$17,842,975
Prior Year Surplus/(Deficit)	1,493,804	(3,358,768)
Apportionment Changes	2,878,896	2,107,467
Other Revenue Changes	293,097	-0-
New & Restored Positions	(4,878,872)	(576,000)
Salary Rate Increases	(2,691,084)	(318,792)
Other Salary & Benefit Changes	(2,158,759)	(3,001,538)
Other Expense Changes	1,704,150	1,278,812
Net Surplus/(Deficit)	(3,358,768)	(3,868,819)
Ending Fund Balance	\$17,842,975	\$13,974,156

- Proposition 30 revenues are temporary. Sales and Income tax increases will end in 2016 and 2018 respectively. In 2013-14 we received \$15 million in Proposition 30 revenues. Budgeting \$16 million for 2014-15.
- A lengthy discussion occurred on future budgets and the State budget.

b) Restricted General Fund

- John reviewed the Restricted General Fund Budget as referenced on pages 24-29 in the Adopted Budget book.

Restricted General Fund	Unaudited Actual 2013-2014	Adopted Budget 2014-2015
Total Federal Revenue	7,409,539	7,866,703
Total State Revenue	7,185,785	9,180,358
Total Local Revenue	4,477,006	6,914,017
TOTAL REVENUE	19,072,330	23,961,078
TOTAL EXPENDITURES & OTHER OUTGO	18,896,430	24,247,219
OPERATING SURPLUS/(DEFICIT)	175,900	(286,141)
Plus Beginning Balance	2,707,976	2,883,876
ENDING BALANCE	2,883,876	2,597,735

Adopted Budget FY 2013-2014 (continued)

- Lynne asked for a breakdown on how COLA is spent. Ann-Marie responded the amount is recorded in our Revenue and Assumptions. From there the District built in salary increases, increases in positions, health and welfare increases, one-time augmentations that were made and the result for 2014-15 is included in the \$3.3 million deficit budget. It was brought to the committee's attention that Health and Welfare increases alone were 6.1% totaling \$840,000, which coincidentally was about the same amount we will receive for COLA increases from State apportionment.

State Budget Update (Ann-Marie)

(Refer to "Community College Updates" handouts)

- Ann-Marie discussed the State Budget Update including the following highlights:
 - The Chancellor's Office has submitted their requests for the 2015-16 Budget.
 - It is still early in the process. We won't know what is proposed until January 2015 when the Governor proposes the budget.

Other (Chris)

Meeting adjourned at 4:45 pm.

Next Meeting – September 15th at LAC (T-1046) 3:00 pm