



BUDGET COMMITTEE

Special Meeting Minutes
3/13/2014, 2 pm, SBVC – ADSS 226

Attendance

Members Present – Tim Oliver, Mike Strong, Scott Stark, Cheryl Marshall, Ed Millican, Denise Allen-Hoyt, Algie Au, Walt Chatfield, Cassandra Thomas (for Girija Raghavan), Glen Kuck, Jose Torres, James Dulgeroff

Members Absent – Kathy Crow, Karen Peterson, Patrick Kirk Dorsey, Yendis Battle, Matthew Isaac, Steve Sutorus, Amalia Perez (for Jack Miyamoto), Rosemarie Hansen, Rhonda Prater

Guests Present – Celia Huston, Larry Strong, Greg Allred, Roger Powell

Welcome/Introductions

Tim Oliver opened the meeting. Self-introductions were made. Guests were asked to identify themselves and cautioned not to vote on any action items. Tim thanked committee members for their work to date on the Cabinet Responses to the College Brain Trust Report and for coming to the special meetings.

Approval of March 6, 2014 Special Meeting Minutes

Tim asked for a motion to approve the minutes from March 6, 2014. Glen Kuck made such a motion and Denise Allen-Hoyt seconded it. Walt Chatfield asked that two changes be made to the paragraph on page 2 entitled, *Brain Trust Recommendation D.4.i.*: 1) Chatman to Chatfield, and 2) norm to average. The committee agreed with these changes and the minutes were unanimously approved.

College Brain Trust Report – Review of March 6 Actions

The committee reviewed all of its edits from the March 6 meeting.

- ♦ Ed Millican moved to approve the response to Recommendation A.3. Walt seconded. There was no discussion and the response was unanimously approved.
- ♦ Walt moved to add the words, "This should be discussed at the District Budget Committee." to the response to Recommendation A.4. Glen seconded. There was no discussion and the response was unanimously approved.
- ♦ Walt moved to approve the response to Recommendation A.5. Scott Stark seconded. There was no discussion and the response was unanimously approved.
- ♦ Ed moved to approve the response to Recommendation C.1. Walt seconded. There was no discussion and the response was unanimously approved.

- ♦ Cheryl Marshall moved to approve the response to Recommendation C.4. Glen seconded. There was no discussion and the response was unanimously approved.
- ♦ Denise moved to approve the response to Recommendation D.1. Scott seconded. There was no discussion and the response was unanimously approved.
- ♦ Mike Strong moved to approve the response to Recommendation D.4.b. Scott seconded. There was no discussion and the response was unanimously approved.
- ♦ Scott moved to approve the response to Recommendation D.4.d. Walt seconded. There was no discussion and the response was unanimously approved.
- ♦ Scott moved to approve the response to Recommendation D.4.i. Glen seconded. There was no discussion and the response was unanimously approved.
- ♦ Glen moved to approve the response to Recommendation D.4.k. Ed seconded. There was no discussion and the response was unanimously approved.
- ♦ Denise moved to approve the response to Recommendation D.4.p. Walt seconded. There was no discussion and the response was unanimously approved.
- ♦ Scott moved to approve the response to Recommendation 6. Ed seconded. There was no discussion and the response was unanimously approved.
- ♦ Scott moved to approve the response to Recommendation 7. Mike seconded. There was no discussion and the response was unanimously approved.
- ♦ Denise moved to approve the response to Recommendation 9. Mike seconded. There was no discussion and the response was unanimously approved.
- ♦ Walt moved to approve the response to Recommendation 11. Scott seconded. There was no discussion and the response was unanimously approved.

Tim advised that the Budget Committee recommendations would be submitted to Chancellor's Cabinet.

Budget Update & Budget Committee Recommendations

Jose presented three handouts to committee members:

- FY 2014-15 Proposed Tentative State Apportionment Funding
- FY 2014-15 Proposed Tentative State Apportionment Allocation
- FY 2013-14 Exhibit C First Principal Apportionment (P1)

He explained that the District used the FY13 Exhibit E and the FY14 P1 to develop its forecast for FY15. The committee discussed the exhibits at length. Jose advised that he would provide an analysis of previous State revenue shortfalls for the Committee's review.

Ed pointed out that the 69.16%/30.84% figures on the Proposed Tentative State Apportionment Allocation reflect the FTES targets. Tim advised that the committee needed to give guidance to Chancellor's Cabinet about funding growth and that Jose's exhibits assume the FY14 targets (14,029 FTES) plus 2%, resulting in a FY15 target of 14,309 FTES. Ed asked if 2% represented an aggressive strategy. Tim replied that according to the latest CCCCO feedback, we should expect to receive at least 2% funding growth in FY15. At FY14 P1 we reported 14,208 FTES, or 179 FTES above target. We do not want to get overly aggressive as it would result in too much unfunded FTES, but the net result of the proposed target would be to add only 101 FTES in FY15 over the FY14 projection, indicating a moderate approach.

Tim summarized that there are three key variables discussed today for DBC consideration for FY15 tentative budget:

1. Funded FTES. 13,877 credit FTES based on our projected FY14 P1 funded base of 13,605 FTES plus 2%.
2. State Revenue Shortfall. For tentative budget, we hold back the entire shortfall projected at 4.36% based on FY14 P1; and we reassess the shortfall for FY15 Final Budget based on FY14 P2, FY15 Advance Apportionment, and CCCCCO guidance.
3. Growth Target. 14,309 credit FTES based on the FY14 target of 14,029 FTES plus 2%; resulting in an annual increase of 280 FTES.

Ed motioned and Walt seconded to approve the proposed approach. This motion passed unanimously.

New Business

Walt passed out some information and stated to the committee that SBCCD employees are paid less than their cohorts. He thinks this is an issue that the Budget Committee needs to recognize and address. Walt made a motion to put a line item in the budget entitled salary adjustments to improve transparency and recognize the issue.

Tim replied that salary negotiations are not within the purview of the District Budget Committee and that there are legal requirements about discussing salary issues outside of collective bargaining. He further advised that there is already a line for salary adjustments, if any, in the resource allocation model for planning purposes. He explained that part of the budget developmental process is to include assumptions regarding items related to collective bargaining, i.e. release time, salaries, benefits, etc.. Walt felt that we should put a line item in the budget even if it's zero to encourage the District to fix the problem. Tim then seconded the motion, clarifying that he was doing so because he felt there was already a line about salary in the budget. He referred to page 43 of the Final Budget for FY 2013-14, lines 26 and 27. These line items are built based on assumptions. Committee members voted unanimously to approve the motion with the exception of Mike Strong, who abstained.

The committee spent some time discussing the implementation of the motion and the District's ability to actually add a line to the budget. Jose advised that the budget itself was an accounting system and not easily changed; assumptions are embedded in the resource allocation model (RAM). Ed asked Tim how this salary adjustment item could be integrated into the budget document. Tim will look into this and advise the committee at a later time, and Jose will provide a copy of the RAM including the formulas.

Adjournment

Ed wanted to state for the record that the tentative budget proposal followed the principal of dividing revenue based on FTES and that since CHC grew faster than SBVC, the split would be 69.16%/30.84%, rather than 70%/30%. He felt that this should have been stated more explicitly. Jose and Tim assured him that it was their intention to share such information and provide exhibits that provide transparency. Ed added that he has been very impressed by what has been going on in the Budget Committee.

The meeting adjourned at approximately 4:00 p.m. The next meeting is scheduled for April 10, 2014, 2:00 p.m. at CHC, LRC 226.