



Budget Committee

5/21/2015, 2:00 pm, PDC 104

Attendance

Members Present – Matthew Isaac, Scott Stark, Jose Torres, Lisa Norman, Mike Strong, Denise Allen-Hoyt, Yendis Battle, Larry Strong

Members Absent – Rhonda Prater, Miriam Fadel, Ruby Zuniga, Stacy Meyer, Vanessa Osorio, James Dulgeroff, Walt Chatfield, Rosemarie Hansen, Steve Sutorus, Cheryl Marshall, Girija Raghavan, Gloria Fisher, Glen Kuck

Guests Present – Greg Allred

Welcome/Introductions

Jose Torres welcomed everyone. Vice Chancellor of Human Resources & Business Relations Lisa Norman was introduced to Mike Strong and Yendis Battle.

Approval of Minutes

Matthew Isaac made a motion, which Mike Strong seconded, to approve the minutes from May 7, 2015. The motion was approved by consensus.

May Revise & DBC Recommendation #2015-04 on RAM Assumptions

The committee reviewed DBC Recommendation #2015-04, in light of the Governor's May revise.

Funded Growth

Jose explained the State's new growth formula, which he and Larry Strong received on May 20 at the ACBO conference. The formula is based on two determining factors – 50.1% on poverty levels and 49.9% on access, defined as how much potential there is to get into classes. Based on these factors, initial estimates indicate that SBCCD is third on the list for receiving growth money, with only Mt. San Jacinto and Chaffey ahead of it.

Jose reviewed a sample spreadsheet of the formula calculations for Long Beach, which he promised to share with the committee. He will work with our Research staff to verify and develop the spreadsheet for SBCCD, which will also be forwarded to the committee.

The May revise estimates 3% growth for SBCCD. When Jose asked at ACBO how firm this estimate was, he was told that the State Chancellor's office feels comfortable it will be at least 2.75%. This is what they have backup for. Jose feels comfortable budgeting growth at 3%.

COLA

COLA was originally estimated by the state to be 1.58%, however, this has been reduced in the May revise to 1.02%. Jose shared his opinion with the committee that reducing COLA along the same lines as the state budget is realistic.

Base Allocation

Jose advised that it was tentatively announced that base allocations would be increased as follows. Jose advised committee members, however, that these projects were preliminary and felt they should not be included in the tentative budget.

	Increase	Tentative New Base Allocation
SBVC	225,126	4,161,102
CHC	192,000	3,566,659

FTES Allocation

The committee already provide this data in DBC Recommendation #2015-05.

Deferrals

No deferrals are expected for 2015-16.

In answer to question from Scott Stark, Jose reported that the State has \$75 million set aside for full time faculty which will be paid out via FTES. The initial requirement for this funding is to increase a district's full time faculty obligation by one for every \$75,000 it receives. Scott and Mike thought the numbers were skewed because \$75,000 does not equate to a whole person.

Finally, Jose also advised that the state is considering the distribution of unrestricted, one-time money, but that it would premature to budget for this income at this time.

Committee members discussed different ways of budgeting wisely and it was determined that they were comfortable with the suggestions made by the Interim Vice Chancellor. Denise Allen-Hoyt made a motion, which Matthew seconded, to revise the RAM assumptions from DBC Recommendation #2015-04 as follows

General Fund

- o Funded Growth – ~~2%~~ 3%
- o COLA – ~~1.58%~~ – 1.02%
- o Base Allocation (base rate) – use 2014-15 figures for budget development purposes
- o FTES Allocation – TBD See DBC Recommendation #2015-05
- o Deferrals – plan for no deferrals

This motion was carried by a unanimous vote. Recommendation #2015-06 will be drafted based on this vote and forwarded to chancellor's cabinet with a copy to committee members.

District Office Expenditures

Larry presented a spreadsheet on the budgeted District office expenditures, focusing on any areas that increased more than \$40,000. Denise questioned the increase of \$346,087 to fund the position of District Executive Director of Research, Planning & Institutional Effectiveness. Jose remarked that this position was created, in part, to respond to the State Chancellor's new institutional effectiveness program. The remainder of the items were discussed to the satisfaction of the committee. Larry advised he will forward the spreadsheet to committee members.

2015-16 Tentative Budget

Jose reviewed the tentative budget with committee members. This draft assumed 3% growth, 1.02% COLA, and no increase in the base allocation. The committee reviewed and discussed the handout. Jose cautioned that the numbers would change over the summer in response to information from the state. Scott advised that he felt the reserve number for SBVC was not up to date and asked Jose to verify the amount. Committee members had no further recommendations on the tentative budget.

2015-16 Budget Development Tasks

There was no discussion on this item.

Committee Self-Evaluation

Forms were distributed to committee members and collected. Kelly will forward the form to all the members who could not attend and request feedback for the betterment of the committee.

Adjournment & Next Meeting

The committee discussed meeting in the summer. Jose felt it was necessary and Denise recommended that faculty be given non-instructional pay to attend. Jose advised that he would set this up. The meeting adjourned.

The next meeting of the Budget Committee is scheduled for 6/18/2015, 2:00 p.m. in PDC 104. All members were encouraged to attend the May 28 board study session as well.