



Budget Committee

January 21, 2016, 2:00 pm, PDC 104

Attendance

Members Present – Jose Torres, Larry Strong, Yendis Battle, Mike Strong, Matthew Isaac, Jeremy Sims, Walt Chatfield, Cheryl Marshall, Thomas Robles, Girija Raghavan, Rosemarie Hansen

Members Absent – Esmeralda Vasquez, Steve Sutorus, Sheri Lillard, Ruby Zuniga, Debbie Bogh, Lisa Norman, Denise Allen-Hoyt, Achala Chatterjee, Scott Stark, Gloria Fisher, Rhonda Prater

Guests Present – Tenille Alexander

Welcome/Introductions

Jose Torres started the meeting; no introductions were necessary.

Approval of Minutes

Matthew Isaac made a motion, which Rosemarie Hansen seconded, to approve the minutes from December 17, 2015. The minutes were unanimously approved.

Report on 2016-17 State Budget Workshop

Larry Strong reported on the January 20 State Budget Workshop. He distributed a recap of the meeting highlights, which had also been sent out districtwide. The governor's three key areas of focus for community college are student success, technology, and improving time to degree. Community colleges were cautioned to be aware of growing STRS and PERS obligations. Jose showed a handout indicating anticipated increases:

	Employer Pension Rates 2013-14 to 2020-21							
	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
PERS	8.25%	8.88%	10.73%	12.58%	14.43%	16.28%	18.13%	19.10%
STRS	11.44%	11.77%	11.85%	13.05%	16.60%	18.20%	19.90%	20.40%

Districts were also cautioned about the reduction of Prop 30 taxes, and the necessity to fund their Other Post-Employment Benefits or OPEB liability. Larry shared that although many districts struggle with this, SBCCD's obligation has been fully funded. Cheryl Marshall pointed out that the FON rate is going up; the good side of that is more faculty but the problem is there is no additional funding indicated in the 2016-17 budget. Jose commented that his understanding is the money will be included in an increased base amount. However, if there is no additional funding, SBCCD will have to determine a way to mitigate this cost.

2016-17 Budget Directives

Jose advised that the Board of Trustees Ad-hoc Budget Committee met in early January and drafted directives for the 2016-17 budget. Committee members reviewed the directives. The Board of Trustees is to work further on the directives at its meeting this evening and again at a study session on February 4, with approval anticipated February 25.

Walt Chatfield asked if we were still comfortable with the enrollment numbers. Jose provided an FTES update. He said that based on projections, we will meet and possibly exceed the goal by 89 FTES. He reminded the group that if CHC doesn't make its goal, SBVC will be asked to pick up the additional FTES. Cheryl commented that a recent survey indicated an increase of 3% in the number of CHC students that are working. This is common when the economy improves. To answer Walt, Jose confirmed that he thinks SBVC will reach 10,700 FTES and that CHC projections should stay at 5,000.

Budget Calendar Tasks

The committee reviewed the calendar. District office staff are now preparing their budgets with a due date of January 29. Each department was asked to document any increases. It is intended that the district office budget (and resulting assessment to the campuses) will be determined prior to the college budgeting process, which begins in February. Jose advised that the district office budget will be shared with the DBC.

Update – Talking Points/FAQ on One-Time Funds

Jose distributed an FAQ on 2015-16 One Time Funds. Committee members took a few moments to review the draft publication. Rosemarie asked about the money used to offer additional sections. It was clarified that these expenses will become part of the additional funding expected from the state. Matthew asked about a solar panel project at the district office. Jose confirmed that this is not part of one-time funds, rather it is planned that this project be funded by years 4 and 5 of Prop 39, and will, hopefully, reduce utility bills.

Matthew and Mike asked if the \$2 million in unallocated funds would be used to maintain the fund balance for 2016-17. Jose advised that the money was now part of the 15% reserve and would remain there for that purpose. It was decided that the paragraph on unallocated funds in the FAQ would be updated to reflect this clarification. Mike moved that the FAQ be approved and distributed as revised. Matthew seconded the motion and it was unanimously approved.

In an aside, Jose pointed out that in the proposed budget directives, the board is authorizing a one-time use of the fund balance to support the early retirement incentive plan. It is anticipated that the reserve will drop temporarily to 14.62% in 2016-17.

Update – Accreditation/RAM Forums

Earlier this month there were two forums at CHC for all accreditation recommendations and one at SBVC for accreditation recommendation #3. Although there were only about eight attendees at SBVC, Jose reported that it went well. There was conversation at all the meetings regarding communication and transparency. Committee members were encouraged to continue offering suggestions on these topics, as well.

Update – Enrollment

It was reported that the District Enrollment Management Committee is meeting Monday, January 25 at 9 a.m. To date there is a template for the Enrollment Management Plan and a goal for the DEMC to create a recommendation for FTES distribution to the DBC. The DBC would then review the recommendation as part of the 2016-17 RAM.

Adjournment & Next Meeting

The meeting adjourned. The next meeting of the DBC is scheduled for February 18, 2016 at 2:00 p.m. in PDC 104.