

  
**BUDGET Advisory Committee**  
 Minutes  
 June 3, 2019  
 Meeting

ATTENDANCE (A = absent)

X	Chris Carter	X	Marlene Drinkwine	X	Cindy Baker
X	Sara Blasetti				

		A	Anthony Moguel, Jr.	A	Nash Myra
A	Jorge Ochoa	A	Seth Ramchandran	A	Karen Roberts
A	Kathy Scott	X	Steve Skille	X	John Thompson
A	Susan Trask	X	Heather Van Volkinburg	A	Jeff Wood

NOTE TAKER Kimberly Casuga

1. Welcome (Chris)

Chris welcomed everyone to the meeting and introductions were made

2. Approval of Minutes (Chris)

The minutes of the May 3, 2019 meeting were approved as presented

3. State Budget Update (Marlene)

(no handout)

Marlene updated the Budget Advisory Committee with the following highlights:

- Colleges that have performed above the hold harmless, will cover the difference of those in deficit.
- Budget Trailer Bill will address the changes to the funding formula such as how we identify transfer students.
- We will take credit for the transfer students who completed the 12 units with us, not their residence. We will know more in the summer or fall.
- Deferred maintenance and instructional materials monies were added back into the budget.
- AB 302 is with Senate for approval and would have an impact on our expenditures because we would be required to divert resources using our human capital and not receive funding for it.
- Memo will go out once the Budget Act has passed

4. Apportionment Calculation (John)

(Refer to "Apportionment Calculation" handout)

John highlighted the following changes on the Apportionment Calculation

- \$133,100,317 is the amount projected for 2022 incorporating the Hold Harmless
- 3.26% COLA is statutory but the governor does have discretion over it. The statutory COLA is what is calculated but what is actually funded could be different.
- The Chancellor's Office had a 5.03% deficit factor in their apportionment. We will continue to budget 0.50% deficit factor.
- Chris asked if they were to take the apportionment money shortage to affect us, would they do it via the deficit factor?
- Marlene explained the 1st apportionment (data in from December, reported in February) is an estimate. The 2nd apportionment is calculated in June which is the time we provide FTE numbers and they have a better idea of property taxes. February, following year is when the final amount

is provided based on the final FTES numbers and property taxes is an 18 month cycle which is why we maintain the 0.50% deficit factor.

She added that we have \$4 million in COLA 2019-20. We also have ongoing increases related to salaries and benefits that add to \$3.5 million.

#### 5. Tentative Budget 2019-20 (John)

(Refer to Draft Tentative Budget 2019-20 BOT PowerPoint Presentation)

John reviewed the PowerPoint presentation with the following highlights:

##### State Budget Overview

- o Student Centered Funding Formula increase of \$265 million, including COLA below.
- o \$230 million (3.26%) COLA, or \$4 million for LBCC
- o Student Centered Funding Formula (SCFF)
  - Maintain same allocation in 2019-20
  - 70% Base Grant FTES
  - 20% Supplemental Grant low-income students served
  - 10% Student Success Grant degrees, certificates, and other success measures
- o Phase in 60-20 split in subsequent years
- o Hold harmless provision for 3 years
  - May Revise proposed extending an additional year to 2021
  - Funding at least 2017-18 level plus COLAs
- o "Summer Shift" - continues
- o Stability funding - continues (Apportionment is equal to the greater of the current year or prior year apportionment.)
- o \$9 million (3.26%) COLA for categorical programs (DSPS, EOPS, CalWORKS sy t0.2 (e)3 [OaV

- o Strong Workforce Program \$7 million decrease, mainly removing one source
- Board of Trustees Goals and Institutional Priorities were tied to resource allocations  
Strategic Plan Goals

#### BAC Planning Assumption Highlights

- o There will be potential budget redirections in response to both the State's budget impact and the priorities as identified by the College Planning Committee (CPC).
- o FTES total resident target is 19,204.
- o A 0.5% deficit factor will be included to offset possible shortfall from apportionment revenues.
- o Total Cost of Ownership principles shall be employed in department planning and budgeting processes.
- o Maintain a 5.5% minimum unrestricted reserve
  - o Institutional Effectiveness Fund Balance goal set at 15% (from goal is 12.5%).
- o Load Banking and Vacation Liability Reserve \$2.9 million
- o Benefit cost changes:
  - o STRS increased by 0.82% \$1,632,000
  - o PERS increased by 2.67% \$1,357,000
  - o Percentage of unrestricted salaries and benefits caused by STRS and PERS increase 1.94%
  - o Retiree Benefits- Annual Required Contribution (ARC) \$4.1 million
- o Health & Welfare Premiums:
  - o Increased by 1.6% \$340,000
- o John mentioned that the Worker's Comp numbers will be updated in the adopted budget because it arrives late for the tentative budget.

#### FTES History and Projection

- o This slide shows the FTES for the last several years but also shows the difference between what we're reporting and what the FTES is without the summer shift. We still have the option of using the summer shift as districts see advantageous to their needs for funding.
- o Large college funding is part of our base apportionment and will be reduced if we fall below the 20,000.
- o Heather sought clarification on the 2013 year where numbers reflected 19,910, which is below large college status. Marlene will look to see what we were funded prior to 2014.
- o Presentation will change because SCFF will be an average, but FON is on the current year.

#### List of Funds Expenditures & Other Outgo (in millions)

- o Estimated Actual is generally less because some grants are multi-year.
- o The Measure E and Measure LB Bond funds are what the tax payers have approved.
- o Financial Aid is money that passes directly through us to students. The biggest are the Pell Grants.
- o Unrestricted General Fund is where most salaries and benefits comes from.

#### Unrestricted General Fund Overall Summary

- o Slight surplus of \$0.2 million is being projected with the expectation that once purchase orders and contracts are closed which could give us a positive of about \$1 million.
- o Marlene added that we will have an additional increase \$600,000 due to the 0.50% budgeted deficit factor.

#### Major Revenue Changes in 2020

- o Apportionment- \$4.1 million increase is the net of:

\$4.0 million 3.26% COLA

\$0.1 million increase due to prior year apportionment recalculation revenue

- o Local Revenue \$0.3 million increase  
Mainly due to nonresident tuition increases
- o State Principal Apportionment is over 90% of our Unrestricted General Fund budget
- o Increase in Academic Salaries is due to hiring new faculty, that is, 14 in the unrestricted fund, and 1 in the restricted fund There are also step increases and negotiated salary increases.

Major Expenditure Changes in 2020

- o Academic Salaries the \$2.3 million increase is due mainly to hiring 14 new full-time faculty, step increases, negotiated salary increases, and offset by decrease in part-time salaries.
- o Classified Salaries \$2.4 million increase due to 3.26% COLA negotiated salary increases, step and column increases, and budget for vacancies, offset by savings from reorganizations.
- o Total Benefits \$3.1 million increase is due to the increase in positions, salaries, and increases to certain benefit rates, most notably the 0.82% for STRS, the 2.671% for PERS, and 1.6% increase to health and welfare benefits.
- o One-Time Funds –

