

**Budget Advisory Committee**  
**Minutes**  
June 20, 2016  
Meeting

*Approved*

**ATTENDANCE (A = absent):**

	Ann-Marie Gabel		Chris Carter
	Eva Bagg		Cindy Baker
	Lou Anne Bynum		Sem Chao
A	Sheila Daniels	A	Rose DelGaudio
	Thomas Hamil		

**Tentative Budget FY 2016-17 (John)**  
*6-17*

*and*

*016-2017 )*

January

Tentative Budget going to the Board on June 28, 2016 for approval.

John reviewed the Tentative Budget for the fiscal year 2016-17 PowerPoint presentation; listed below are the highlights:

**Tentative Budget FY 2016-17 (John) (continued)**

The remaining \$2.3 million of the deficit is a structural deficit, related to ongoing expenditures.

The highlights from the Tentative Budget Unrestricted Fund (UGF) include:

The total budgeted revenue for 2016-17 is \$124,205,324.

The Operating Deficit for 2016-17 is (\$9,080,311) and an Ending Fund Balance of \$16,351,376.

Major UGF Revenue Change highlights:

Apportionment (\$0.7) million decrease is the net of:

- o (\$1.99) million decrease due to prior year apportionment recalc revenue.
- o \$1.32 million increase to base allocation.

Other State Revenue (\$9.4) million decrease due to:

- o (\$9.4) million decrease in one-time allocation of Mandated Cost Revenue.

Major UGF Expenditure Changes highlights:

Academic Salaries the (\$0.3) million decrease is the net of the savings due to the retirements of over 30 full-time faculty, less increases from the hiring of 25 new full-time faculty, 2 new academic managers, and the effect of salary schedule restructuring.

Classified Salaries \$1.8 million increase is due mainly to the restoration of certain previously reduced positions (1.2 FTE 6 positions), the creation of new positions (13.01 FTE 15 classified positions; 2 classified management positions), step & column increases, salary increases, and the assumption that vacancies will be filled.

Total Benefits \$1.3 million increase due to the increase in positions and increases to certain benefit rates, most notably the 1.85% for STRS, the 2.041% for PERS, and early retirement incentives of \$0.5 million.

Contract Services and Operating Expenses \$5.8 million increase is due mainly to the following items: \$4.4 million for business process review and design thinking implementation work; \$0.4 million increase to utility budgets; and \$1.5 million net increase in various other accounts including \$0.4 million carryover of Mandated Cost revenue for Strategic Plan, Communication Plan, professional development, and web design and implementation.

Capital Outlay (\$1.8) million decrease is due mainly to the reduction in one-time expenditures for technology refresh and instructional equipment funded by the Mandated Cost revenue augmentation.

Other Outgo (\$8.0) million decrease is due to the \$7.1 million one-time transfer in 2015-16 to the Capital Outlay Fund for Mandated Cost projects, which will not be repeated in 2016-17; and the \$0.8 million decrease in transfers to the Self-Insurance Fund.

The highlights from the Tentative Budget Restricted General Fund include:

The total budgeted revenue for 2016-17 is \$39,067,646.

The revenue section lists all of our federal, state and local grants and breaks out prior year carryover amounts.

**Tentative Budget FY 2016-17 (John) (continued)**

Future Budget Challenges:

Enrollment:

- Flat to declining enrollment is projected for 2015-16 and 2016-17.
- Stabilization is expected one of these years depending on the strength of Summer 2016 enrollment.

BOGG Waiver Eligibility:

- Stricter eligibility requirements in 2016-17 could reduce enrollment further.

Retiree Benefits Obligations:

- Other post-employment benefits (OPEB) liabilities for future retiree health benefits have increased sharply.
- ARC is \$5.2 million (86% increase).
- \$44.4 million Unfunded Actuarial Accrued Liability (UAAL).

Sunset of Proposition 30 Revenues:

- We received \$17.5 million from Proposition 30 in 2015-16.  
Approximately 21% from Sales Tax.  
79% from Income Tax.
- Sales tax increase terminates at the end of 2016.
- Income tax increase terminates at the end of 2018.

State Pension Obligations:

- Employer Contributions scheduled to increase each year over the next five years.
- STRS 19.10% by 2020-21.
- PERS 20.40% by 2020-21.

There was a brief discussion about the extension of Prop 30 on the November ballot. If there are any changes, this would more than likely happen in the 2017-18 budget.

**State Budget Update (Ann-Marie)**

*League of California*

*Office Updates handouts)*

Ann-Marie briefly discussed the State Budget providing an update on the budget approved by the Legislature.

Enrollment growth is 2%; however, we are not budgeting for growth in 2016-17.

Student Success and Support Program (SSSP) No augmentation

Workforce & CTE Pathways - \$248 million; it is not known how much LBCC will receive. The allocations will probably not be available until this fall.

Base Augmentation - \$75 million

Categorical Programs - \$8.7 million for CalWORKS

Full-Time Faculty - \$62.3 million

Part-Time Faculty Office Hours LBCC does not offer

Fund for Student Success (PUENTE, MESA) - \$2.4 million

Basic Skills - \$30 million; however, LBCC did not apply for a grant in 2015-16 so there are no funds available for 2016-17. We will be able to apply for funds in 2017-18 and there will be changes to the calculations.

Outreach - \$2.5 million

**Tentative Budget FY 2016-17 (John) (continued)**

One-Time Funds

Innovation Awards - \$25 million; revised to focus on equity, financial aid, and technology.

Promise Programs - \$15 million; one-time based on AB 1741

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