

COUNCIL ON BUDGET & FACILITIES

August 10, 2015

APPROVED SUMMARY

Members Present: Brian Fahnestock, Karen Cant, Rodrigo Garcia, Jolena Grande, Tina Johannsen, Lorenze Legaspi, Cherry Li-Bugg, Elaine Loayza, Rod Lusch, Sandra Palmer, Irma Ramos, Pete Snyder, Richard Storti, Tanya Washington

Visitors: Adam Gottdank

Absent: Barbara Bennett, Richard Fee, Sam Foster, Stephen Tith

Call to Order: The meeting was called to order at 2:04 p.m. by Chair Irma Ramos.

- I. **Summary:** The summary of the June 8, 2015, meeting was accepted as submitted.
- II. **Budget Update:** Rodrigo Garcia stated that a few weeks ago he attended the Budget Workshop and that not much has changed and it's a good budget. He handed out a draft of the 2015-16 Proposed Budget Assumptions and identified the key components:

FTES: The 2015-16 FTES target was established at 36,685.14 which reflects a 3.6% growth.

Major Revenue Assumptions: The primary revenue sources include a base of \$175 million made up of basic allocation and FTES funding of \$141.7 million; COLA of 1.02% or \$1.7 million, CDCP rate increase of \$4.7 million; FON Equalization Funds \$1.8 million, STRS/PERS increase of \$2 million; Unrestricted Lottery \$4.6 million; Non-Resident Tuition \$1 million; \$19.9 million one-time Mandated Claims funding is earmarked for replacement equipment (not instructional); and one-time Scheduled Maintenance or Instructional Equipment funds of \$4,660,932.

The State Chancellor's Office has asked us to plan for future PERS/STRS increases using the base allocation increase of \$8.1 million. The \$8.1 million revenue increase will be ongoing and only about \$2 million is being used this year for the increased cost. The remaining funds will be set aside for future PERS/STRS rate increases.

Other revenue assumptions include unrestricted lottery over \$5 million, restricted lottery just under \$1.5 million, and categorical programs which are budgeted separately in restricted funds added \$2.1 million for SSSP/student equity for 15-16 which brings total to \$8.45 million.

Unrestricted General Fund Revenue Summary: In summary, apportionment is estimated at \$175,775,701, Lottery \$5,034,991; PT Faculty Comp \$721,149; Non-Resident Tuition \$1 million; Mandated Block Grant estimated at \$976,003; Other \$1,061,707; for a total of \$184,569,551.

Major Expenditure Assumptions: The salary & benefits increase of \$10.5 million includes 3% increase for 2014-15, 3.5% increase for 2015-16, 5% increase in medical benefits, step & column increases, and the STRS rate increase of 1.85%. Retiree medical cost estimated at \$5,116,737 includes an average 5% increase. The full time Faculty Obligation Number (FON) is estimated at 525.8, while benefit costs for part-time faculty and other hourly employees is estimated at \$2,991,924. Operating Allocation was increased to \$12,322,535 which incorporates a 1.02% COLA & 3.6% growth for extended day and an augmentation from CDCP funding of \$1,058,690 allocating \$1,056,690 for SCE and \$25,000 for each campus.

Unrestricted General Fund Expenditure Summary: The unrestricted general fund budget can be summarized:

Revenues

Apportionment	\$175,775,701	
Lottery	\$5,034,991	
PT Faculty Comp	\$721,149	
Non-Resident Tuition	\$1,000,000	
Mandated Block Grant	\$976,003	
Other		\$1,061,707
Total		\$184,569,551

Expenditures

Personnel	\$130,769,502	
Retiree Benefits	\$5,116,737	
Extended Day	\$24,402,663	
Operating Allocation	\$12,322,535	
District-wide	\$6,261,970	
Other		\$3,647,003
Total		\$185,512,335

Deficit \$ (942,784)

III. **Extended Day Model:** Cherry Li-Bugg asked the CBF Members to approve the proposed FTES funding model with the understanding that it can be reviewed and updated as needed. Concerns were expressed regarding the issue of class size and the use of average vs actual rates. Chair Ramos called for a vote and consensus was not reached.

IV. **Bond Update:** Rick Williams provided an update:

- Program Manager selections have been narrowed down to one firm. The agreement and contract scope of services have been drafted and the Board is expected to approve the contract on September 8.
- The ADA Transition Plan DRAFT was distributed. Comments were asked to be submitted back from campus administrators, staff and DSPTS Directors and students for Cordoba to make final changes.
- An Environmental Impact Report, Request for Proposal (RFP) is being prepared for a District-wide report that will include the first 10 years of the bond program.
- An RFP for underground utility study for existing wet-dry utilities has been advertised this week. Mandatory job walks are scheduled for the week of August 31.
- District Space Inventory workbooks for 2015-16 are in progress.
- Anaheim Campus first floor warehouse project is in construction document phase.

V. **Other Items:** None.

Adjournment: The meeting adjourned at 3:41 p.m.