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LOS RIOS COMMUNITY COLLEGE DISTRICT  
**DISTRICT BUDGET COMMITTEE**

September 7, 2016

SCC – Rodda Hall North – Room 258

3:00 p.m.

(Approved 11/9/16)

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**Members Present**

Greg Rose, Lorilie Roundtree, Julie Oliver, Ginni May, Carlos Lopez, Cory Wathen, Laduan Smedley, Kuldeep Kaur, Kathleen Kirklin, Steve Meyer, Taunya Wattier, Denise Booth, Dave Andrews, Gary Aguilar, John Hallberg, Joany Harman, Paul Carmazzi, Daniel Kwong, Rose Ramos, Theresa Matista

**I. INTRODUCTIONS**

Greg called the meeting to order and welcomed everyone to the meeting.

**II. REVIEW/APPROVAL OF MINUTES**

The Committee approved the May 11, 2016 minutes by consensus.

**III. DISTRICT BUDGET ITEMS**

**A. Los Rios 2016-17 Adopted Budget**

The adopted budget will be recommended to the Board tonight. Theresa previewed her Board presentation. There are minimal changes from the tentative budget which was based upon the May Revise: The enacted State budget maintained the Base Augmentation at \$75M, Mandate Past Claims, \$105.5M, Strong Workforce/CTE, \$248M, Basic Skills restoration, \$30M. SMSR/SEIF&LM was reduced by \$35M and some categorical programs including CalWORKS were augmented. In regard to enrollment, Greg asked Theresa what happens to District funds and compensation when the District is in stability. Theresa explained that the District is in stabilization for 2015-16. The State will hold the District harmless for 2015-16 which means we will be funded to our base workload (FTES). For 2016-17, if we report at least our base enrollment, then we are considered fully restored and there is no reduction in funding. If the District does not report its base FTES for 2016-17, the state will decrease the District's base funding in proportion to that shortfall. Ginni asked how many times can the District can go into stability and then restoration. Theresa responded there is no limit. Ginni asked if the District has worked out the worst case scenario. Theresa said that the funding per FTES is about \$5,000. So, the reduction would be \$5,000 multiplied by the shortfall between our base and what we report. The X budget projects we will hit our base. This is because we have the ability to shift summer 2017 back to the 2016-17 year. Theresa reviewed historical budget information and noted that in 2006-07, we were in a similar position. The recession averted us from going into stability. For 2016-17, we were hoping to growth summer by 20% but came in short. Our productivity is falling because we added FTEF to summer but did not grow by the same percentage and fall enrollment is down even though we have around the same number of FTEF. Fall enrollment is a concern but again, with the ability to shift summer 2017 and with the expansion of our apprenticeship and public safety programs, we should be able to report at least our base FTES level.

**B. Reserves**

The Board adopted the Budget Committee's recommendations for institutional effectiveness goals on reserves. Our goal for the end of 2015-16 was to have an ending fund balance of 11.2%. Our current projection is that the fund will have \$36M which is 12.7%. The reason percentage is higher is that the

fund balance came in higher than we projected. In addition, there was an increase in funds committed for the PERS/STRS costs and in compensation funds that were held back. Our current Board policy requires the unrestricted reserves to be at least 3%. We will have a conversation this year about increasing that to a higher rate. For now, our goal for the ending fund balance at the end of 2016-17 is 14.2%.

### **C. SMSR/SIEF**

Theresa shared a proposal as to how to allocate the state funds for SMSR/SIEF. Typically, the District has allocated these funds 50/50 between the two items, but this year we are recommending allocating 60% to SMSR and 40% SIEF & LM. This is due to extensive work that needs to be performed on IT infrastructure. If the Budget Committee approves a split of 60/40, the colleges will still receive an almost identical amount of SIEF & LM this year as they did last year. Carlos Lopez made a motion to approve the recommendation and Steve Meyer seconded it. The Committee unanimously approved the motion.

### **D. PERS/STRS**

When we met with bargaining groups about compensation for 2015-16 and 2016-17, they all agreed to set-aside money from 2015-16 to help fund the PERS/STRS increases. The agreement is to set-aside an additional \$1M toward pension cost from the funding for the base augmentation. The District pledged to fund \$500,000 from PDF. The units also agreed that the 80% share of the mandate past claims grant funds would contribute \$2.5M to support these costs as part of the multi-year plan. Theresa reviewed a document on the District's plan to fund the PERS/STRS increases. If we receive an additional base augmentation in 2017-18, then we could discuss whether to try to further designate funds toward the remaining on-going need.

### **E. Summer and Fall Enrollment**

Summer grew by only 6% even though we added 20% to the program. We have just reviewed the Fall enrollment report: ARC is down 4.01%; CRC is down 1.64%; FLC is down 0.98%; SCC is down 2.68% and overall the District is down 3% for Fall.

## **IV. MEMBER COMMENTS**

There were no member comments.

## **V. FUTURE MEETINGS**

Our next meeting will be in November. Theresa said she would bring the PDF funds and new strategic plan process to the committee at that meeting for discussion.

The meeting adjourned at 4:10 pm