
LOS RIOS COMMUNITY COLLEGE DISTRICT
DISTRICT BUDGET COMMITTEE

November 9, 2016

District Office – Main Conference Room

3:00 p.m.

(Approved 2/8/17)

Members Present

Greg Rose, Lorilie Roundtree, Julie Oliver, Carlos Lopez, Cory Wathen, Laduan Smedley, Kuldeep Kaur, Kathleen Kirklin, Steven Meyer, Dave Andrews, John Halberg, Joany Harman, Daniel Kwong, Gerald Nuckols, Barb Perault, Rob Heidt, Troy Myers, Theresa Matista

I. INTRODUCTIONS

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

II. REVIEW/APPROVAL OF MINUTES

The Committee approved the September 7, 2016 minutes by consensus.

III. DISTRICT BUDGET ITEMS

A. State Budget Update

Theresa shared a handout from the Board of Governor's agenda showing their budget request for the 2017-18 year. This request is forwarded to Department of Finance for consideration in the January budget proposal. The BOG made a couple of changes to the list. One was an increase to the line item for Veterans' Resource Centers to \$30M. They also added a line item for students who need assistance with food. Theresa went over the request summary.

B. Technology Plan – Budget Section

Theresa presented the draft of the budget information for the Technology plan. Sue Lorimer is leading the effort to develop the plan to meet the accreditation requirement. The plan will be presented to the Board in February. The District brought in a consulting firm named Campus Work to provide recommendations on the technology plan. The plan includes how the District will fund the projects and we will include as an appendix the process for funding IT needs throughout the District. Working with the VPAs, we discussed the process for determining whether the District, the college, or both are responsible for a given area. Theresa reviewed page 6 of the appendix which helps define where responsibility lies for initial cost and routine maintenance for these systems. But it is not possible to define every situation and we agreed that it is important to have a conversation early in the process if there is a lack of clarity. That process has been used in other areas and works well. Theresa asked the Committee to let her know if they had any comments, recommendations, or questions.

C. Contingency Reserve – P 8122

Currently, the District is required to maintain a 3% undistributed reserve level pursuant to Board Policy 8122. Theresa shared a proposal with the Committee to change from a 3% reserve to 5% reserve. If the Committee is in support of this, Theresa will move forward to the Board the change to policy. The State sets 5% as a prudent reserve but does not specify that it must be uncommitted. The District meets the State's level but we are relying upon college carryovers for that. To increase to 5% from our current level of close to 4% will require about \$3.2M. We will make a PDF appropriation and then use budget savings to achieve the 5%. Contingency reserves are intended for exceptional situations. We have an interest to

increase reserves to be prepared for the next downturn. If the Committee approves this, the next step is to go through the vetting process and ask the Board for approval. Kuldeep Kaur made a motion and Steve Meyer seconded it to move from 3% to 5% reserve. The Committee unanimously approved the motion.

D. Program Development Funds (PDF)

Theresa shared the preliminary PDF schedules. This year, the District has a total of \$1.4M in continuing and \$24.2M in one-time funds. For physical plant and instructional support, we have \$8.4M. At the last meeting, we voted to distribute these funds 60/40 with the additional funds for SMSR going to support IT infrastructure projects. Theresa reviewed the allocation schedule which is categorized according to the new strategic plan. Carlos made motion for the Committee to forward the PDF proposal to the Board of Trustees, subject to minor edits. Kathleen Kirklin seconded the motion. The Committee unanimously approved the motion.

E. Faculty Hires

Theresa explained the faculty obligation number (FON) where the state sets the number of regular faculty positions for each district. Under AB1725, the goal was for all districts to get to 75% regular and 25% part-time faculty. The FON was established to grow the number of regular faculty corresponding to growth in students. Thus, if a District grows, it must add regular faculty. In a year where there is no growth, then the FON stays the same which translates to hiring for retirements and resignations. For 2015-16, the State made an allocation to increase the number of regular faculty and each district was given the number of faculty to hire and the FON was increased accordingly. We filed the FON with the State in early November and reported 35 FTEF above our FON. Our percentage of regular faculty was 68.6%. We have one of the highest percentages of full-time faculty in the state. We will be meeting in December to distribute available positions from retirement and resignations. The initial consideration in the distribution of the positions is to try to have the same FT:PT ratio across the colleges. Right now, there are 29 positions in the “bank.”

F. District Audit

The District’s Institution Effectiveness goal relating to the audit is to not have any findings. This year, it is possible the District will have one finding relating to SSSP. SSSP reporting is new and the auditors are reviewing our State MIS reporting to our records. For two students that were reported under the assessment category, we are still trying to verify the source for that reporting. Paul Harris, who is overseeing our audit, believes the State will not assess any penalty this year and is allowing districts one year to correct any reporting issues. *(Subsequent to the meeting, the district was able to demonstrate that the reporting was accurate. However, we are working with our auditors to improve the controls surrounding the reporting).*

IV. MEMBER COMMENTS

There were no member comments.

V. FUTURE MEETINGS

Our next meeting will be in February. Troy Myer asked about mental health resources. Theresa said we should wait for the Governor’s budget to see if he provides money towards this priority. If he does, we could seek to add a student fee to address this.

The meeting adjourned at 4:15pm.