PLANNING & BUDGET COMMITTEE

Date: Tuesday, August 26, 2014
Time: 3:30 p.m.
Location: Board Room

Members Present: Stacey Bartlett, Les Jauron, Al Renville, Carrie Roberson, Belinda Sonnier, Trevor Stewart, Andy Suleski, Giovanna Vera, Donna Weaver, Samia Yaqub

Members Absent: Monica Boyes, Peter Dahl

Guest: Dr. Perry via conference call

I. ACTION ITEMS
   At 3:34 p.m., Andy Suleski called the meeting to order.

   a. Welcome of New Members
      Andy welcomed new member, Donna Weaver, Instruction Dean, representing MSC and Giovanna Vera, representing Associated Students. Andy asked the committee to introduce themselves.

   b. Election of Chair for 2014-15
      After discussion, Al Renville nominated Samia Yaqub as Chair of the committee for the 2014-15 term.
      MSC: Renville/Sonnier; Abstention: Roberson

   c. Consider approval of the 5/13/14 minutes and 06/10/14 minutes
      The minutes of the 5/13/14 and the 6/10/14 meetings were approved as presented. MSC Sonnier/Weaver; Abstention: Bartlett

II. DISCUSSION ITEMS
   a. Review Planning & Budget Committee Charter
      Andy reviewed the Committee Charter. Les recommended that language in Section B.1.D be changed from Strategic Direction to Strategic Initiatives and in Section B.2.A.1 replace Strategic Planning with Educational Master Plan, replace Continuous Improvement Calendar with Multi-year Integrated Planning System (MIPS) and add Planning, Budget and Assessment Process and Mission Statement. The committee agreed with the changes and recommended to move it forward to the President for approval. MSC Bartlett/Weaver

   b. Review of Planning & Budget Annual Calendar
      Andy reviewed the Planning & Budget Calendar. Les added two items: Assess the Evaluation Mechanism for the Integrated Planning Process (MIPS/PBA) and Assess Effectiveness of the Integrated Planning Process PBA Process (MIPS/PBA) in September; Samia requested that Faculty Prioritization be moved to September/October and Updates from Foundation, Grants, Associated Students and Enrollment Management will be added to the calendar. MSC Roberson/Sonnier

   c. Long-Range Outlook & Budgeting Guidelines
      Due to the significant pension rate increases over the next six years, a long-range budget scenario was discussed. Right now we have a balanced budget, but we do have some items in the budget that rely on one-time funds, like the transfer-in from the retiree benefit fund. Our budget also contains a high reliance on indirect cost reimbursements from grants, and one-time technology fee revenue. We need to make adjustments to our budget to address these structural issues. With the addition of the PERS & STRS increases, our fixed costs go up substantially. The only projected available sources of revenue are growth and cola. We can’t rely on any significant growth revenue as we are currently working hard and only able to keep our FTES flat. We will continue to go after more growth and if we get it, it will help. Estimated colas for the next 5- years range from 2.1-2.5%. Collective bargaining agreements require that any funded state cola be applied to the salary schedules. Approximately 76% of the cola will go to cover the cost of increasing the salary schedules. Based on these assumptions, we will experience projected deficits from $1.2 - $1.6 million compounded over the next 6 years until 2021 when the pension rates settle down. Our plan is that
the OPEB trust fund will be fully funded in 2021 and will provide some additional revenue to the
district to help cover retiree medical premiums. The temporary nature of prop 30 and the unknown
direction of the economy are of concern. The Leadership Team has already had discussions on how
we are going to build our budget over the next 5 to 6 years. Specifically, what are we going to do for
2015/16. Guidelines for building our budgets for the years to come, in addition to the Board’s Budget
Criteria, include:

• Manage the FON to the FON+1
• Categorical programs must sustain themselves
• Ongoing revenue should match ongoing expenses
• Stay within our CBAs

Other guidelines will be discussed as we proceed though the budget planning process.

d. 2014-15 Final Budget
Trevor reviewed the 2014-15 Final Budget which will be presented to the Board of Trustees at their
September 10, 2014 meeting for adoption.

e. Assess Evaluation Mechanism and the Effectiveness for Integrated Planning Process
(MIPS/PBA)
Les discussed the evaluation of the integrated planning process and the mechanisms that are used to
accomplish that task. Les asked the committee members for one word to describe how the process
should be: inclusive, accountable, consistent, focused, transparent, alignments, easily-understood,
forward-thinking, prudent, financially-responsible, meaningful, predictable and sustainable were some
of the ideas given.

Some changes were made and will continue to be made as we continue to refine the process.

III. ITEMS FOR THE NEXT AGENDA - September 9, 2014 @ 3:30 p.m.
• Unit Planning report
• Change to PBA process
• Board Budget Criteria
• Mission Statement
• Budget Update
• Future meeting - unit planning process training

IV. ADJOURNMENT
At 5:03 p.m. the meeting was adjourned.