PLANNING & BUDGET COMMITTEE

Date: Tuesday, January 29, 2013
Time: 3:30 p.m.
Location: Board Room

Members Absent: Kenneth Bearden
Guest: Kim Perry, Alexander Milliken

I. ACTION ITEMS

At 3:37 p.m., Brad Zuniga called the meeting to order.

a. Consider approval of the 1/8/13 minutes

The minutes of the 1/8/13 meeting were approved.

II. DISCUSSION

a. Budget Update

Andy discussed information presented at the Institute Forum. On January 10th, the 2013-14 budget was proposed by the Governor. Prop 30 passed which provides some temporary funding. We will see some restoration funds in 2013 ($377,000) from prior years’ workload reductions. It is proposed that the Board of Governors will determine how 2013-14 funds are allocated. There may be more clear guidelines for how the funding will be allocated before the May Revise. Some deferral funds have also been restored ($1.6M in 2013 and more is proposed in 2013-14). It is not new program money, but funding the college can use for cash flow. A big focus of the budget proposal is on student completion. The budget is balanced! The good news for the students is there no fee increase. $197M in apportionment funds will be coming our way, but we don’t know how this will be distributed. Instead of deferring $12M, they are going to defer only $8M.

The Governor is proposing $49M in Prop 39 funding. There are funds for online learning and backfill for RDA funds. The Governor eliminated RDAs to help fund education. We were short on RDA funding so the Governor put some “back-fill” funds in to cover the shortage.

Dr. Perry suggested that instead of waiting to hear what happens to us, we gather all of the constituent groups and have one voice on what we think we need. This could be a good discussion for this group. What would be the implication of COLA, restoration, categorical restoration, etc. on Butte College? We need funds to cover our structural needs – moving on-going expenses out of one-time funds.

Every year, we have approximately $1.3M increase to fixed costs. We are funding some on-going expenses with one-time dollars. We need to cover faculty previously funded by grants in order to maintain compliance with the faculty obligation number (FON). The rising cost of medical premiums for retired employees needs to be addressed. We are not out of the water yet. There’s not enough to fix our structural needs.

Adult Education is another topic that Andy discussed along with the proposed defunding of noncredit FTES. The Governor is also proposing the full cost of tuition be paid by students who have over 90 units.

The Governor is sending a clear signal to what he values - getting students to complete sooner. He is suggesting that funding be based on completion, not census.

The LAO is going to analyze the budget. We have a good chance of getting the budget on time this year.
b. Planning Way Ahead
Les suggested that we change direction in planning. After the Strategic Planning Retreat, we thought we would have some ready-made initiatives, but it looks like we are going to do a bit more work to create the initiatives. Les shared a PowerPoint that showed what was previously proposed and what is currently proposed. One thing we need to review is our values. There was a lot of discussion at the Retreat that the values and initiatives are aligned. We are proposing that we develop the Strategic Initiatives this semester, the Strategic Direction the Educational Master Plan in 2013-2014 and the supporting plan to be completed in 2014-2015. Les went over the Planning Way Ahead document that was sent earlier to the committee. He reviewed the background and the timelines for the planning.

Dr. Perry said that the accrediting boards are looking at data to review our mission. We have a wealth of data. We need to choose what data we want to use to show we are meeting our mission.

We are inviting functional area managers to the next two Educational Master Planning Committee meetings to help with the development of the Strategic Direction.

The committee approved Les' proposed planning plan.

c. Training for Committee Members on Budget Terms, etc.
Trevor shared a PowerPoint on FTES. Apportionment funding is received in a combination of three forms - property tax revenue, enrollment fee revenue, and state general fund. Funding rates include basic allocation, credit FTES, noncredit FTES, and NC CDCP. Trevor also talked about 50% law. At least 50% of the district’s current expense of education must be for payments of salaries and benefits of “classroom instructors”. Not considered “classroom instructors” include: librarians and counselors; department chairs and coordinators; any other non-teaching reassigned time for negotiations, academic senates, accreditation, etc.; infrastructure costs like insurance, utilities, service contracts, supplies; and technology that supports instruction. Restricted grant funds are not part of this calculation.

Why are we so concerned about the 50% law? The Chancellor’s Office withholds our funding if we are not in compliance.

d. February 12 Forum Planning - 3:30 p.m. - 5:00 p.m. Center for Excellence
Agenda:
- Welcome – Brad
- Remarks/ Legislative Update – Dr. Perry
- Governor’s Budget Proposal Update – Andy (include Board Budget Criteria)
- Enrollment Management Update – Clinton
- Fall Schedule/Faculty Hires – Samia
- Planning Update/Educational Master Plan – Les
- Q&A

Peter asked if we want stream the Forum to the Chico Center. **Answer: Yes!** Peter will work on this. He will know tomorrow if this is possible. There would have to be a District Announcement to let people know that the Budget Forum will be video streamed to the Chico Center.

III. ITEMS FOR THE NEXT AGENDA - February 26, 2013 @ 3:30 p.m.
- Budget Update
- Planning
- Training

IV. ADJOURNMENT
At 4:56 p.m. the meeting was adjourned.