



BUDGET COMMITTEE

MINUTES

August 26, 2014

A meeting of the Budget Committee was held August 26, 2014. The meeting was called to order at 2:02 p.m. by Vice President of Finance and Administrative Services, Ron Ballesteros-Perez.

Roll Call

Members Present: Ron Ballesteros-Perez, Debbi Claypool, Berta Cuaron, Joel Glassman, Aaron Holmes, Greg Larson, Teresa Laughlin, Christina Moore, Jamie Moss, Justin Smiley, Chris Wick

Members Absent: Kathy Davis, Adrian Gonzales, Anel Gonzalez, Shannon Lienhart, Jackie Martin, John Tortarolo

Guests: Phyllis Laderman

Recorder: Suzanne Sebring

I. Approval of Minutes:

MSC (Cuaron/Larson) to approve the minutes of April 22, 2014. The minutes were approved with Joel Glassman, Theresa Laughlin, Christina Moore, and Jamie Moss abstaining.

MSC (Cuaron/Larson) to approve the minutes of May 13, 2014. The minutes were approved with Debbi Claypool, Berta Cuaron, Joel Glassman, Greg Larson, Christina Moore, and Jamie Moss abstaining.

Minutes will be posted on the Palomar webpage as follows:

<http://www.palomar.edu/adminserv/budget/BC2013-2014.html>

II. Action – First Reading

No first reading action items to discuss.

III. Action – Second Reading

No second reading action items to discuss.

IV. Budget Committee Governance Group Structure Overview

A. Committee Roster

VP Perez distributed the 2014-15 committee roster and introduced new member, Joel Glassman.

B. Committee Meeting Dates

VP Perez distributed a listing of the 2014-15 committee meeting dates with the committee focus for each meeting.

V. Fiscal Year 2013-14 Recap**A. Adopted Budget vs. Actuals**

VP Perez shared the FY2013-14 Adopted Budget vs. Actual Expenditures with the committee, which showed that the difference between the two was only \$ 50,122.

B. Ending Fund Balance

The beginning fund balance was \$13,647,560, with \$102,575,220 in revenue and \$105,674,366 in expenditures. The ending fund balance was \$10,548,414. We, therefore, deficit spent more than \$3M this year.

C. Gooder Colleges

Board Member Evilsizer asked for the latest Gooder Colleges report which shows a comparison of like single college districts in the state. VP Perez shared the last four annual reports, highlighting the latest report from FY2012-13.

VI. Fiscal Year 2014-15 Budget Information/Discussion**A. Budget Assumptions**

VP Perez reviewed the planning assumptions with the committee which include COLA, Access, RAM, cap FTES, faculty & classified hires, discretionary budgets, step/column advances, benefits – health, dental, vision, PERS, STRS, actuary contributions (Fund 69), and the preservation of a 5% contingency account.

B. FTES Report

VP Cuaron discussed with the committee how the district is funded. The funding formula is based on the premise that we will average 35 students per class section. Unfortunately, we are currently averaging 24.3 students per section. Because the district is struggling with enrollments, classes are being run with a lower number of students. Our FTES cap last year was 18,802. This year, we need to reach 19,293 for the Large College cap, and 19,317 to earn back restoration funds from FY 2011-12. Last year we had to borrow 540 FTES from summer to reach the cap for last year. That means we have about 1,000 FTES to make up this year.

C. Proposed Adopted Budget Review

VP Perez shared the draft presentation of the proposed Adopted Budget for FY2014-15 with the committee. This will go to the Governing Board for approval at the September 9, 2014 meeting.

VP Perez shared that the STRS increase is going to be a big hit to the District if the State doesn't provide extra monies to assist with the increase. As of now, the State is not assisting with the unfunded liability and the rates will increase from 8.25% to 19.1% in the next 7 years.

VP Perez reinforced the need for the District to align continuous expenditures with continuous revenue.

VII. Other

VP Perez opened the meeting for questions/comments. Justin Smiley asked if the District borrows FTES from summer again this year, how long will that last? VP Cuaron responded that the cycle cannot continue. To address this, Fast Track and intersession sections will be added, marketing efforts will be increased to attract new students, and the 3SP group will be discussing strategies for student retention.

There being no further business, the meeting was adjourned at 2:52 p.m.

NEXT BUDGET COMMITTEE MEETING

September 23, 2014

2:00 p.m.

Location: AA-140