



BUDGET COMMITTEE

MINUTES

August 25, 2015

A meeting of the Budget Committee was held August 25, 2015. The meeting was called to order at 2:05 p.m. by Vice President of Finance and Administrative Services, Ron Ballesteros-Perez.

Roll Call

Members Present: Ron Ballesteros-Perez, Debbi Claypool, Carmelino Cruz, Dan Dryden, Joel Glassman, Mireya Gutierrez-Aguero, Greg Larson, Teresa Laughlin, Shannon Lienhart, Kendyl Magnuson, Jackie Martin, Michael Nagtalon, Mike Popielski, Justin Smiley, Dan Sourbeer

Members Absent: Anel Gonzalez, Aaron Holmes, Christina Moore

Recorder: Dayna Schwab

I. Approval of Minutes:

MSC (Laughlin/Larson) to approve the minutes of April 14, 2015. The minutes were approved unanimously with Dan Sourbeer and Dan Dryden abstaining.

Minutes will be posted on the Palomar webpage as follows:

http://www2.palomar.edu/pages/fas/files/minutes-agendas-newsletters/Minutes_2015-04-14.pdf

II. Action – First Reading

A. Request to Modify Governance Structure of Budget Committee

VP Perez proposed to add Director, Enrollment Services as a member of the Budget Committee.

B. Budget Subcommittee

VP Perez proposed a subcommittee of the Budget Committee meet on the second Thursday of the month to get a deeper look into the budget. There typically aren't enough agenda items for two meetings a month, which is why the second meeting of the month has been cancelled in the past.

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 2015-16 committee roster and all members were introduced at the beginning of the meeting.

B. Committee Meeting Dates

VP Perez distributed a listing of the 2015-16 committee meeting dates.

V. Fiscal Year 2015-16 Budget/FTES Information**A. Enrollment Projections**

Kendyl Magnuson distributed a spreadsheet which presented Palomar College's reported FTES with borrowing. He explained that we borrow from the "first summer" to reach the target FTES of 19,880 which in turn decreases the next fiscal year's first summer FTES. Kendyl distributed another spreadsheet which shows what the FTES would simply be if we didn't borrow to reach the large college FTES.

B. PowerPoint Presentation

Dan Sourbeer presented a PowerPoint presentation on how the College is funded. He went over important terms such as FTES, FTEF, WFCH and WSCH and gave examples on how these are calculated. The Chancellor's Office has budgeted Palomar College as a large college which means we receive an additional \$1M in funding and the cap is 19,880 FTES for FY 2015-16. We reach the cap through summer, fall and spring enrollments plus intersessions. Summer enrollment is flexible so if there is a shortfall, summer can be applied to the previous year ("borrowing"). We did not reach the targeted FTES in FY 2014-15 and fall 2015 enrollment is currently down over 3%. There is not enough summer enrollment to borrow to reach the targeted FTES for FY 2015-16 proving we are not a large college.

VP Perez presented a PowerPoint presentation on FY 2015-16 financial/budget overview. In the last 4 years we have deficit spent about \$14M. In FY15-16 we are getting a one-time mandated cost claim of about \$10.6M which is not included in our general fund balance of \$10.5M. The SRP will save \$3.3M. He discussed some District-wide concerns including balancing the budget, Accreditation, Retiree Health (Fund 69), STRS/PERS increases, Prop 30 tax expiration and declining enrollment. If we're not a large college we'll be slipping into stability funding. Stability Funding occurs when a District does not attain its base FTES in any given year. In the 1st year of the 3 year process, we're funded as though the District reached its base. In the 2nd and 3rd years, apportionment will be based upon actual FTES. After the 3rd year, the District will be re-benched to its actual FTES. The difference between large and medium designation is approximately \$1M. The District will keep large college funding for a total of 3 years and after the 3rd year, the District will be funded for their actual size (large, medium, small).

VII. Other

A. FY 14-15 Fiscal Year End Close

VP Perez indicated Fiscal Services is working on closing the year for FY 14-15. They will have it completed by the end of the week to begin working on the FY 15-16 adopted budget.

B. FY 15-16 Adopted Budget

VP Perez indicated once Fiscal Services closes the year for FY 14-15, we will have an accurate beginning balance for the FY 15-16 adopted budget. The Budget Committee will have a chance to review it at the next meeting before it goes to the Governing Board on Wednesday, September 9th.

There being no further business, the meeting was adjourned at 3:10 p.m.

NEXT BUDGET COMMITTEE MEETING

September 8, 2015

2:00 p.m.

Location: AA-140