



<p style="text-align: center;"><b>BUDGET COMMITTEE</b> <i>MINUTES</i></p>
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March 8, 2016

A meeting of the Budget Committee was held March 8, 2016. The meeting was called to order at 2:04 p.m. by Vice President of Finance and Administrative Services, Ron Ballesteros-Perez.

**Roll Call**

**Members Present:** Carmelino Cruz, Dan Dryden, Mireya Gutierrez-Aguero, Greg Larson, Teresa Laughlin, Shannon Lienhart, Michael Nagtalon, Mike Popielski, Justin Smiley, Dan Sourbeer

**Members Absent:** Debbi Claypool, Joel Glassman, Anel Gonzalez, Aaron Holmes, Kendyl Magnuson, Jackie Martin, Christina Moore, Brian Stockert

**Guests:** Carmen Coniglio, Brandi Taveuveu

**Recorder:** Dayna Schwab

**I. Approval of Minutes:**

MSC (Sourbeer/Larson) to approve the minutes of February 9, 2016. The minutes were approved unanimously with Dan Dryden abstaining.

Minutes will be posted on the Palomar webpage as follows:

<http://www2.palomar.edu/pages/fas/budget-committee-agenda-minutes/>

**II. New Business**

**A. FY 2014-15 Year-End Division Reports**

These reports were discussed under C. Cost Savings Ideas.

**B. Categorical Augmentations**

VP Perez provided three apportionment reports. On the 2014-15 Second Principal Apportionment report, we were funded at 19,320 FTES and on the 2014-15 Recalculation Apportionment report, it shows we were actually funded at 19,629 FTES. On the 2015-16 First Principal Apportionment report, our base is 19,629 FTES but we are only reporting 16,622 FTES since we are in the first year of stability funding, If the State didn't make us whole in the first year of stability funding, we would have a reduction in apportionment revenue of \$-14,020,086.

VP Perez provided a handout that showed all the California Community Colleges who are in stability funding according to the 2015-16 First Principal Apportionment report.

Palomar College does Budget different than other Community Colleges. Normally, the District sets a target base FTES and the Instruction Office creates the schedule and requests how much money they'll need from Fiscal Services. In the future, VP Perez recommends we change that. He provided a handout on Loss of FTES – Impact to Apportionment Revenue. Interim President Gonzales asked that we budget at 17,500 FTES for worst case scenario (we don't budget off of that number, we budget off what Instruction puts in the schedule). Per Interim VP Sourbeer, their target is 17,800. If that holds true, we are looking at a \$-8,641,012 reduction in apportionment revenue next year. Our mandated block grant of \$10.6 million is what will get us through the next year.

### C. Cost Savings Ideas

As a Budget Committee, we need to make recommendations to SPC on some cost savings ideas for the District and how we can be more efficient in our discretionary funds. Teresa Laughlin requested information on headcount of staffing (Classified, CAST, AA, and faculty) and FTES for the past 10 years so we can look at trends. Shannon Lienhart suggested we check with Michelle Barton in Research & Planning for this information.

VP Perez provided a handout on our FY15-16 discretionary budgets as of March 2016. These are not the true numbers in the system as PeopleSoft Financials and PeopleSoft HR do not communicate with each other. Our staff are manually inputting the data. Payroll and Cal-Cards are approximately two months behind. Fiscal Services is working with a consulting firm on utilizing the modules in PeopleSoft more efficiently.

VP Perez provided a handout titled Fiscal Year 2014-15 Discretionary Budgets (Recap). The funds are broken out by Division showing how much each Division had in their budget at the beginning of FY14-15, how much was expended and the balance as of June 30, 2015. The 2300 object code is non-instruction expenditures (hourly and student employees), 2400 is classroom expenditures (staff aides), 4000 are supplies and 5000 are operating expenditures. There was \$228,788 left in the ending fund balance. We need to look at the general fund and see what kind of reductions we can make.

VP Perez provided handouts on project grants by fund that shows beginning balances and year-to-date activity. Fund 11 is restricted and designated. Teresa Laughlin requested we look to see when the equalization money of \$2.3 million came in approximately 2006 was transferred from fund 11 to fund 41. VP Perez requested Brandi Taveuveu and Carmen Coniglio look into this to see where the money is. SPC allocates \$200,000 out of the general fund each year for SPFF funds. Should we recommend we suspend this while we're in stability funding and move the funds to our reserves? Fund 12 is categorical (restricted). This money is allocated for a specific use only, we cannot use it in the general fund. Shannon Lienhart questioned the large balance in the 1812090 Student Health Services fund and suggested we need to look to see if we're spending money in the general fund that could be used from fund 12. Fund 41 is RDA funds and Fund 69 is future retiree healthcare benefits. When making recommendations on where to save money, negotiated items need to stay off the table such as sabbaticals, out-of-class, freeze in steps, etc. These items will be discussed during negotiations.

D. FY 2014-15 Audit

This agenda item was not discussed but handouts were provided. You can find the complete FY2014-15 Audit on Fiscal Services website.

**III. Other**

The Budget Subcommittee will meet on Tuesday, March 29, 2016.

There being no further business, the meeting was adjourned at 3:24 p.m.

**NEXT BUDGET COMMITTEE MEETING**

**April 12, 2016**

**2:00 p.m.**

**Location: AA-140**