
LOS RIOS COMMUNITY COLLEGE DISTRICT
DISTRICT BUDGET COMMITTEE

May 10, 2017

District Office – Main Conference Room

3:00 p.m.

(Approved 9/13/17)

Members Present

David Andrews, Greg Rose, Julie Oliver, Cory Wathen, Laduan Smedley, Kuldeep Kaur, Joany Harman, Steven Meyer, John Halberg, Troy Myers, Dan McKechnie, Ginni May, Lorilie Roundtree, Carlos Lopez, Daniel Kwong, Gerald Nuckols, Rose Ramos, Theresa Matista

I. INTRODUCTIONS

Greg Rose called the meeting to order and welcomed everyone to the meeting.

II. REVIEW/APPROVAL OF MINUTES

The Committee approved the February 8, 2017 minutes by consensus with minor changes.

III. DISTRICT BUDGET ITEMS

A. State Budget Update

Theresa told the committee that the May Revise comes out tomorrow. She noted that in January the LAO projected much higher income levels than what the Governor used, however, now, it is looking like the Governor's projections were on target. Our hope is that any increased revenues will be applied to augment the base funding. We anticipate that the \$150M in one-time funding for pathways will stay in the budget. Our expectation is that SMSR will stay at the same level as the January proposal which is relatively low compared to prior years. On the facilities side, in January, the Governor only funded five of the twenty-nine BOG-approved projects. The Governor rejected all of the projects except those that were focused on health and safety. Natomas is a growth project, so unfortunately, it was not selected. At tonight's Board meeting, we will be presenting the five-year capital outlay plan and FPP's. The 2017-2018 COLA is estimated at 1.56%.

B. IEPI and Indicator Framework

The District is required to adopt goals for fiscal viability indicators. Our ending fund balance for 2015-16 came in at 15.6%. Our total salary and benefits came in at 89.3%. This is slightly above the statewide average of 87.3%. On the subject of audit findings, we met our goal of have no findings last year. For 2016-17, we project our ending fund balance will be 16.5% versus our IEPI Goal recommended in 2016 of 14.2%. We are projecting ending 17.2% for 2017-2018 and will most likely set aside additional money for PERS/STRS. This projection is made with those PERS/STRS dollars remaining in committed fund balance but we may decide to move those monies to an irrevocable trust during the coming year. Our goal for 5 years out is what the Committee recommended last year at 12.75% and we recommend adopting that goal again. Theresa asked for a motion to approve the goals. Carlos Reyes moved to approve the IEPI goals of no audit findings and a projected 17.2% ending fund balance next year and 12.75% in 6 years. Steve Meyer seconded the motion. The Committee unanimously approved the motion.

C. Recalculation/P1

Theresa shared that there was a mistake in the P1 calculation that was in our favor and the CCCCCO will correct it.

D. Access Report/ Enrollment

Theresa reported the total utilized instructional FTE. The report has different looks at productivity including separating Allied health and Vet Tech programs so their productivity does not skew the numbers. The total utilized instructional FTE in the Fall and Spring was 1,405.19. We had a District-wide overall 4.9% decrease in productivity. The numbers were pretty consistent across the District. Turning to the chart projecting P2, we will hit our base and may qualify for some growth but we will be in stability next year. We are in a cycle of shifting enrollment in one year to hit our base and being in stability the next year. The system office fiscal affairs workgroup is looking at the funding formula.

E. Pension Costs

Theresa shared a document from PARS which shows that the annual pension costs increased from \$21.6M to \$42.7M in eight years. We have been setting aside ongoing and one-time money to smooth over this 10-year increase. The difference between the PARS document and our current plan is that the PARS document uses the new PERS rates. Theresa shared the difference between the previously-released employer contribution rates and the new projected rates. We are now \$6M short. One place we can get funds to support this obligation is additional base augmentation. Theresa also told the Committee that we had a 10.5% increase in medical increase for Kaiser premiums (HMO) for the upcoming year.

IV. MEMBER COMMENTS

There were no member comments.

V. FUTURE MEETINGS

The next meeting is the regularly scheduled September meeting.

The meeting adjourned at 3:51 pm