BUDGET COMMITTEE MINUTES  
January 31, 2018, 9:00 a.m. to 10:30 a.m.

Members Present: Brock McMurray, Amanda Bauer, Bill Devine, Fernando Lara, Jo Ellen Patterson, and Geoffrey Dyer

Members Absent: Sheri Horn-Bunk

Guests: Justin Madding, Recorder

The Budget Committee meeting of January 31, 2018, was called to order by Brock McMurray at 9:00 a.m.

1. **Minutes**
The minutes from November 15, 2017, were reviewed and approved by consensus.

2. **18/19 Budget Development Calendar**
McMurray referred the committee to their Budget Development Calendars. He covered what has happened since we last met, and what is coming up on schedule for February. He noted that the task of identifying potential funding sources for APR resource allocation requests may not happen in February because we are dependent on when all of the APRs are complete.

   Lara asked if we have a list of all budget managers. Bauer said that she has a list.

   There was general discussion of the potential funding sources calendar item, and McMurray expounded on the budget development process.

3. **Budget Update**
As to the Local budget update, McMurray said that we need to make some revenue assumptions to help build the budgets. He said that one thing we are going to do differently this year is to do the budget development in the Banner system. He said that it should be a good change, and an efficient change.

   He said that Bauer has developed the process for budget development in Banner and will provide training on how to use it.

   Bauer explained how everything should work in Banner budget development. She said that this should eliminate the spreadsheet data entry work, and the subsequent data entry work into the Banner system when we FUPLOAD. As a result, we should be able to see the tentative budgets as soon as the tentative budget is approved. Bauer said that this process should be more efficient. She is also rolling out Banner Self-Service. Patterson said that she like Banner Self-Service. Lara said that he agrees that budget development in Banner should be good and efficient. However, he requests that we do a test because Banner can be fickle. He said that it use to take him about a week to get budgets into Banner manually. He said that he appreciates the new approach of visibility of the budget on 7/1/18. Bauer said that we have done some testing and she is confident in rolling out. Devine asked if Banner has a backup. McMurray said that it does, and that IT has backup servers. Bauer said that she is confident in the system, and now we need user training. Lara said that he would like to be part of the testing.

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4. **ACCCA Budget Workshop**
McMurray said that he attended the ACCCA Budget Workshop in January. The Department of Finance was in attendance. He said that this is an interesting budget for us. It is a strong budget in the amount of monies allocated to community colleges and the rainy day fund, but we have a new funding formula. Historically we have had funding based on FTES. The new formula consists of the following: 50% based on FTES; 25% based on the population you serve and their level of need; and 25% based on student success. We don’t know exactly how the last two are going to be measured. They have agreed to a hold harmless this coming year, but there is no guarantee after that. In the new funding formula there is $175 million for base increases, but we do not know who is going to get it. He said that he is a little nervous because there are so many unknowns. If BOG is used to measure need, then we would rank pretty high. For student success, maybe they base it on some state average.

Dyer asked if the new formula was a done deal. McMurray said that it is not final yet, but he thinks at least some version of what has been released will be chosen. Dyer said that he is thinking about how this aligns with the Chancellor’s Office vision with Guided Pathways, etc. McMurray said that he is a little concerned because we are one of the highest funded per FTES in the state. If that is thrown out the window, then we could be in for some big changes.

McMurray said that a new online college is being created called The 115th. It is not meant to compete with community colleges, but to create new classes.

Dyer said that it is supposed to target adults who would not normally come to community colleges anyway. Dyer said that The 115th will likely have a lot of CTE. Dan Hall says that approximately 30% of our FTES is online, while it is only 13% statewide. Devine questioned whether we should make a flexible online program of our own. Dyer said that we have tons of regulations to abide by, and the private colleges do not. That is part of the reason they outperform us online.

McMurray said the following were included in the budget: $161M for 2.51% COLA; $60M for 1% growth; $230M to offset decreased property tax revenues; $20M for Adult Ed; $275 M one-time funds for Deferred Maintenance and Instructional Equipment, which is a substantial increase; and $46M for college promise programs.

McMurray emphasized that this was the first rendition of the budget. There will be some changes, but the final version will probably be pretty close to this version.

5. **Fall Semester 320 Apportionment Attendance Report**

McMurray said that this is a report of attendance generated through Academic Records. This year we budgeted for 1% growth. We were able to report a little over 2% growth, but it is not guaranteed that 2% will be funded. McMurray proceeded to explain how the 320 report is strategically generated and the impact it has on funding. The next 320 report is due in May.

Devine noted that his waitlists were high, and Kamala Carlson was able to get a number of sections. He said that it seems like enrollment is strong. McMurray said that enrollment is strong here, but it may go down when the oil and gas industry improves. However, when that happens WESTEC does better, which helps offset the decrease in enrollment.

Dyer said that one criticism of The 115th is that non-traditional students do not do as well online.

6. **Facilities**
McMurray said that we are starting to see some beams go up on the Student Center project. We have had quite the struggle with this construction company. McMurray said that he has spent a lot of time working on these issues. We have negotiated a new completion date. We also have some energy efficiency projects coming up.

Dyer asked about the potential for a GO bond. McMurray said that we are considering going out for a bond. The Board will be having a special meeting to decide whether to move forward with a bond measure. A bond would support our educational master plan and facilities masterplan. Devine asked how a bond would affect the local taxes. McMurray said that when a bond is passed, and you sell the bonds, you stay under $25 per $100,000 of property value. McMurray further explained how a bond works. He said that if we go out for a bond it will be on the June ballot. Hopefully the voters will go for this.

7. **Budget Committee Goal: Understanding of the various funding sources and their corresponding acronyms**

Bauer referred the committee to the funding source handout. She said that she took the old acronym list and made this new spreadsheet to inform the committee on the purpose of these funding sources. McMurray thanked Bauer for putting this together. He told the committee that we now have a list of acronyms, what they stand for, and what they do. He said that this is a living document.

Dyer asked if there was a difference between the Categorical and Grants categories. Bauer said that Categoricals are ongoing programs with an allocation funding method. Grants are an initiative for contracted periods of time. The committee further discussed grant and categorical funding.

8. **Other**

None.

Meeting adjourned at 10:30 a.m.

Respectfully submitted by:

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Justin Madding