



Budget Council Meeting

February 20, 2013

Lee Campus Taeni Hall Room S-107

Minutes

Attendees Present: Gina Doeble, Tobias Discenza, Dr. Pat Land, Dr. Robert Jones, Ron Dente, Dr. Christine Davis, Dr. Jeffrey Stewart, William VanGlabek, Ivan Guerrero, Tracy Reynolds, Ester Puig, Vicki Dryden (Recorder)

Attendees Absent: Dr. Harrel

Start Time: 2:05 p.m.

Gina Doeble welcomed everyone in attendance, requested introductions and thanked everyone including the new folks to the first Budget Council meeting for the fiscal year 2014 budget process. She indicated that the Budget Council was newly established last year and that we have learned a lot from the process. She indicated that she will remain as Chair of the Budget Council due to the nature of her position.

I. Overview of Budget Development Process

Toby Discenza provided the overview of the Budget Development process explaining that Fund 1 – Unrestricted Fund, is the largest piece that the Budget Council will be most concerned with. He explained via slide show that the funds, referred to as operating revenue, come from tuition and fees, State funding, and interest generated from indirect costs of sales & services. He also explained the operating expenses such as personnel at 71.1% which includes salaries and fringe benefits, operating expenses at 10.2%, travel at 1.0%, utilities at 3.7%, contract services at 9.1% and other expenses at 4.9%. He showed the comparisons between tuition and fees and State appropriations and how they have changed over the years. He said we currently receive more funding from tuition and fees than we do from State funding where as it was reversed back in 2006-07 and flat around 2008-09.

Toby reviewed the online forms that are used to make new budget requests in the form of mandatory increases, new initiatives, new positions/reclassifications, technology requests



and furniture and equipment requests. He mentioned later on in the meeting that last year the Budget Council held two-day hearings for 92 requests totaling \$3M saying that the Council rank approved 56 of the requests.

Dr. Stewart asked what form he would use to request funds for a budget account shortage given the number of current staff. Gina suggested to use the Mandatory Increase form.

Toby described the various aspects involved in the development of the budget explaining that he already held the budget workshops for the budget administrators to develop their operating budgets using the Portal; met with the Deans for the course fees, is planning to get together with Continuing Education and indicated that the new budget requests will be approved by the campus presidents and/or appropriate vice presidents. He stated that his office will prepare the revenue projections. Gina mentioned that the majority of the budget process is in Fund 1 and is often referred to as Fund 1, Fund 10 or the operating budget consisting of the mandatory increases and new initiatives and is all one in the same.

Toby provided an overview of Fund 2 – Restricted funds, derived from grants, and student activity fees explaining that the Student Government Association (SGA) signs off on these budgets and that his office is hoping to see an increase in the grant funding next year due to the new Grant position approved last year.

Toby provided an overview of Fund 3 – Auxiliary Funds, mentioning that the Bookstore commission is the largest piece along with the B. B. Mann Performing Arts Hall, Food Services, Inc. and facility rentals. Dr. Davis inquired to understand more about the PR budgets. Gina explained that the Fund 3 revenue is used by the College to pay for things which the State cannot pay for such as our campus auxiliary budgets for food/hospitality – these budgets are given to VP level executives for sponsorships to organizations like the American Heart Association, the Chamber events, for H.R. orientation as well as tuition reimbursement, salaries/fringe benefits, management of B. B. Mann Hall and repairs of equipment.

Toby Discenza provided an overview of Fund 5 - Financial Aid Funds that come from the Federal and State Government (Bright Futures). This revenue is used primarily for scholarships and the HOPE program.

Toby Discenza provided an overview of Fund 7 – Plant Funds for construction are derived from local & reserved funds, Capital Improvement fees & bonds, license tag fees and PECO (Plant Education Capital Outlay) funds. PECO funding is for new construction, renovation and remodeling. However, Toby explained that there will be no PECO money next year and there might not be any for the next two years – zero dollars. This causes a big problem for the College in that we have to create different methods of addressing the needs in these areas by shifting to use operating funds to back up this short fall.

Toby referred to the hand out of the Budget Council purpose statement duties and responsibilities reiterating the list of responsibilities and saying that we have established a web page for transparency to post minutes and documents. He indicated that the primary role of the Budget Council is to prioritize all the budget requests that come in mentioning that we will continue with the back-to-back two-day hearings as was done last year. He mentioned that the committee will develop the calendar/timelines and will perform the midyear budget reviews and analyzing requests for mid-year reclassifications.

II. Budget Development Timeline

The Budget Council discussed the timeline and made a few changes considering SACS and the Inauguration. The proposed meeting schedule is as follows: (March 21st had to be changed to March 20th due to conflicts and some meeting times were adjusted for room reservations)

Room I-122: Wednesday, March 20th at 1:00 – 3:00 p.m. (Bill VanGlabek via poly.com)

Room I-122: Tuesday, April 2nd at 9:00 a.m. – 4:30 p.m. (Budget Hearings)

Room I-122: Wednesday, April 3rd at 9:00 a.m. – 12:00 noon (Budget Hearings if needed)

Room I-122: Thursday, April 25th at 12:30 – 2:30 p.m. (Budget Council recommendations)

Room I-122: Thursday, May 23rd at 1:00 – 2:00 p.m. (if needed)

It was projected that the Budget Council recommendations to the College Operating Budget will be presented to the District Board of Trustees near the end of May with expected District Board of Trustees review and approval in June 2013.

III. Preliminary Budget Assumptions (i.e., tuition increase %, enrollment decrease %)

Gina mentioned that the College does not know exactly how much we are going to get from the State or the tuition rate for next year which the District Board of Trustees has to decide on. The “draft” preliminary revenue hand out was explained as how the Office of Financial Services puts it all together to create the best assumptions possible in the budget projections. This scenario process reflects the challenges faced by the Budget Council in the budget process as State revenue, enrollment and tuition fluctuate. Gina mentioned that she was scheduled to meet with the President and Dr. Peel to discuss the matter with them. She expressed a desire to get the Budget Council’s input as well.

Gina provided the Budget Council with a brief synopsis of the decline in enrollment over the past year with no tuition increase - providing examples of how the preliminary budget scenario can be adjusted. She mentioned that the startup budgets could be reduced by the amount of lapsed dollars at the end of this fiscal year. She indicated that we could project a decrease in enrollment of 8% or a more conservative number like 10%. And we could increase the tuition by 1%. Gina indicated that we are within the local statutory rights to raise tuition if approved by the Board of Trustees.

Discussion was held. Gina and the Budget Council members discussed the various ways to adjust the currently flat budget. It was Gina's opinion that we might get a little money from the State. Dr. Stewart asked if we are required by SACS to add any new faculty positions. Dr. Land commented that the Budget Council needs to know that. Gina also mentioned that since the budget was flat last year that it did not allow for salary increases.

The Budget Council recommendations (grouped by table) were as follows:

- Table 1, for a 5% decline in enrollment on first go around and then changed their vote to an 8% decline in enrollment.
- Table 2 voted for an 8% decline in enrollment.
- Table 3 voted for a 6.5% decline in enrollment.

IV. New Budget Request Forms – Which ones to be reviewed

Gina Doeble reviewed and discussed the new budget request forms used for the Fund 1 operating budget. She mentioned that Toby has in the past analyzed the mandatory increase requests of over a million dollars. Dr. Land expressed that due to the tight time constraints that there is merit to having Toby continue this process.

Gina mentioned that the new initiatives, new position and staff reclassification requests will be presented to the Budget Council in the form of budget hearings saying that they coincide with the unit plans. She mentioned that this year we are going to have Human Resources review the staffing requests before the Budget Council hearings so that H.R. can determine the feasibility from a staffing and financial point.

Gina mentioned that the technology requests will be reviewed first by Dr. Stewart and his team to determine if the requests fit into the technology plan of the College. They will then be presented to the Budget Council at the budget hearings. Gina also mentioned that she and Steve Nice will review the furniture and equipment facilities' requests prior to going to the Budget Council. Dr. Land requested that Steve Nice meet with the Deans to review the furniture requests prior to the requests coming to the Budget Council.

V. Open Discussion/Questions

Inquiries and discussion were held. Gina thanked everyone for their attendance and expressed her appreciation for their volunteer service.

Meeting Ended at 3:10 p.m.

The minutes will be posted on the web site at www.edison.edu/district/budgetcouncil/