

IMPERIAL VALLEY COLLEGE
Budget and Fiscal Planning Committee
Wednesday, May 13, 2015, 1:30 p.m.

Accreditation Standard III: Financial Resources -- Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning is integrated with institutional planning.

Mission: Coordinate and integrate college plans and establish budget priorities consistent with the college's vision and mission statements, with recommendations, expressed in dollars, made to the Superintendent/President. Review the Tentative and Adopted budgets for consistency with annual institutional goals and objectives, college plans, and the planning and budget philosophy.

Minutes

✓ Members present:

Recorder: Mary Carter

✓ **John Lau, VP for Business Services, Co-Chair**

✓ **Matthew Thale, Classified Representative (Co-chair)**

_ Dr. Nick Akinkuoye, Admin. Rep.

_ Melody Chronister, College Council Rep.

✓ Dr. Martha Garcia, Faculty Rep.

_ Jeff Cantwell, Classified Manager/Confidential Rep.

✓ Dr. Michael Heumann, Academic Senate Rep.

✓ Mike Nicholas, Classified Representative

✓ Dave Drury, Faculty Representative (1:45 p.m.)

✓ Carlos Fletes, Director of Fiscal Services

✓ Lidia Zambrano, ASG Representative

Alternates: Dr. James Patterson, Administrative Rep.

Visitors: Jeff Enz, Eric Lehtonen, and Mary Jo Wainwright

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- A. Call to Order: The special meeting of the Budget and Fiscal Planning Committee was called to order by co-chair Matthew Thale at 1:37 p.m. on Wednesday, May 13, 2015. The meeting was held in the board room.
- B. Review and Approval of Minutes:
- a. ***M/S/C Fletes/Heumann to approve the minutes of the April 29, 2015 meeting as presented.***
- C. Reports: none
- D. Update on Previous Discussion Items:
- a. 2015-16 Budget: Director Fletes presented updated information on proposed budget adjustments (attached to these minutes). The deficit is now \$394,683 due to additional costs for summer and winter sessions and the shift in some salaries and benefits from the Atlas Grant. The savings from the VESIP (retirement incentive) cannot be determined until the positions are replaced. VP Lau noted that labor contracts will not be finalized in time for the tentative budget.

Discussion:

- Why if the budget is flat, is there a \$400,000 deficit? There are some escalators even to a status quo budget, such as labor increases and benefits

- Additional state revenue? Most money is in restricted areas, with a small COLA and some growth for the general fund
- The Atlas Grant is phasing out, and costs are coming back to the General Fund
- Director Fletes reminded the committee that 2014-15 started with a deficit of \$319,000
- There will be at least a 7% increase in health insurance, as well as increases to PERS and STRS; there will be some relief from the state for retirement costs, but not dollar for dollar
- The district is looking into charging grants for allowable retirement costs
- The committee expressed concern about the increasing deficit, and noted that the increased cost of the CSEA contract settlement is not yet reflected in the budget
- The committee asked to look at areas of variance at its next meeting
- With 88% of costs in salaries and benefits it will be a challenge to find savings
- Savings from retirements? There are 9 to 10 people retiring, they will be receiving a one-time retirement incentive that could be paid from reserve since it is a one-time expense
- Enhancements are not in the budget; meetings with deans are needed to look at the budget and see what enhancements are necessary
- SPOL did not live up to expectations in the budgeting area. The district was not able to enforce a status quo budget and keep out all enhancements. What is the cost of SPOL, initial and on-going? IT will report back.
- The college needs to revisit the FTES accounting for summer; late add classes don't fill as well; more advertising/promotion needed for summer school
- Is the college chasing FTES? Why did the FTES project for 2014-15 go up? The state changed the districts base and enrollment came in short of the new base.
- The state pays the college upfront for FTES so if the target is not achieved, the college will have to pay back the excess
- Is it possible to move any costs to Student Success? The college must rely on the expertise of grant coordinators for what is allowable. However, the college does not have a grant officer to oversee grants as other colleges have.
- The college cannot violate having a balanced budget, it cannot return to deficit spending

E. New Discussion:

- a. Commitments made by the District in the Accreditation Follow-up Report (balance budget, redirect savings from annual debt service to OPEB liability, begin funding irrevocable trust for OPEB liability). VP Lau stated that the district must keep the promises made to the accreditation commission in the follow up report in regards to having a balanced budget, redirecting savings from debt service to the OPEB liability, and to begin funding the OPEB liability through an irrevocable trust.

F. Action: none

G. Other:

H. Next Meeting: May 27, 2015, 1:30 p.m.

I. Adjournment: Meeting adjourned at 2:49 p.m.