



BUDGET COMMITTEE MEETING
Feb. 7, 2018 ~ 2:00-3:30 p.m.
Student Center Stage
MINUTES

CALL TO ORDER: The meeting was called to order at 2:05 p.m. by Committee Member, Jill Ault.

ROLL CALL:

x	Jill Ault	x	Sue Loring	x	Kathy Royce	Student Rep.
x	Don Cingrani		Tom Masulis	x	Susan Schroth	
x	Sara Holmes		Morris Rodrigue	x	Tom Simpson	

APPROVAL OF MINUTES: Minutes of 10/4/17 and 11/15/17. Both set of minutes were tabled until the next meeting.

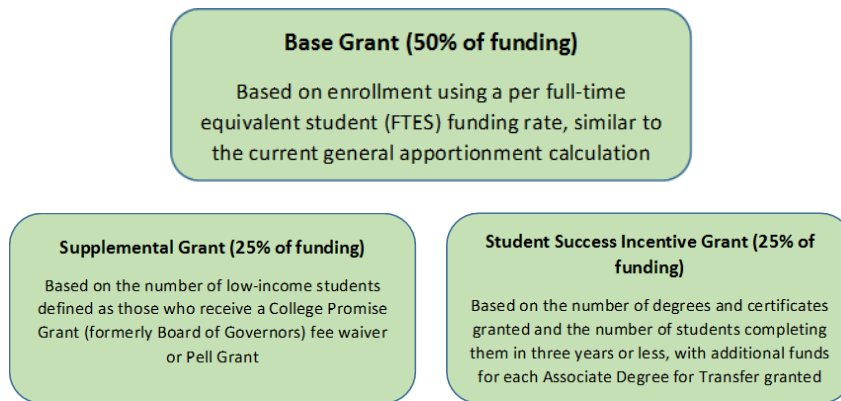
PUBLIC COMMENTS: None

REPORTS: None

DISCUSSION/ACTION:

A. State Budget Report- (PowerPoint)

Jill explained that the Department of Finance is proposing a funding formula change. The current formula is based on growth, so having a new formula is not a bad idea. The formula will now be based on the size of the school/institution, 25% based on need, 25% based on outcomes and 50% based on enrollments (FTES).



This new formula is completely different, they are still working out the details, and it's a wild guess as to what the outcome will be. Also, there is a big push for an online only college, which will be hosted through the Chancellor's Office.

Jill shared a spreadsheet that shows where they are putting the information into numbers. This spreadsheet is still a work in progress, and the numbers are not fully accurate yet. Susan asked how we are tracking on our completion rate compared to the state student success rate. Jill said that is still to be configured, and we don't have those numbers yet. Morris, Joe and Becky are on a work group that is working through this formula, so we have people from our District involved in the process.

With this new budget formula, the state is offering \$175M to create stability for the first year, this is being referred to as a hold harmless. Regardless of how this formula works out, the \$175M should keep us at our 2017-18 level. Until we get further clarification on the formula, we must assume that we will have the same funding as this year. There has also been talk about consolidating some of the categorical programs, which could be a good thing.

The online college initiative is focusing on vocational training, career advancement, child development, advanced manufacturing, healthcare and targeting working adults that are not currently accessing higher education.

Tom asked if it is possible that we may take a hit in our FTES because of the new online college, and then lose out on dollars based on the new formula. Jill said that is definitely a concern, but the Chancellor's Office and Department of Finance feel the online college is really only going to target students who are currently not attending any college.

Additionally, there will be no more FTES summer shift after 2017-18. So in 2018-19 districts must decide where they will put their summer FTES. We will continue to learn more as the months go on. Because of the unknowns, we are asking staff to be mindful and keep spending to a minimum or flat.

Other budget items:

- **\$161.2** million increase to fund the estimated 2.51% statutory cost-of-living adjustment (COLA). In a normal year this would be approximately **\$967,000** to Shasta College
- **\$60** million increase to fund 1% growth
- **\$275.2** million in one-time funds for deferred maintenance, instructional equipment. This represents **\$1.6 million** to Shasta College
- **\$46** million to support the implementation of the California College Promise program. This is potentially **\$275,000** to Shasta College.
- **\$44.9** million in Proposition 51 bond funds for 5 new and 15 continuing facilities projects
- **\$32.9** million to consolidate the Full-Time Student Success Grant and the Completion Grant programs
- **\$20** million in one-time funds for the Innovation Awards program for grants focused on enhancing equity
- **\$7.3** million to fund the 2.51% COLA for Disabled Student Programs and Services, Extended Opportunity Programs and Services, California Work Opportunity and Responsibility to Kids (CaWORKs), and Child Care Tax Bailout programs
- **\$20.5** million COLA for ABE plus **\$5** million for data collection
- **\$2** million for the Chancellor's Office to fill vacant positions and further support the local colleges in improving student success

Final PowerPoint Slide:

- The college enrollment is down this year
- There are significant unknowns about funding formula impact
- The District needs to be attentive to potential downturns in the economy

B. Budget Calendar

This calendar will be shared with the Board. The main focus is on fund 11. The overall budget will look bigger because of the Measure H Bond.

OTHER/ANNOUNCEMENTS: None

ADJOURNMENT: 2:35 p.m.

NEXT MEETING: February 21, 2018

Recorded by:
Sherry Nicholas
Executive Assistant
Administrative Services