



**BUDGET COMMITTEE MEETING**

April 5, 2017  
 2149  
 2:00-3:30 p.m.  
**MINUTES**

**CALL TO ORDER:** The meeting was called to order at 2:05 p.m. by Committee Chair, Joe Bissell.

**Roll Call:**

x	Jill Ault	x	Kendall Crenshaw	x	Tom Masulis		Susan Schroth
x	Joe Bissell	x	Sara Holmes		Morris Rodrigue		Student Rep
x	Don Cingrani	x	Lynda Little	x	Kathy Royce		

**APPROVAL OF MINUTES:** 3/15/2017 Cingrani/Royce. Discussion- add the word “it” after at in the first paragraph after “bulk of income...” and on page 2, change ‘compensational’ to ‘computational’ Motion passed noting corrections, with two abstentions (Little and Crenshaw).

**REPORTS:** None

**DISCUSSION/ACTION**

**1) 20174-18 Unrestricted General Fund preliminary budget numbers (Handout)**

Joe said the list of assumptions that are put in the budget document will leave us with a deficit. When the May revise comes out it will alter the numbers in the tentative budget. Don said that having the list of all the assumptions in one place makes the budget more understandable. Joe said on the third page under other outgo, we are using the word savings, and that may need to be changed because this is the area where we put in the \$1M, which historically is not an unreasonable number because we are using an average number, and it doesn’t take too many position to confirm this realistic \$1M in savings.

Joe said in the 2017-18 proposed budget we have a purposeful spend down of the fund balance from the 1-time (actually 2 year) raises. A question was raised concerning money being put into the OPEB that we may not need to. Jill said there is \$2.6M on that line, but that is dollars we pay out to retirees, so we technically haven’t put dollars into the trust. Don asked if we don’t put money into the trust, will it put us behind. Jill said we are ahead enough now, but she is not comfortable to say we are ‘far enough’ ahead. Joe said, at this time we are ahead, but that can change. There will be another actuarial study, and then we will know more.

Many departments appear to have small contingencies built into their budgets. We could remove all department contingencies and then set up a central district contingency fund that would likely be less. This idea was presented to Cabinet and it was felt this would not be well received and could appear as though the District was micromanaging. The Budget Committee agreed.

Discussion ensued regarding the addition of line in the budget (currently suggest \$1M) to the estimated budgeted expenses that were not probable to materialize because of unplanned position vacancies. The adjustment is intended to project a more accurate ending fund balance. Don said he has a concern with using the word ‘reserve’ for contingency because it is misunderstood, and suggested changing it to

projected budget savings or hopeful budget savings. Jill said the word comes from the budgeting manual. Don suggested moving the line up to show the connection to the savings, and adding a title such as projected or estimated number. Kathy said it could further be explained in the assumptions. Tom said there could be further explanation by stating that this is an estimated amount based on past trends related to vacant positions. Jill said we budget as though people that are here 100% of the time, and that's not realistic because there are always vacancies.

Sara said it is important to be crystal clear, but the committee needs to be aware of the message that this could send. If it is communicated as goals of the districts, and since there has been savings each year in operational costs, that it should also be included, so that there is not just a focus on salaries and benefits for savings. Tom said the budget should come with a narrative. Sara said there will be some people who interpret it negatively regardless of how realistic or transparent it is presented.

Joe said the most important element is to be proactive about how this change will be received. Historically we know that positions are not filled 100% of the time, and that is where the savings each year comes from, but also comes from over budgeting and having excess in some of the operational accounts. This will take more work, and should include campus wide discussion about the budget, and how the goal for the district is to become more accurate and realistic with the budget projections each year.

## **2) Transition from conservative budget to realistic budget – How to inform campus**

Joe said the idea is to get to a point where we transition from conservative budgeting to realistic budgeting, and to also use correct and understandable terminology when releasing the budget information to the campus community. As a committee it is understood that a budget is our best guess with rational and reason behind it. All input is welcome in looking for a long term solution.

Joe said how we communicate will be the key to transitioning from conservative to realistic budgeting. Should the committee do a write up, have a discussion topic, share with the unions, Board of Trustees and other campus committees? The idea is to come up with the concept, and then communicate that concept out by explaining the change in philosophy and how the budget committee came to a realistic budgeting method. The new approach to budgeting could be conveyed via email and in person. It was agreed that Joe would come up with some wording and then send it out to the group for feedback. This is a work in progress.

### Suggested language included:

- Attrition
- Projected
- Estimated
- Put footnotes on the last page of the tentative budget document
- Incidental staffing gaps
- Potential budget savings

## **3) Accreditation Standard IIID: Financial Resources Draft**

Joe announced that he has the link to the draft for Standard IIID-Financial Resources, and he encouraged all to read and send any comments back to him via email. Joe believes it is well written and is a good document, and he didn't see any red flags. Sherry will send the link out to the committee after the meeting today.

## **OTHER / ANNOUNCEMENTS**

Joe shared that he is anxious to see P2, because it will determine the amount of money received through June 30<sup>th</sup>. P1 reported 7270 FTES. This is back to the original cap, but we are hoping for 7342 FTES and that would give us our maximum in growth dollars. The preliminary budget currently is built on the 7270 number.

**ADJOURNMENT: 3:25 p.m.**

**NEXT MEETING DATE: 4/19/17**

Recorded by:  
Sherry Nicholas  
Executive Assistant  
Administrative Services

**Shasta-Tehama-Trinity Joint Community College District**  
**2017-2018**  
**Tentative Budget**  
**General Fund - Unrestricted**

Fund 11

	2016-2017 Final Budget	2016-2017 Estimated Actuals	2017-2018 Tentative Budget	Budget Change Adopted 16/17 to Tentative 17/18
<b>Beginning Fund Balance</b>	\$ 10,413,391	\$ 10,425,389		
<b>Estimated Beginning Balance 7/1/17</b>			\$ 10,395,709	
<b>INCOME</b>				
Federal Income				
Forest Reserve Fund	\$ 86,000	\$ 86,000	\$ 88,000	\$ 2,000
Miscellaneous (Adm. Fees, Federal Projects)	147,685	129,730	135,627	(12,058)
<b>Total Federal Income</b>	<b>\$ 233,685</b>	<b>\$ 215,730</b>	<b>\$ 223,627</b>	<b>\$ (10,058)</b>
State Income				
State Apportionment	\$ 15,252,019	\$ 16,220,056	\$ 16,025,906	\$ 773,887
Educational Protection Act	5,824,286	5,824,286	5,824,286	-
Board Financial Assistance	99,470	99,470	99,470	-
Basic Skills	173,366	173,366	90,000	(83,366)
Faculty Part-time Office Hours	0	0	0	-
Home Owners Exemption - All Counties	226,400	226,400	226,600	200
Timber Tax Receipts	102,000	102,000	102,600	600
Lottery	908,000	908,000	1,000,000	92,000
Mandated Cost Block Grant	820,000	800,000	200,000	(620,000)
Miscellaneous: Adm. Fees, State Projects	510,000	510,000	414,113	(95,887)
<b>Total State Income</b>	<b>\$ 24,098,626</b>	<b>\$ 25,039,753</b>	<b>\$ 24,159,150</b>	<b>\$ 60,524</b>
Local Income				
Property Taxes	\$ 15,937,009	\$ 15,763,968	\$ 16,448,100	\$ 511,091
Contract Education	20,000	20,000	-	(20,000)
Sales	94,230	94,230	100,500	6,270
Rentals and Leases (Facilities)	160,000	160,000	160,000	-
Interest	50,000	50,000	51,500	1,500
Community Education	160,908	160,908	120,000	(40,908)
Enrollment Fees	2,120,700	2,120,700	2,135,700	15,000
Non-Resident Tuition	700,000	700,000	615,000	(85,000)
Student Fees and Charges	113,555	113,250	119,370	5,815
Miscellaneous Local Income	107,000	107,000	167,776	60,776
<b>Total Local Income</b>	<b>\$ 19,463,402</b>	<b>\$ 19,290,056</b>	<b>\$ 19,917,946</b>	<b>\$ 454,544</b>
Other Financing Sources				
Interfund Transfers In	\$ 0	\$ 0	\$ 0	0%
Other Income	7,500	7,500	7,500	-
<b>Total Other Financing Sources</b>	<b>\$ 7,500</b>	<b>\$ 7,500</b>	<b>\$ 7,500</b>	<b>\$ -</b>
<b>Total Income</b>	<b>\$ 43,803,213</b>	<b>\$ 44,553,039</b>	<b>\$ 44,308,223</b>	<b>\$ 505,010</b>

**Shasta-Tehama-Trinity Joint Community College District  
2017-2018  
Tentative Budget  
General Fund - Unrestricted**

Fund 11

2016-2017	2016-2017	2017-2018	Budget Change
Final Budget	Estimated Actuals	Tentative Budget	Adopted 16/17 to Tentative 17/18

**EXPENDITURES**

Academic Salaries

Instructional Contract	\$ 9,302,909	\$ 9,302,909	\$ 10,110,280	\$ 807,371
Non Instructional Contract	1,087,044	1,087,044	883,041	(204,003)
Academic Administrators	2,105,112	2,105,112	2,111,941	6,829
Instructional Hourly	4,409,549	4,409,549	4,306,630	(102,919)
Non Instructional Hourly	203,272	203,272	174,608	(28,664)
<b>Total Academic Salaries</b>	<b>\$ 17,107,886</b>	<b>\$ 17,107,886</b>	<b>\$ 17,586,500</b>	<b>\$ 478,614</b>

Classified Salaries

Non Instructional Contract	\$ 5,504,521	\$ 5,504,521	\$ 6,014,122	\$ 509,601
Instructional Aides Contract	572,337	572,337	709,189	136,852
Classified Management/Supervisory/Confidential	1,858,231	1,858,231	1,782,951	(75,280)
Non Instructional Hourly	566,622	566,622	562,653	(3,969)
Instructional Aides Hourly	207,911	207,911	169,616	(38,295)
Student Hourly	312,803	312,803	345,217	32,414
<b>Total Classified Salaries</b>	<b>\$ 9,022,425</b>	<b>\$ 9,022,425</b>	<b>\$ 9,583,748</b>	<b>\$ 561,323</b>

current year schedule plus 1% schedule (creates new salary schedule #2 (plus 1.1% cola to salary schedule #2 (plus 2% off schedule payment base

27,170,248

Employee Benefits

STRS - State Teachers Retirement	\$ 1,716,952	\$ 1,716,952	\$ 2,530,252	\$ 813,300
PERS - Public Employees Retirement	973,702	973,702	1,341,061	367,359
Social Security & Medicare	1,057,658	1,057,658	969,828	(87,830)
Medical/Dental/Vision/Life Insurance	3,264,838	3,264,838	3,195,708	(69,130)
Unemployment Insurance	39,328	39,328	40,667	1,339
Workers Compensation Insurance	541,463	541,463	567,251	25,788
Retirees Health Benefits	3,136,465	3,136,465	2,625,000	(511,465)
<b>Total Employee Benefits</b>	<b>\$ 10,730,406</b>	<b>\$ 10,730,406</b>	<b>\$ 11,269,767</b>	<b>\$ 539,361</b>

38,440,015

Supplies

Instructional	\$ 337,053	\$ 337,053	\$ 317,168	\$ (19,885)
Non-Instructional	766,536	766,536	733,716	(32,820)
<b>Total Supplies</b>	<b>\$ 1,103,589</b>	<b>\$ 1,103,589</b>	<b>\$ 1,050,884</b>	<b>\$ (52,705)</b>

Other Operating Expenses

Dues and Memberships	\$ 118,294	\$ 118,294	\$ 122,099	\$ 3,805
Insurance	421,361	421,361	429,223	7,862
Legal and Professional Services	456,325	456,325	476,825	20,500
Election	90,000	219,000	-	(90,000)
Postage	56,300	56,300	73,700	17,400
Staff Development, Travel, and Conference	324,652	324,652	391,162	66,510
Building and Equipment Rental/Leases	191,943	191,943	192,893	950
Personal/Consultant Services	375,763	375,763	340,763	(35,000)
Repairs	402,126	402,126	388,866	(13,260)

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Fund 11

	2016-2017 Final Budget	2016-2017 Estimated Actuals	2017-2018 Tentative Budget	Budget Change Adopted 16/17 to Tentative 17/18
Utilities/Electricity/Gas/Water/Waste/Telephone	1,014,439	1,014,439	1,005,962	(8,477)
Service Fees/Other Charges	869,618	869,618	772,473	(97,145)
Software Licenses and Maintenance	741,159	741,159	688,674	(52,485)
Advertising, Printing, and Miscellaneous Operating	445,997	445,997	391,052	(54,945)
Field Trips (Classroom related, athletics)	397,862	397,862	386,624	(11,238)
Operating Backcharges	(367,000)	(367,000)	(371,500)	(4,500)
<b>Total Other Operating Expenses</b>	<b>\$ 5,538,839</b>	<b>\$ 5,667,839</b>	<b>\$ 5,288,816</b>	<b>\$ (250,023)</b>
<b>Capital Outlay</b>				
Site Development	\$ 2,800	\$ 2,800	\$ 2,800	\$ -
Building Improvement	3,000	3,000	3,000	-
Library Books	13,700	13,700	15,660	1,960
Equipment	661,051	661,051	661,681	630
<b>Total Capital Outlay</b>	<b>\$ 680,551</b>	<b>\$ 680,551</b>	<b>\$ 683,141</b>	<b>\$ 2,590</b>
<b>Other Outgo</b>				
Interfund Transfers (Debt Service, Cap. Outlay, Rev.)	\$ 892,335	\$ 892,335	\$ 862,859	\$ (29,476)
Student Aid	20,480	20,480	18,480	(2,000)
Debt Principal and Interest	107,206	107,208	107,205	(1)
Reserve for Contingency-Savings	0	(750,000)	(1,000,000)	(1,000,000)
<b>Total Other Outgo</b>	<b>\$ 1,020,021</b>	<b>\$ 270,023</b>	<b>\$ (11,456)</b>	<b>\$ (1,031,477)</b>
<b>Total Expenditures</b>	<b>\$ 45,203,717</b>	<b>\$ 44,582,719</b>	<b>\$ 45,451,400</b>	<b>\$ 247,683</b>
<b>Net Income (Loss)</b>	<b>\$ (1,400,504)</b>	<b>\$ (29,680)</b>	<b>\$ (1,143,177)</b>	<b>\$ 257,327</b>
<b>Ending Balance</b>	<b>\$ 9,012,887</b>	<b>\$ 10,395,709</b>	<b>\$ 9,252,532</b>	<b>\$ 239,645</b>
	19.9%	23.3%	20.4%	96.8%

**2% off schedule is approx \$595K for 17/18**

FUND BALANCE	19.9%	23.3%	20.4%	
Mandated 5% Reserve	\$ 2,260,186	\$ 2,229,136	\$ 2,272,570	
Reserve for Emergency 5%			\$ 2,272,570	
Revolving Cash	52,500	52,500	152,500	
Undesignated Fund Balance	6,700,201	8,114,073	4,554,892	
<b>Total Ending Fund Balance</b>	<b>\$ 9,012,887</b>	<b>\$ 10,395,709</b>	<b>\$ 9,252,532</b>	

**@ 7,150 FTES**

**@ 7,270 FTES**

	2016-2017 Estimated Actuals	2017-2018 Tentative Budget	2017-2018 Tentative Budget	2017-2018 Tentative Budget
TCR	30,420,000	39,420,000	40,720,478	38,009,729
rev deficit		794,996		0
RDA deferral from 14/15 to 16/17				
EPA	(5,824,286)	(5,824,286)	(5,824,286)	(5,872,679)
prop tax	(15,937,009)	(15,763,968)	(16,448,100)	(14,580,136)
HO & tim tax	(328,400)	(328,400)	(329,200)	
enrol @ 98%	(2,078,286)	(2,078,286)	(2,092,986)	(1,960,000)
General Apportionment	15,252,019	16,220,056	16,025,906	15,596,914

**120 add'l FTES to reach 7,270, funded @ \$5,000/ea**