



BUDGET COMMITTEE MEETING

Wednesday, February 15, 2023

Location – Room 2150

3:00-4:30 p.m.

APPROVED MINUTES

ROLL CALL: (*X = Present*)

X	Jill Ault	X	Darren Gurney	X	Elsa Gomez	X	Student Rep. Ryder Yannello
X	Tim Johnston	X	Tom Masulis		Kathleen Littlepage		
X	Sam Osborne		Rob McCandles	X	Heidi Loftus		

Guests: Keri Mathews, and Angie Yannello

1. CALL TO ORDER: The meeting was called to order at 3:05 p.m. by Committee Chair, Jill Ault.

2. APPROVAL OF MINUTES:

- January 18, 2023 – (Darren Gurney) motioned to approve minutes, seconded (Heidi Loftus), motion passed, no abstentions/objections.

3. PUBLIC COMMENTS: None

4. REPORTS:

5. DISCUSSION/ACTION ITEMS:

A) Review and Update Budget Committee Bylaws – (Attachment A)

Jill started the meeting by informing the committee of the updates requested for the upcoming accreditation process. The Budget Committee is a subcommittee that formally reports to College Council. College Council has asked that we update the Committee bylaws.

Requested changes:

- Remove: Agenda must be posted at least 72 hours prior to any official meeting and just say prior to meeting. Our goal is to also get the Minutes out to the Committee prior to the meeting.
- #5. How Members are Chosen. Add: Membership and alternates shall be chosen through the same process. The recommended thought is to build stronger alternate pool. Ideally, (1) alternate should be written in the bylaws.
- #7. Member Responsibility. Add: Shall notify an approved alternate if unable to attend.
- #10. Word change from “Council” to “Committee”.

Angie will start keeping a summary of major discussion items and items that have been voted on, this will be reported out to College Council. (Heidi Loftus) motioned to approve changes, seconded (Tim Johnston), motion passed no abstentions/objections.

B) Review 2022-23 Budget and SCFF

Jill advised the Committee that our funding for 2022-23 is going to be higher than originally anticipated, there was an increase in the Joint Analysis. Heidi inquired about what the anticipated percentage increase would be. Jill explained the District's budget was originally \$57.3M, 1.5% is budgeted for the deficit factor. Our budget does reflect the current impact of inflation, also accounting for more students on campus and an increase to field trips and more travel. Tim talked about the discretionary budget and asked if there was a recommended inflation percentage to include when preparing a budget? Jill suggested to plan for around 7-8% for things effected by inflation. She went on to say that for things like fuel there will be a higher increase. Jill shared a worksheet, she re-created called "Exhibit C". Information was shared reflecting an increase in numbers on the student success allocation for 2019-20, and 2020-21. Tim mentioned that our most vulnerable students were the ones we lost, explaining that the success metrics didn't decrease as much as enrollment.

Jill went on to explain that 2022-23 is our highest year of the funding formula. COLA, enrollment and success metrics were accounted for in the 2023-24 Budget Plan. Jill said in 2021-22 the FTES (Full Time Equivalent Student) was 4,240. This is the starting point for anticipated growth in the next several fiscal years SCFF. Heidi asked if COVID withdraws are counted toward enrollment numbers. Jill responded stating that based on language from the Chancellor's Office, if students withdrew they are not accounted for in those numbers. Darren inquired about 2018-19 FTES. Jill advised that this information is historically kept and can be found on the Chancellor's Office website. Jill was able to show that in 2018-19 FTES was at 6,740.

Jill said for the 2023-24 calculations the 8.13% might come in higher, we will have to wait, and currently the State revenue is unclear. Our enrollment numbers could also change our student success allocation. Jill explained how \$61M will affect the next several years. Tim advised how Prop 98 is a lot of "one-time" money that impacts a lot of students. Darren wanted to know if this gap is a population or COVID related. Jill responded and said that it is both, our population has not grown. Sam responded regarding the population and how it has been fairly flat and slowly trending downward. He went on to say that there is little migration from the bigger cities to these rural communities. Jill said she is really trying to give some rough estimates. The District received \$1.2 in lottery, budgeted for unrestricted. Tim mentioned that the 10 year projections show a decrease. He went on to explain how the demographics of the county have changed and how it will be a struggle to get back our pre-COVID enrollment numbers.

Jill said for 2024-25 we are projecting enrollment growth. If we have a 3% COLA and enrollment grew 5% the highest number we would get funded is \$63M. Jill said it will be important to drive up the 2024-25 SCFF (Student Centered Funding Formula), we want to make the COLA as high as we can. \$61.5 is the actual SCFF, as this will be the new SCFF funding floor. Jill also said for 2023-24, and 2024-25 it will be prior year plus COLA. In the scenario presented the 2025-26 is above the funding floor. Jill explained how our next year funding is always based on the previous year. Ryder asked if the state is allowed to come and re allocate the budget. Jill said that you would have to be in a crisis in order for the state to come in, this would called FCMAT (Fiscal Crisis and Management Assistant Team). FCMAT asks questions like: What is good risk management? This is something to be mindful of as a member of the Budget Committee. Jill went on to share that our OPEB trust shows good fiscal health and that we can maintain reserves. Jill mentioned that we would have to develop bad spending habits, for several years in a row, to put us in a place where we would need FCMAT. Jill said it will be not only looking at our budgeted or what we are doing but really knowing the audience we are serving. Sam states as this continues to develop a lot of colleges are going to be unsustainable in their current position.

C. Summary look at 2019/20 – 2025/26 – (Not discussed)

C) Requests for Future Agenda Items:

- Tim said we could look at the growth on Fund 12 and its sustainability.

6. OTHER:

- **US Headline Inflation Up - (Attachment B)**
Article reflects inflation nudging up.
- **Revenue Picture - (Attachment C)**
We are estimating, based on this article, to not know our final budget until 6/30, when it has been adopted by the state.
- **50% Calculation - (Attachment D)**
Jill explained the breakdown of the worksheet and how the actual numbers show that we have more discretionary money than we can spend. Jill explained that only looking at the Fund 11 Instructional codes, everything on the good side is Instructional salaries. The exclusions are: Lottery and OPEB. On the bottom of the attachment it shows expenses before exclusions. If we take out retire health, and lottery, our formula calculates at 50.33%. The goal is to be above the 50% calculation. The District will be running this report every month to track where we stand. Jill also explained how our instructional salary is higher than our non-instructional salary. Darren inquired on data tracking for enrollment and transfers numbers and how this information is tracked. Jill said that currently this data comes from our Research Department. Jill also mentioned that we would like to get a research analyst so we can have direct data to help develop during these crucial times.

7. ANNOUNCEMENTS: None

8. ADJOURNMENT: 4:11 p.m.

(Ryder Yannello) motioned to adjourn, (Elsa Gomez) seconded, motion passed, no abstentions/objections.

9. NEXT MEETING: March 01, 2023 - 2:00-3:30pm, room 2150

Minutes Recorded By:
Angie Yannello
Sub Executive Assistant
Administrative Services

SHASTA COLLEGE

Budget Committee Bylaws



February 15th, 2023

Budget Committee Membership

Ten (10) Voting Members:

- Vice President of Administrative Services (Chair)
- 2 Administrators
 - 1 Dean and the Director of Business Services preferred
- 3 Faculty Members
 - 2 Instructional and 1 Non-Instructional preferred
- 3 Classified Members
 - 1 Instruction, 1 Administrative Services, and 1 Student Services preferred
- 1 Student

Secretary to the Committee

Executive Assistant to the Vice President of Administrative Services

1. Purpose and Function of the Budget Committee

- Reports to and is a sub-committee to the College Council
- Inform the College Council on fiscal impact of plans and recommendations
- Systematically assess the effective use of financial resources and use the results of the assessments as the basis for making recommendations to the College Council
- Ensure that the budget planning process is timely, accurate, participatory, and comprehensive per the Integrated Planning Manual
- Assure integration of fiscal planning into the college's participatory planning process, specifically its inclusion in the development of strategic and educational planning
- Review state budget allocations and their impacts on the college
- Review tentative and final budgets for reasonableness of budget amounts and underlying assumptions
- Think from a district-wide perspective

2. Budget Committee Working Principles

1. Keep student welfare and success foremost.
2. Assure that recommendations are evidence-based (data-driven, realistic, and feasible).
3. Support a budget system that is transparent, timely and objective.
4. Promote participation by all members of the campus community. Specifically:
 - a. In cooperation with the College Council, provide everyone in the campus community with an avenue for both getting information and giving input regarding budget issues.
 - b. Periodically evaluate the budget building process to ensure and promote its understanding to the entire campus community.
 - c. Provide educational budget updates to the college community to promote a thorough understanding of the budgeting process.

3. Meetings

Meeting times will be established at the first meeting of the fall semester. Meetings will be scheduled twice a month by the Chair. Budget Committee meetings will be open to anyone who wishes to attend. Agendas will be made widely available in advance of meetings, and minutes will be published in a timely manner and made widely available: e.g. posted on a website.

4. Agenda

Items for the agenda are to be directed to the Budget Committee Chair for listing preferably 24 hours before the meeting.

5. How Members are Chosen

In spring of each academic year, the Chair will announce the membership vacancies which will be given to the appropriate constituency group for final selection. Membership and alternates shall be established as follows:

- a. Administrative members will be appointed by the Superintendent/President.
- b. Academic Senate will appoint faculty members in consultation with the Superintendent/President or designee.
- c. CSEA will appoint classified members in consultation with the Superintendent/President or designee.
- d. Student Senate will be responsible for selecting their student member in consultation with the Superintendent/President or designee.

6. Term Lengths of Members

Term lengths will be three (3) years except for members whose membership is contingent on their positions. The student member appointment will be one year terms. The multi-year terms will be staggered so all members do not change at one time. At the end of the three-year term a member may be reappointed by his/her constituency group. New members will be appointed in the early spring each year and will begin their term at the first Budget Committee meeting in the fall.

7. Member Responsibilities

- a. All members will be responsible for making regular reports to their constituency groups.
- b. Any member unable to attend a meeting should notify the Chair.
- c. Members shall notify an approved alternate if they are unable to attend a meeting.
- d. Should a member need to be excused for a long term absence (1 semester) then an alternate shall be selected using Part 5 of these bylaws.
- e. Alternates and temporary replacements shall have the rights of voting members.

8. Responsibilities of Chair

- a. Prepare the agendas
- b. Chair Budget Committee meetings
- c. Ensure the conduct of the Budget Committee business is communicated to the college community in a timely manner.
- d. Ensure timely response to requests for information from the College Council.

- e. Announce the membership vacancies which will be given to the appropriate constituency group for appointment in spring of each year.

9. How the Budget Committee Conducts Business and Arrives at Recommendations

- a. Agendas will be published and posted on the website prior to meetings and will be widely distributed to the campus community.
- b. All meetings will be open to any interested member of the college community.
- c. A majority of the existing members of the Committee must be present to take formal action on any item.
- d. Action items will be introduced twice when possible; once for information and publication, the second time for discussion and action.
- e. When an agenda item is introduced for action, the committee will attempt to reach general agreement about a course of action. If agreement is not possible, the committee will decide by taking a vote. The formal motion will need a simple majority of the voting members present to pass.
- f. Minutes will reflect any actions taken.
- g. Relevant material to be considered for action will be provided to each Budget Committee member prior to meeting when possible.

10. Committee Self-Evaluation Process

Each May the Committee will produce an annual report of its activities.

11. Budget Committee Bylaws

- a. Bylaws will be evaluated as determined necessary by the Budget Committee.
- b. A two-thirds majority of the existing members may amend a bylaw.

Budget Committee Bylaws
Adopted April 22, 2008
Revised May 1, 2013
Revised February 15, 2023

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

U.S. Headline Inflation Up



BY PATTI F. HERRERA, EDD

Copyright 2023 School Services of California, Inc.

posted February 14, 2023

The U.S. Bureau of Labor Statistics (BLS) released the nation's latest inflation numbers today, February 14, 2023, that show inflation nudging up from a month ago—an increase due primarily to the cost of shelter.

The Consumer Price Index (CPI) increased 0.5% in January, slightly up from December 2022 when it rose just 0.1%. The unadjusted annual headline inflation rate is 6.4% according to the BLS. Shelter costs contributed over half of the month's increase, but food and gas also saw increases in January. The cost of food rose 0.4% while the cost of eggs alone increased 8.5%. Gas increased 2.4% from a month ago and is up at an unadjusted annual rate of 1.5%. Annual core inflation, which excludes food and energy, rose 5.6% in January.

As of this writing, the stock market is reacting negatively to this morning's CPI report with all major indexes down. Today's report perpetuates concerns that the Federal Reserve will need to continue to increase interest rates to bring inflation down to normal levels, which elevates the risk of an economic recession.

COMMUNITY COLLEGE UPDATE

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

Revenue Picture Will Be Murky at the May Revision

 [BY MICHELLE MCKAY UNDERWOOD](#)

Copyright 2023 School Services of California, Inc. posted February 15, 2023

While we have yet to see how January revenues compare to estimates contained in the 2023-24 Governor's Budget, we do know that two key sources of education funding—personal income tax and property tax—will be unsettled at the May Revision.

Due to the significant storms that hit California in late 2022 and early 2023, the Internal Revenue Service announced on January 10 that many Californians will have until May 15, 2023, to file various federal individual and business tax returns and make tax payments. California quickly followed suit to provide the same extension for state personal income taxes with Governor Gavin Newsom stating, "This extension offers much-needed relief to taxpayers impacted by these powerful storms. For some, this will provide additional time to file their California tax returns or make their quarterly estimated tax payment to the state."

Residents and businesses in Alameda, Colusa, Contra Costa, El Dorado, Fresno, Glenn, Humboldt, Kings, Lake, Los Angeles, Madera, Marin, Mariposa, Mendocino, Merced, Mono, Monterey, Napa, Orange, Placer, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Sutter, Tehama, Tulare, Ventura, Yolo, and Yuba counties who have been affected by severe winter storms, flooding, and mudslides are eligible for tax relief.

Since the May Revision will be released (likely falling on May 12) before the extended deadline, the level of personal income taxes—the largest source of state revenues—will be an undetermined factor. This will potentially lead to more conservative revenue estimating on the part of the Newsom Administration than absent these extensions.

Furthermore, homeowners have longer to apply for a property tax postponement (PTP) for the 2022-23 tax year. Property taxes are customarily due on February 1 and delinquent as of April 10, with a deadline to apply for a postponement by February 10. Due to the impacts of weather-related and other emergencies, that deadline has been extended to April 14, 2023. The PTP Program, which allowed more than \$4.4 million in residential property taxes to be postponed in 2021-22, allows homeowners who are seniors, are blind, or have a disability and who meet eligibility requirements to defer payment of property taxes on their primary residence. The State Controller's Office pays property taxes to the county for a homeowner approved for PTP. While this will have a minor impact compared to the personal income tax postponement, property tax revenues matter when Proposition 98 is in a Test 1 year (as it is now), where these funds supplement a fixed percentage of state fund revenues.

We expect the Department of Finance to release its Bulletin for January 2023 revenues within the next week. This will be the first glimpse at how actual revenues compare to the Governor's Budget. Stay tuned.

SHASTA COLLEGE

50% CALCULATION
For the period ended 02/28/2023

	INSTRUCTION AC 01-59,611	TOTAL AC 01-6799	INSTRUCTION AC 01-59,611	TOTAL AC 01-6799
EXCLUSIONS				
ACTIVITIES to Exclude				
Instructional Retiree Health	588,207	588,207	959,206	959,206
Excess Student Health Services	0	103,150	0	103,150
Student Transportation	0	0	0	0
Non Instruction Retiree Health	0	560,567	0	918,167
Total ACTIVITIES Excluded	588,207	1,251,924	959,206	1,980,523
OBJECTS to Exclude				
Rents and Leases -521	0	63,748	2,162	131,999
Lottery Expenditures				
-Academic Salaries	0	42,991	0	114,125
-Classified Salaries	0	137,003	0	333,096
-Employee Benefits	0	63,827	0	168,688
-Software	0	0	0	0
-Books, Mags, Periodicals	0	0	0	0
-Instruction Supplies/Material	0	0	0	0
-Non Instruction Sup/Materials	0	2,130	0	11,649
-Other Operating Expenses	0	624,500	0	544,940
-Capital Outlay	0	0	0	0
-Library Books	0	0	0	0
-Equipment New	0	0	0	4,500
-Equipment Replacement	0	0	0	0
Total Lottery	0	870,451	0	1,176,998
Other Outgo	0	3,159	0	7,200
TOTAL EXCLUSIONS	588,207	2,189,282	961,368	3,296,720
TOTAL FOR 50% CALC	15,393,831	30,581,452	25,804,507	52,909,434

.....+p
 15,393,831 ÷
 30,581,452 =
 0.50337148805*
 0.*
 30,581,452 *
 50%
 15,290,726 *
 15,290,726 ÷
 15,393,831 +
 103,105 *

S H A S T A C O L L E G E

50% CALCULATION

For the period ended 02/28/2023

	INSTRUCTION AC 01-59,611	TOTAL AC 01-6799	INSTRUCTION AC 01-59,611	TOTAL AC 01-6799
ACADEMIC SALARIES				
Instructional Salaries				
Contract or regular - 1100	6,745,565	6,745,565	12,037,552	12,037,552
Other - 1300	3,391,499	3,391,499	5,300,000	5,300,000
Total Instructional Salaries	10,137,064	10,137,064	17,337,552	17,337,552
Non-Instructional Salaries				
Contract or regular - 1200	0	2,167,988	0	3,796,117
Other - 1400	0	107,447	0	188,297
Total Non-Instructional Salaries	0	2,275,435	0	3,984,414
TOTAL ACADEMIC SALARIES	10,137,064	12,412,499	17,337,552	21,321,966
CLASSIFIED SALARIES				
Non-Instructional Salaries				
Regular status - 2100	0	5,586,116	0	10,098,580
Other - 2300	0	385,899	0	745,093
Total Non-Instruction Salaries	0	5,972,015	0	10,843,673
Instructional Aides				
Regular status - 2200	520,855	520,855	945,547	945,547
Other - 2400	284,375	284,375	660,338	660,338
Total Instructional Aides	805,230	805,230	1,605,885	1,605,885
TOTAL CLASSIFIED SALARIES	805,230	6,777,245	1,605,885	12,449,558
OTHER				
Employee benefits - 3000	4,858,199	9,109,062	7,223,716	14,598,310
Supplies and materials - 4000	0	376,500	0	809,656
Instruct Serv Agreement-573050	15,799	15,799	191,000	191,000
Other operating expense - 5000	165,746	4,079,629	407,722	6,833,164
Equipment Replacement - 6450	0	0	0	2,500
Total Other Expense	5,039,744	13,580,990	7,822,438	22,434,630
Total Expense Before Exclusion	15,982,038	32,770,734	26,765,875	56,206,154