

Budget and Fiscal Planning Committee Agenda (Wednesday, May 8, 2019)

Generated by Mary Carter on Tuesday, June 4, 2019

A. Call to Order

The special meeting of the Budget and Fiscal Planning Committee was called to order at 2:35 by Matthew Thale, committee chair, on Wednesday, May 8, 2019. The meeting was held in the IVC Board Room.

Present: Matthew Thale (chair), Deedee Garcia, Maria Laura Rivero (ASG representative), Jeff Enz, Jeff Cantwell, Melody Chronister, Cecilia Duron and Elena Wayne.

Absent: Michael Heumann, Veronica Soto and Mary Lofgren

Visitor: Mary Jo Wainwright

B. Review and Approval of Minutes: none

C. Reports/Information

Discussion: 1. 2018-19 Projected Budget

VP Garcia reported that the 2018-19 adopted budget had estimated revenue of \$52.6 million, \$50.6 million in expenses, and a 21% ending reserve. Due to the state shortfall and funding recalculation, IVC's revenue was reduced by a total of \$4.5 million. This results in a structural deficit for FY 18/19. The ending reserve is estimated to be \$8.9 million (18%). VP Garcia stressed that these numbers are estimates, and could change. With two months left in the fiscal year, there is not much that can be done to reduce spending. Some hiring that is in the pipeline will be evaluated, but there will be no impact to students and no lay-offs. VP Garcia stated that the state budget is a roller coaster, and revisions can happen any time.

Discussion: 2. 2019-20 Tentative Budget

VP Garcia reported that IVC is not expecting any recalculation dollars in 2019-20. Revenue is estimated at \$48.5 for next year. IVC will have a structural deficit for 2019-20, with expenses exceeding revenue. Salaries and benefit costs continue to increase, and the percent of budget allocated to salary and benefits is creeping up again, although it is still less than 90%. The ending fund balance (reserve) is estimated at 16%, which is still very good.

The May Revise will occur soon, and more information will be available on backfill, COLA and revenue from property taxes. The State will cap growth at 8.13, with IVC one of the community colleges to lose the most. IVC was one of the top three college to gain under the new funding formula, and also one of the top colleges to lose. Other colleges are more severely impacted,

with some due to fall before the 5% reserve threshold and others facing lay-offs. IVC was able to sustain the budget hit due to its reserve.

The draft Tentative Budget will be presented to BFPC at its next meeting (prior to adoption by the Board June 19).

D. Update on Previous Discussion Items: none

E. New Discussion: none

F. Action Items:

Action: 1. Approval of Enhanced Budget Requests

The prioritized 2019-20 Budget Enhancements Requests were approved by the Budget and Fiscal Planning Committee by email vote on May 1, 2019. The prioritized list of enhancement is attached to the agenda for May 8, 2019 in Board Docs.

The committee recommended that it not be the last step before Cabinet in the prioritization process for next fiscal year. They noted the large number of requests and the short time frame. Another suggestion is a dollar amount threshold for requests, such as \$500 or \$1,000.

G. Other:

VP Garcia reported that the five modular buildings that the college has been leasing since 2005 will be purchased using the remainder of monies in the Lease Revenue Bond fund. This will result in a savings to the General Fund of approximately \$50,000 annually.

Mary Jo Wainwright stated that she will be surveying faculty to estimate the number of retirements next year. The retirements will result in a savings on salary and benefits.

H. Next Meeting

Information: 1. Scheduled meetings

June 5, 2018, 1:00 p.m.

I. Adjournment: The meeting adjourned at 3:55 p.m.