

**BREVARD COMMUNITY COLLEGE
BOARD OF TRUSTEES
WORKSHOP**

June 11, 2001
4:00 p.m.

Building 10, Student Center, Room 112A
Melbourne Campus

PRESENT: Mr. Eugene C. Johnson, Chairman; Mrs. Betts O. Silvernail; Mr. James W. Handley; Dr. Alexandra M. Penn Williams; Mr. Joe D. Matheny, Attorney; Dr. Thomas E. Gamble, Secretary

ABSENT: Mrs. Miriam E. Martinez, Vice Chairman

1. CALL TO ORDER:

Mr. Johnson, Chairman called the meeting to order.

2. REVIEW OF THE 2001-2002 PROPOSED OPERATING BUDGET – Mr. Little

Mr. Al Little, Vice President for Finance and Administrative Services, stated the college began preparations for the budget for February 2001, by conducting budget information meetings with the departments. Those requests were then submitted to Cabinet Members who prioritized the requests and determined feasibility. The goal today is to provide information to the Board Members and respond to questions so the budget can be presented at the June 18, 2001, Board meeting for final approval. This budget is the general unrestricted fund budget. The budget presented does not include the restrictive funds, which are grant funds, nor does it include revenue from the auxiliary funds, scholarships, capital outlay, and equipment. Mr. Little reported capital expenditures are equipment expenditures and not capital projects. The capital outlay budget will be presented to the Board in the near future.

a. Legislative Appropriation Summary

Mr. Little reported the legislative appropriations increased 3.78 percent compared to last year. Appropriations are broken down into a community college program fund, which is the bulk of BCC's funding and is used for the overall operations and specifically for the college credit portion of the agenda. Mr. Little reported Performance Based funding is a small amount of funding that BCC receives based on points from criteria established. The student fees category is the last portion of the appropriation. The legislature takes credit for the fees that BCC students are paying as part of BCC's funding. Mr. Little reported as funds become available, the allocation process is based on a funding formula to bring equity across-the-board to all of Florida's

community colleges. Since BCC has been better funded in the past years, BCC's increases are going to be proportionately less than the average until the formula brings total equity to the system. The formula is only applied to new money. Mr. Little reported on the Performance Based funding. The Performance Based funding allocation has decreased not because BCC is not doing worse; other community colleges are doing better. Dr. Gamble stated that a number of BCC's programs have been closed over the past five or six years that did not meet the criteria. He felt there are a number of career fields where salaries start at minimum wage that have career lines to a much better salary. Mr. Little reported on the appropriation process and stated BCC is at 103 or 104 percent of relative need. Mr. Little stated that funding at one time was based on the student credit hours, but it has not been this way for ten years. Dr. Gamble stated it has been discussed at the Council of Presidents level to go back to credit hour funding. Mr. Little stated that there is a formula that has a major credit hour component to it and that is the formula that the Council of Presidents and the Council of Business Affairs have approved for the legislature to use in the future; however, the legislature has not chosen this method. This formula is used to allocate additional funds, but not to appropriate it. Mr. Johnson asked when the formula causes BCC's allocation to be less, is BCC prepared to interact so it will not cause a hardship for BCC. Mr. Little stated the system has focused on the schools that are above the curve, therefore, it is used only for new funding to avoid hurting any individual college. Mr. Handley asked if calculations had been made based upon student credit hours and what impact such would have upon BCC funding. Mr. Little stated that BCC would receive approximately three million dollars more. Mr. Little reported the legislature only looks at the matriculation and tuition fees and not all of the other fees BCC is authorized to charge students.

b. Budget Summary

Mr. Little reported BCC is looking at expenditures at almost the same level of revenue. BCC is projecting, based on the current budgeted fund balance, that the ending fund balance will be 5.1 percent of funds available, meeting the statutory requirement of between four and ten percent. BCC's percentage should be higher once the current year is closed out. Mr. Little stated provisions have been made from this year's budget for the sale of the FTRL to MRI.

c. Revenue Budget

Mr. Little stated that under Legislative Funding, BCC's actual budgeted student fees have replaced the fee entered in Tallahassee. This brings BCC to a total budget of \$49.7 million, which is a total revenue increase of 3.45 percent from last year. Dr. Gamble stated the State support represents, in the new budget, approximately 71.5 percent and the student fees represents 25.7 percent of the total. Dr. Gamble reported the national recommendation is that students pay 25 percent. BCC is on target.

d. Summary of Expenditures by Type

Mr. Little stated that personnel costs total 70.9 percent of the budget, which is less than last year. This is because of the retirement fund surplus. The legislature is giving BCC a one-year credit on retirement funding. Operating expenses are constant. BCC faces an increase in utilities costs; however the use of other funds are planned to offset those increases. Capital Outlay is higher due to non-recurring funds that BCC received this year; the retirement money. It is being recommended that the capital outlay be increased to take care of some urgent college needs. Next year the personnel costs will increase and the capital outlay will be reduced.

e. Expenditures by Account Code

Mr. Little reviewed the expenditures by account code, which shows where BCC was in this category as of April 30, 2001. This is in the format requested by the Board last year and shows the comparison of how much BCC actually spent. This format allows for a comparison of the current year budget to next year's proposed budget. The percentage increase for each of the categories is also provided. Personnel increased a net of 2.38 percent, current expenses went up 1.32 percent, and capital outlay, because of the major influx for the one year, went up 29.67 percent. Mr. Little stated this information shows the maximum that BCC can spend. He answered questions presented by the Board.

f. Expenditures by Function

Mr. Little stated Tallahassee looks at functions to see how the money is being spent with instruction being the priority. Instruction is BCC's primary

mission and BCC wants to do more with instruction. The past year, instruction was at 42 percent of the budget. The budget being proposed to the Board is 43.6 percent. This year, instructional support decreased significantly from 23.1 percent 19.4 percent. Plant operation has an increase of 24 percent in utilities.

g. Expenditures by Department

Mr. Little stated expenditures are listed by department and categories are listed by personnel, operating, and capital expenditures, the total proposed budget and the total budget from this current year and the percentage change from the prior year. There are many things that can happen in the departmental budgets. Dr. Gamble stated at the end of the month, the Board will receive his annual report, which shows what is happening and next year's goals. This is done both at the campus level as well as the human resources level. Dr. Gamble stated the college will review enrollment statistics as well as unit costs, which take into account the various components that go into any particular department. Mr. Lawton will be involved in this process. Dr. Gamble reported BCC prioritized salary increases for current staff rather than to fund new staff positions and a six percent salary increase for the staff is being recommended in this budget. Mr. Little stated the primary goal from last year was to give high consideration to increasing the salaries of the faculty and staff. Mr. Johnson stated that this has been done to keep the Board out of the mechanics of everything. Dr. Gamble stated the sheet that shows the budget by department will provide the Board information on programs being discontinued, enhanced, and added.

Mr. Little stated, in summary, BCC is well on its way to a sound financial operating basis. Budget management has improved drastically both at district and campus levels. Mr. Little reported the department heads are encouraged to talk to their staff and have meetings to discuss budgets and requests for the coming year. The administrators then made the decisions based on the request. A web-based budget submission process this year made the process paperless and this made it easier. Dr. Gamble stated this is the first year that faculty members knew what was in the budget and it was appreciated. Mr. Little stated the administrative software, Banner, provides the capability to allow any use to review their budget. Dr. Gamble stated because of the Banner system and Mr. Little's efforts, the District Cabinet was able to change numbers around during the budget planning session to see how it would

impact the budget immediately, which helped them to come to a quick resolution. Dr. Gamble stated he is still concerned about the level of funding for student services at BCC, which is below the state community college average. The total focus this year was on salaries. Dr. Gamble reported there will be a major loss with the DROP Program in 2003 and 2004 and BCC will not be able to attract replacement faculty if the salaries are not raised. Dr. Gamble and Mr. Little answered questions presented by the Board.

3. **ADJOURNMENT**

The meeting adjourned at 5:05 p.m.

APPROVED: _____
Chairman, District Board of Trustees

ATTESTED: _____
Secretary, District Board of Trustees