

**College Budget Committee Meeting
January 31, 2008**

MEETING MINUTES

Members: Co-Chairs Eloisa Briones and Carla Campillo, Lori Adrian, Anyta Archer, Jeff Diamond, Rick Escalambre, Mike Fitzgerald, Cathy Hasson, Rick Hough, Fermin Irigoyen, Barbara Lamson, Margery Meadows, Vicki Morrow, Dino Nomicos, Felix Perez, Briant Phan, Ekaterina Semonchuk, Regina Stanback-Stroud, Rick Wallace, Jeff Westfall, Linda Whitten, George Wright and Soodi Zamani. Recorder: Linda Ghio

Absent: Jeff Diamond, Rick Escalambre, Margery Meadows, Dino Nomicos, Briant Phan, Linda Whitten and George Wright.

Review and approval of the November 29th minutes

The minutes were approved with the following addition: The minutes of the November 8, 2007 meeting were approved as written. The minutes were approved with this correction.

Budget highlights for 2007-08 and 2008-09

During the break, Eloisa forwarded all budget updates to the CBC. For the current year, there will likely be a \$40 million reduction in apportionments and the deferral of \$200 million from this year to September 2008. The State Chancellors office is working on identifying unallocated funds to cover the \$40 million cut. If successful, there will not be a need for mid-year reductions.

For 2008-09, while the Governor proposed 3% growth and 4.94% COLA, the offsetting reductions result in zeroing out the COLA and cutting down growth to about 1% for general apportionments. The Governor proposed to once again suspend Prop 98. No fee increases have been proposed.

The categorical programs will be hit hard. Selected categorical programs (EOPS, CARE, DSPS and Matriculation) would also have received 3% growth and 4.94% COLA, however, the 10.89% proposed cuts to all categorical programs will result in a net reduction of anywhere between 3.69% to 10.89% .

President's decision on the Committee's recommendation regarding 2008-09 hires

Vicki sent a message informing the college that, because of the current budget situation, the college is only going to hire two faculty to replace 2 departures. Through the FTEF allocation process, the top priorities are Art and Biology. Rick Hough asked if there is a way to make mid-year hires should things become better than they look like now. Vicki said it is not impossible, but there would have to be significant change for that scenario to develop. Anyta inquired if the classified position would be considered later and Vicki said the college is operating on a status quo model for both faculty and classified and is not adding slots or taking away any.

Eloisa shared updated multi-year projections that Vicki used during her deliberation. The 3-year projections showed what the college's budget would look like next year and in the next three years. She distributed the 2007-2010 budget projections and the 2008-09 budget scenarios.

For 2007-08, Skyline initially projected a deficit but with the district's assistance, ending balance year carryover and hopefully, some current year savings like last year, the college would probably be able to zero out the deficit.

For 2008-09, Eloisa informed the committee that the earlier scenarios were updated to reflect the assistance that the district will extend to Skyline in 2008-2009. Eloisa commended the President for her efforts in convincing the district to continue providing assistance because of the college's remarkable FTES growth and productivity. District staff know the CBC is working diligently on the budget, so the college may get another \$1 million next year. Vicki said Eloisa was with her and it was clear that the district staff see how hard the CBC works on the budget and that it takes the situation seriously and is thinking ahead. It is part of a multi-year process and she hopes the college will grow out of the subsidy. She thanked the CBC for doing the work and creating the true impression of Skyline. Vicki added that it looks very likely that Skyline will make its growth assumptions. The outreach, advertising, new buildings, and the new wait list process all add up to growth. The college thought at first it would grow by 2% this year, and now it is possibly looking at 7% growth.

The 2007-2010 budget projections compare where the college is going to end up in 2007-08 up to 2009-2010 assuming that two faculty are hired in 2008-09 and the college does not receive any district subsidy in 2009-10. The projected budget shortfalls are reported on the form. Rick Hough said it seems like a conservative projection.

District Budget Committee & Finance Report

At the November meeting, Kathy distributed a handout regarding a proposal for the treatment of retirement benefits. Her proposal would distribute the cost of retiree benefits all district funds, including grants and categorical programs, rather than solely Fund 1. There was also an update on how the district is looking into where to invest retiree funds.

Eloisa reviewed the second page of the budget update handout. Enrollment is reported four times a year. One of the charts shows enrollment between 1999-2000 to 2006-07 compared with the 2007-08 goal and also the 2007-08 P1 estimates. Skyline went over its goal and as a district it is up 5.2%.

Enrollment and Productivity Report

Cathy Hasson distributed the latest Enrollment and Productivity Report. Skyline is up 6% in census enrollment and is at 7,292.73 FTES for 2007-08 to date. Unduplicated headcount shows a 10% increase in the number of students. The first census is on February 5, so by February 18 the college will have a better picture of FTES for the spring term.

Regina suggested another way by which Skyline can increase FTES and that is to get credit for positive attendance that she does not think the college is capturing because faculty may not be

fully aware of the connection of the submitted attendance records and the fees for which we receive apportionment. . If the student is absent but is required to make the time up, faculty may know to record the record attendance. Mike suggested that deans be informed so they can emphasize it with the instructors.

Mike would like to see more discussion about cooperative education so students can get credit for working. He has gone to several different classes and talked to them about it. Regina said it is good to have work-based learning on your transcript, particularly when students are fresh out of school because it counts as experience in their field. It would be good if the faculty could be made more aware of it and then talk to the classes about it. Rick Wallace said cooperative education faculty informed students of the program during the first two weeks of school.

Positive attendance record keeping and promotion of cooperative education were added to the list of budget balancing strategies.

Proposal for Charging the Current Cost of Retiree Benefits

Eloisa distributed a copy of Kathy Blackwood's proposal to the CBC. Currently, the total cost of retiree benefits is paid out of the general fund, even if some district employee salaries are charged to grants and categorical funds.

Under this proposal, retiree benefit costs will be allocated to the funds where employee salaries are charged so that grants will reflect their true costs. This would result in savings to the general fund which in turn will be used to augment site allocations. The colleges can then transfer these funds back to the categorical and grant funds to offset the increased benefit costs. The goal is for categorical and grant funds to gradually build these costs into their operating budgets.

Kathy thinks this will be beneficial because the amount charged to the categorical and grant funds will come back as part of the college's allocation and then it would be up to the college as to whether or not to transfer it back. It will allow the college to apply for federal grants to which retiree benefits can be charged and then the college will have the augments back from the district. As these costs are built into the grants budget, there will be savings for the college. After time, the transfers will not happen and the grants will take over paying for these. If this proposal is implemented, it will be reviewed regularly to monitor the budget impacts it will have on these various funds.

Kathy is requesting the colleges to review this proposal and give her feedback as she plans to implement it in July 2008. CBC wants to make sure that the constituencies are part of the decision making process and that TRIO, EOPS, and other categorical programs are involved in the review process. Lori is concerned about the long term effect. Vicki said it would be helpful if some numbers for actual programs were run so that CBC can find out if it is a larger problem or not. Eloisa will work with Maria Escobar to create a scenario and present it to Kathy. Regina suggested that she look at different scenarios because the situations are different. Vicki said the table that is presented on the proposal is not clear and needs to be redone.

Eloisa will invite Kathy Blackwood to meet with the grant coordinators and interested CBC members to review the proposal.

Eloisa informed CBC that Kathy is now reviewing various investment options to determine who will give the district the best rate. So far, she is leaning toward CalPERS.

Budget balancing strategies for 2007-08 through 2008-09

The CBC discussed Board of Governors Grant (BOG) waivers and its effect on various allocations. Lori said Skyline has seen an increase in BOG waivers and there is legislation that was passed requiring schools to notify students of this financial aid opportunity. When they apply, they are identified and linked to a financial aid information site. Lori said there are 3,789 BOG students at Skyline. Mike said he would like information on BOG grants that he could pass on to the students. Their units are counted as regular FTES. If a student does not have to pay for additional units, they could also get into coop education.

Eloisa emphasized the need for Skyline to work on cutting down costs and increasing revenues. She distributed the list of strategies for cost cutting and revenue enhancement that CBC developed last year. She updated this to include a brief summary of what has been accomplished so far. With the uncertainty around the state budget this year and next, cost cutting measures are being done district wide. Requests for hiring replacements are closely scrutinized case by case at both the college and district level. Eloisa is doing an in-depth analysis of the fund budgets and expenditures. She will report her findings to Cabinet and will eventually share them with the CBC.

Vicki added that one new strategy that Skyline did was to conduct an FTES process audit workshop in December. Myrna Huffman from the State Chancellor's Office came to present suggestions on how to identify activities that generate FTES that we report to the state since this affects funding. This workshop was also intended to get everyone fluent on what affects student counts and funding. As a result, Cathy Hasson will form a task force to develop and review the college's process to ensure that Skyline is doing the right things to capture the FTES that it is generating.

Regina said they are pursuing new grants. The college is looking at how to obtain FSET funding, which is federal education funding for people who are receiving food stamps or CalWORKS. Regina said Skyline has been made aware of this and the different types of resources that would support this kind of endeavor.

Recruiting a bank to open a site on campus does not look feasible. Eloisa reported that the San Mateo Credit Union requires a minimum of 20,000 transactions per month to maintain the ATM machine installed at the campus.

Jeff suggested that the CBC thank those staff who helped make phone calls to waitlisted students. He also likes the idea that Skyline is hosting an alumni event.

Next meeting: February 14, 2008