

College Budget Committee Meeting
September 27, 2007

MEETING MINUTES

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

Absent: Lori Adrian, Anyta Archer, Rick Escalambre, Dino Nomicos, Regina-Stroud, Jeff Westfall; ASSC reps to be appointed.

Welcome and Introductions

Connie Beringer represented Regina Stanback-Stroud at the meeting. Student representatives will be appointed once the ASSC meets.

Review and approval of the May 3, 2007 minutes

Minutes of the May 3, 2007 meeting were approved as written.

2006-2007 Financial Report

The June 30, 2007 SMCCCD financial statements by account were distributed. Skyline had one or two positions that became vacant in the year and the divisions tightened their belts, which generated a saving of \$150,000 which helped cover the deficits in the parking fund and childcare fund. The Skyline Fund 1 ending balance for 06/07 before year-end adjustments totaled \$66,238. The college generated income in 06/07 totaling \$154,623 in 2006/07: \$71,306 from facilities rentals, \$30,829 from non-resident tuition, and \$52,488 from cosmetology receipts. These adjustments when added to the unspent general fund resulted in Skyline's ending balance of \$220,951.

District Committee on Budget & Finance (DCBF) September 18 meeting update

Linda Whitten distributed a Hyperion report on enrollment that shows a 3.6% increase in enrollment district-wide and headcount up 5.7%. She reported that Kathy Blackwood, Chief Financial Officer, informed the DCBF that most colleges around the state are trying to restore to where they were rather than rather than plan for growth. The state will fund restoration growth first.

The district shifted 1,980 FTES from summer 2007 into the 2006-07 academic year, that resulted in increased funding for 2007/08 by \$7 million that can be used for one-time, not on-going expenditures. The district has three years to grow to restore the shifted FTES. The district provided some relief to CSM and Skyline in balancing their budgets for 2007-08 by in the form of one time funds (\$1 million for CSM and \$1.5 million for

Skyline). These funds are not sufficient hence both colleges will still need to make cuts that hopefully will not negatively impact enrollment.

For more information, please refer to the minutes of the September 18 DCBF meeting at www.smccd.edu/portal/dcbf.

Review of Skyline's 2007-08 Budget

Eloisa handed out copies of the PowerPoint of the final budget that Kathy Blackwood presented at the September 26 board meeting. Kathy Blackwood highlighted the differences between the tentative budget adopted in May and the final budget. As a result of shifting FTES, the district's marginal revenue for 2007-08 is \$1,725,495 (\$2,964,118 is one-time and a deficit of \$1,238,623 on-going).

Basic skills was based on unused growth funds, so it was decided that this will be distributed to all the districts across the state. SMCCD's share of the 2006-07 over-cap funding is \$565,000 out of which Skyline will receive \$220,000. The 2007-08 basic skills proposal for \$33.1 million was vetoed by the Governor when the final budget was approved. However, this was resubmitted and SB194 is currently pending approval by the Governor. If approved this will be another allocation for the colleges. These 2007/08 funds will be calculated differently. 50% will be computed using basic skills/ESL FTES and 50% will be based on basic skills/ESL FTES generated by students 18-24 year old transitioning from high school.

Another pot of money that is new is career technical education which will be awarded through competitive grants.

An actuarial study of the district's reserve for post-retirement benefits was done for the district last semester. The goal of the district is to be self-sufficient, so whatever interest it would generate would support that fund. Kathy Blackwood added \$3 million to the district's contribution to this fund from the one-time state funds we received in 2006-07.

Summary

Eloisa explained that we can hope to grow out of our budget deficit however this will take some time. Kathy is optimistic to see the growth patterns across the district. If the colleges continue the same growth pattern, Kathy thinks that it would be possible to grow out of the deficit by 2008-09.

Mike asked what is the outlook and Vicki said it is not yet known. If the college is growing fast enough so that district revenues grow so that the \$1.5 million can be offset, then the college will be stabilized. Vicki is hoping to have an answer soon on what kind of growth that will take. Skyline's deficit is \$432,664 and she does not feel the college should look at making cuts at this time. We have an ending balance carryover from the prior year and possibly some savings this year that will help reduce the estimated deficit. Eloisa is working on modeling enrollment and funding projections using the resource allocation model. Results of this analysis will be presented at the next CBC meeting.

Enrollment Update

Cathy distributed Skyline's productivity and efficiency report. She said if Skyline can reach the same FTES in spring 2008 as the college did in 2007, then it will meet its 2007-08 goal. Load is doing well and maximum enrollment is the capacity. There is an increase in duplicated headcount which is good. Skyline's unduplicated headcount has gone up 3 percent from fall to fall. Vicki looks at FTES, because it drives the college's funding, and load which indicates how cost-effective the college is at delivering its services. Vicki talks to the Chancellor each week about Skyline's enrollment.

The committee discussed hours by arrangement and hours in the Learning Center. The new system in the Learning Center has helped increase the FTES. Mike suggested creating posters to promote the Learning Center.

Next meeting: October 25.

The October 25 start time has been changed to 3:10 pm, due to the exit meeting scheduled by the Accreditation Visiting Team. The CBC will be notified should there be any additional changes.