

**College Budget Committee Meeting**  
March 27, 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.

Absent: Lori Adrian, Rick Escalambre, Cathy Hasson, Rick Hough, Dino Nomicos, Felix Perez, Briant Phan, Regina Stanback-Stroud, and George Wright.

**Review of February minutes**

A correction to the state budget deficit was made on page 3. The minutes were approved with this correction.

**Budget update**

Eloisa reported that the District Committee on Budget and Finance (DCBF) met on March 26. Here are the highlights of the meeting:

- Since the last meeting the state's estimated budget deficit for 2008-09 is \$14.5 billion. The Legislative Analyst projects it will be \$16 billion.
- Eric Skinner from the State Chancellor's Office informed the system that two community college districts (Orange and Sonoma) reported property taxes that are less than originally projected. The property tax shortfall is estimated at \$84 million. SMCCCD's share is approximately 2% or \$1.6 million. CFO Kathy Blackwood assured the committee there will not be a need for the district to impose mid-year cuts as we have set aside one-time funds originally intended to mitigate budget reductions proposed for next year.
- There is talk at the state level about changing the language so that districts that are in restoration do not get paid out of growth funds before the growth funds are allocated. Kathy Blackwood spoke in favor of districts that shift FTES to increase their revenue and cited the positive impact this had on SMCCCD's FTES growth.
- Two college districts, Lassen and Copper Mountain, requested an exemption from the full time obligation. Lassen was approved, but Copper Mountain was not.
- There is also talk about changing the 50% law because districts are not applying it consistently. College Business Officers statewide suggest changing the language for the audit standards to make it uniform across the state.
- There are continuing discussions on the GASB 45 rules. The district's proposal to charge the categoricals for their share of post-retirement benefit costs will not be implemented in 2007-08 and is postponed to 2009-10.

### **Proposed Changes to the Resource Allocation Model**

Eloisa has been meeting with the division deans to identify additional revenue and cost savings. This presents a challenge considering Skyline spends the lowest amount of general unrestricted fund per FTES. It has also achieved the highest productivity and growth. College Business Officers from the three district colleges met with Kathy to brainstorm ideas on how to increase the site allocations. They brought forward the following recommendations to the DCBF.

- Treat the bad debt allowance as a districtwide rather than a college expenditure  
Impact: Reduced allocation for all the sites since the expenditure will be distributed districtwide. On the other hand, expenditures at the colleges will likewise be reduced with the elimination of the bad debt allowance. Skyline budgeted \$110,000 for this line item in 2007-08.
- Review the growth factor used in the resource allocation for distributing growth based on the three year average.

### **Resource Allocation Assumptions**

Kathy did not share the resource allocation for 2008-09 at the DCBF as she is still waiting for additional information on estimated cost increases for 2008-09. She did bring the budget assumptions she is using for 2008-09 which includes

- the colleges' FTES goals,
- state revenue and growth rates
- salary compensation settlements
- no shifting of FTES
- new item for Facilities Maintenance amounting to \$454,961

This is a request from Jose Nuñez to cover the cost of maintaining the new systems built through the bond measure. The maintenance contracts are up for renewal. Since these cannot be charged to bond funds, Jose has requested for additional general unrestricted funds to defray these costs. Mike McGrew attended the DCBF to respond to the committee's questions on this funding request.

### **Next Steps**

Eloisa has been reviewing the budgets and working with division deans. The position control documents will be also be reviewed for corrections/updates that may or may not impact Fund 1. She is also working on estimating this year's ending balance. We used a zero ending balance for this year for our 2008-09 budget projections. If we do end up with an ending balance, this will help reduce the shortfall we projected for next year.

### **Proposed CBC Meeting Date Changes**

Eloisa proposed the following changes to the scheduled meeting dates for CBC:

- April 10: meeting will be held as scheduled
- April 25: Eloisa is attending ACBO in Sacramento, so this meeting will be canceled.
- May 1: This meeting will be scheduled to replace the April 25 meeting.
- May 8: Meeting will be canceled.
- May 15: Meeting will be held as scheduled.

Eloisa anticipates the April 10 and May 1 meetings will be working meetings. The May Revise will be announced on May 15 and Eloisa may have information on what the Governor's proposal will be at that meeting.

**Next meeting: April 10, 2008**