

**College Budget Committee Meeting  
January 29, 2009**

**Meeting Minutes**

Attendance: Co-Chairs Eloisa Briones and Ray Hernandez, Lori Adrian, Rick Escalambre, Mike Fitzgerald, Fermin Irigoyen, Rob Johnstone, Barbara Lamson, Joe Morello, Vicki Morrow, Félix Pérez, Ekaterina Semonchuk, Rick Wallace, Linda Whitten, George Wright, Soodi Zamani. Recorder: Linda Ghio

Absent: Anyta Archer, Carla Campillo, Tony Jackson, Margery Meadows, Virginia Padron, Regina Stanback-Stroud, Jeff Westfall

**Announcement**

The Share Point site for the College Budget Committee is up. The meeting schedule is posted and documents pertaining to each meeting are included. Committee members were reminded to print the meeting agenda, minutes and other documents and bring them to the meeting.

**Review of December 4 minutes**

The minutes were approved as written

**State budget update**

Kathy Blackwood and the district CBOs attended the ACBO (Association of Chief Business Officials) budget workshop in Sacramento. Eloisa noted that a lot of the cost cutting tips that were shared are already being done by the college and district already, including charging allowable expenditures to grant funds. This year, Skyline has aggressively and successfully sought grant funding. At the next CBC, Regina will report new grant awards which can potentially generate fund 1 cost savings.

For 2008-09, the magnitude of the cuts is still not known. The Governor's proposal which he announced on New Year's eve covers the current year up to 2009-10. Instead of the \$333 million reduction earlier proposed for community colleges, the Governor proposed for 2008-09

- elimination of COLA and
- deferral of community college funding to 2009-10.

For 2009-10, the Governor proposed

- zero COLA
- 3% growth
- More deferrals
- No mandated payments

The deferrals will impair cash flow and necessitate borrowing funds, resulting in additional interest costs for community colleges.

For 2008-09 and 2009-10, there will be no COLA. If statutory COLA is estimated at 5.4% each year, this translates to approximately 11% reduction for community colleges. At the same time, there is 3% growth funding proposed for all community colleges across the state. There is no proposal to increase student fees, but there is a proposal to increase taxes to bump up revenues. It is not known how soon the final numbers will come in but the state has one week of money left. There is a big benefit for advocacy on the part of community colleges so legislators can know what the impact of budget cuts would be.

Because community colleges do not receive automatic backfill for property tax shortfall, there is strong support for the system proposal to shove property taxes to K-12 so that community colleges will rely on state apportionment. Property taxes in San Mateo County increase consistently, so this is favorable for SMCCCD especially when it seeks external financing. The delay in the approval of the state budget has caused California's credit rating to plunge, hence, relying on state apportionment will negatively impact the borrowing power of community colleges and increase interest expenses.

#### **Report from District Committee on Budget & Finance**

- Linda Whitten reported on a discussion about the Lehman Brothers losses, which affected the SMCCCD. Kathy Blackwood said there's a slight chance we may be able to recover some of the funds lost.
- Ron recommended, and the Board approved, a contract for retirement investment accounts, and the big push will be to diversify investments, be cautiously optimistic, recognize risk and be somewhat conservative.
- Kathy will present three budget scenarios at the February Board of Trustees meeting. One scenario will be the Governors proposal, one will be a worse-case scenario, which is his proposal minus 6%, and the third would be something in between. Kathy's best scenario will assume 1.5% growth.
- One idea proposed would be if money is in categoricals, the district or the campus would be able to shift money on a year by year basis according to needs from one categorical fund to another. Kathy thinks that is a good idea.
- Skyline is at 100 FTES above its goal. Skyline is up 9.4% in sections, 11.7% in FTES and load is up to 8% at 589. CSM and Cañada are up too. They are working on enrollment management and it is helping.

#### **Enrollment update**

Dean of Planning Research & Institutional Effectiveness Rob Johnstone distributed the Productivity & Efficiency Report as of January 29, 2009 which shows

- Skyline's phenomenal load of 600 for spring 2009;
- FTES to date is 8,123, up 11% over last year. Skyline has exceeded the 7,992 FTES goal this year and reported 8,209 FTES at P-1. Rob indicated that the probability of total FTES for 2008-09 being between 8,100 and 8,300 is high.

- Rob reviewed the enrollment figures for spring 2009 and will be doing a more detailed analysis on positive attendance. It tends to go up at Census Day and a little afterward when short term courses begin.
- Mike noticed there are a lot of “no shows,” even though enrollment is up in his classes. Rick Escalambre added that the Automotive Department called every “no show” and they picked up about 60% of students as a result of those phone calls. It is starting to pay off as they have seen a huge increase, even on the short courses. They also mail a postcard reminder because he said their no show rate is higher than ever. Rob said the national universities, such as University of Phoenix, call when they have “no shows” and it really pays off. Soodi noted there have been more “no shows” since the district implemented the waiting list. Students have to get on different waiting lists and then have to drop when the classes settle in. Mike would like to see further discussion about the waiting list. Linda said the waiting list issue is also a problem due to the SMCCD email issue.

### **Budget reduction ideas**

Eloisa said there are no new ideas so far and Kathy did not come up with any new district budget reduction ideas either.

### **2009-10 District Budget & Planning calendar**

The board approved the calendar for 2009-10 and Eloisa will post it on the Share Point site. It will include the timeline for the scenarios that Kathy will build. Kathy’s worst case scenario may be slightly lower than 10% and they will also looking at the results of the retiree incentives.

Mike said Skyline has been progressive and on top of the process of starting the budget cuts. In response to a query on salary savings from retirements, Vicki said Skyline’s savings will go in the college’s ending balance, which rolls forward into the following year. Some positions will remain vacant, and those that are replaced will be at a lower step on the salary schedule. The college will be paying for the retirement incentive.

### **Next meeting**

The next meeting is scheduled for February 12.