

College Budget Committee Meeting
November 29, 2007

MEETING MINUTES

- Members: Co-Chairs Eloisa Briones and Carla Campillo, Lori Adrian, Anyta Archer, Jeff Diamond, Rick Escalambre, Mike Fitzgerald, Cathy Hasson, Melody Hisatake, 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. Guests: Kathy Blackwood and Maria Escobar. Recorder: Barbara Lamson
- Absent: Rick Escalambre, Melody Hisatake, Rick Hough, Dino Nomicos, Felix Perez, Briant Phan, and George Wright.

Review and approval of the November 8, 2007 minutes

The minutes were approved as written.

District Committee on Budget and Finance report

Linda Whitten reported that Governor Schwarzeneger's proposed budget will most likely be available for review in January. She shared the bleak state budget picture for 2008-09 due to the looming large budget deficit, aggravated by the slowing down of the economy. Prop 98 is over-appropriated, so there is not enough to cover even the statutory COLA. If Prop 92 passes, this may mean more funding but will only be beneficial for 3 years after which the Prop 98 test factors kick in.

District-wide, the colleges report a 5% average growth in FTES for the current year. Considering the state budget picture for the 08-09 fiscal year, SMCCCD is in better shape than most of the Districts because of the shift in FTES from Summer 07 into the 06/07 fiscal year.

The District Office is looking into how the district reserve for retiree benefits, currently approximately \$30 M, should be invested in the future. Most agree that it is important to continue investing some of it in the faculty and staff housing program. Kathy Blackwood does not feel it would be in our best interest to invest in a fund that will not allow withdrawals. In the case of a natural disaster SMCCCD might need available money. District staff are currently looking into several programs. The Local Area Investment Fund (LAIF) currently offers a return on investment of approximately 7%. The fund would be irrevocable. California Community College Foundation is considering creating an Investment Fund. There would be a representative on the Board from each District that invests. Linda feels the problem with that is that the level of investment is not taken under consideration when the Board seats are filled. CalPERS Investment currently has a return rate of approximately 7.5%. Withdrawals are allowed. Results of the district's review of these various programs will be discussed at future DCBF meetings.

Bad Debt Collection:

The district has engaged the services of a collection agency to provide assistance in recovering delinquent student accounts. Letters were sent to students to remind them to pay their fees otherwise they will be referred to collections. There was a batch of students whose records showed long outstanding balances of \$1 each. Inadvertently, letters were sent to these students resulting in student complaints and ill-will. Business Services staff at the colleges and the District Office worked together to pacify students, advising them to disregard the letter they received as these were sent in error. District office staff also reviewed their processes and parameters for the reports listing accounts to be turned over for collection to ensure that this anomaly does not recur.. .

Skyline College Enrollment report:

Cathy Hasson distributed a report showing Skyline's enrolment and productivity by year and by term. Fall 07 had a 6.6% increase over fall 06. Spring 08 shows an increase of 3.5% over last year at this time. It is the goal of Skyline to generate 6,938 FTES for 07/08. This would be an increase of 2% over 06/07. If Skyline is flat in the spring over last spring, growth will still be up by 4%. Growth at Skyline is looking good.

Budget Scenarios:

Eloisa distributed Early 2008-2009 Budget Scenarios. During the last meeting the committee agreed to review and discuss the budget scenarios and decide how many hires to recommend to the President for 2008-09. In response to the CBC's request, Eloisa created new scenarios that showed what the budget would be if the college hires between 1 to 5 faculty and 1 classified position. Eloisa used the resource allocation model to project Skyline's site allocation. This assumed that Skyline would see FTES growth of 5% in 07/08, 5% in 08/09, and 2% in 09/10. Assumptions for FTES growth for CSM and Canada were made using the rates provided to Kathy by the two colleges.

It would cost Skyline approximately \$43,830 for each full time faculty hired. That figure is the amount over the cost of an adjunct faculty position. The cost of a classified position is estimated at \$55,000. This figure is just an estimate; the committee does not know where the need is for a new classified position, or at what level.

Regina explained that the scenarios are the Committee's recommendation for how many people will be hired during the 08/09 fiscal year. There is another committee that decides where the need is for hiring. The classified position on the scenarios is not a specific position; it just means that the Committee would agree to hire one new classified position. To support student success, both faculty and classified staff are needed.

Mike would like to see the need for a new classified position before the Committee votes on a scenario. Vicki responded that classified staffing is lean because of the cut backs in 2002-03. When a classified staff retires, the need is reviewed before the position is replaced. Because the staffing is so lean, most positions are needed and they need to be replaced. Vicki said that at the moment, she can think of a need for 3 specific classified positions.

Soodi mentioned that most faculty do not know how the process for hiring classified staff works. Regina explained that the process for hiring classified staff is very similar to the process of hiring faculty. Fermin said that the faculty can see what the priority ranking is for faculty and they would like to see this need ranking for classified.

Vicki recommended that we change the scenarios to remove the classified position; we could deal with the classified position at a later date, when we finalize the budget.

Linda put the salary comparisons on the board to show the net cost of hiring 1 to 5 new faculty. (To hire one - \$43,830, two - \$87,660, three - \$131,490, four - \$175,320, and five \$219,150.) The Committee needs to realize that because of the tight budget, funding for any hiring will have to come from somewhere else.

Mike wanted to know if the potential cuts in the state budget will force us to cut way back later. Vicki said we have a difficult job because we need to make these decisions without enough information. We might receive some one time funding. It is hard to make the assumptions without all the information available.

College Budget Committee Recommendation to the President

After extensive discussion in putting together the Committee's recommendation, Linda made a suggestion that there should be a net gain of 2 faculty after any retirement or separation. For example, if 2 faculty retire, 4 will be hired; if 3 faculty retire, 5 will be hired. The committee will address the classified position at a later date. Mike seconded this recommendation.

Lori mentioned that hiring faculty is time sensitive and the school needs to be know early how many will be hired so that job announcements can go out early.

Barbara felt that if the classified position is tabled at this time and if the college does not receive one time funding, there will be no opportunity at a later date to bring the discussion of hiring a new classified position back to the committee. A number of people agreed that this is true.

After a very lively discussion around the need to increase the number of faculty and classified staff, Linda amended her recommendation to include one classified position which Mike seconded. The committee voted 15 to 1 to pass this recommendation

In summary, the College Budget Committee recommends that for FY 2008-09, Skyline will hire the same number of faculty separations (whether through retirement or resignation), plus 2, resulting in a net gain of 2 full-time faculty. The Committee further recommends funding 1 classified position, to be identified through the classified hiring process. Eloisa reminded the committee that, with the uncertainties around the state budget and the assumptions made in the development of these scenarios, the Committee should be prepared to make reductions to balance next year's budget, should the assumptions we made do not materialize.

Next meeting: The Dec. 13th meeting is cancelled. The next meeting will take place on January 31st.