

College Budget Committee Meeting Minutes September 25, 2008

Members: Co-Chairs Eloisa Briones and Ray Hernandez, Lori Adrian, Anyta Archer, Carla Campillo, Rick Escalambre, Mike Fitzgerald, Fermin Irigoyen, Tony Jackson, Rob Johnstone, Barbara Lamson, Margery Meadows, Joe Morello, Vicki Morrow, Virginia Padron, Félix Pérez, Ekaterina Semonchuk, Regina Stanback-Stroud, Rick Wallace, Jeff Westfall, Linda Whitten, George Wright, Soodi Zamani. **Guests:** Carlos Romero, Career Center Counseling Intern & William Watson. **Recorder:** Linda Ghio

Absent: Carla Campillo, Tony Jackson, Soodi Zamani

Review of the CBC minutes of May 1, 2008

The minutes were approved as written.

Review of the Charge of the Committee

The committee's primary charge is to make a budget recommendation for the college. The committee looks at the budget holistically where everyone participates as a member of the college and not of their division or the constituency they represent. Members hear presentations and information from the state and district and use this information to help the college come up with good and wise decisions for the good of the college as a whole. Committee members report information from their division and share any information communicated at CBC back to their division. CBC members Anyta Archer, Eloisa Briones, student representative Kat Semonchuk and Linda Whitten are also members of the District Committee on Budget and Finance (DCBF). Any DCBF information is shared with the CBC and vice versa.

Productivity Report

The productivity report provides a snapshot of where Skyline is this term and this year in a couple of key metrics that most directly affect the budget, Full Time Equivalent Students (FTES) and load. FTES fluctuates through the semester as does positive attendance. Load measures how full classes are in relation to Full Time Equivalent Faculty (FTEF).

Rob pointed out the following key elements of the report:

- Fall 2008 FTES is 3,449, which is up 8% from last year at this time. Load is more than 600. Summer enrollment showed a significant increase.
- A new line was added to show estimated FTES for the year which totals summer and fall actual and assumes a flat spring. Rob said Skyline only needs to pick up 36 FTES in the spring to meet the college's FTES goal, and thinks the numbers are very strong overall. The relative relationship of FTES to load over prior years is most important. Regina noted that in the existing sections, the college is getting students in without adding a section.

The committee cited some college efforts that contributed to the increased FTES:

- efforts to improve retention, along with basic skills,

- mailing of the class schedule and postcards,
- outreach activities,
- targeted increased concurrent enrollment,
- restructuring of the ESL curriculum and the learning skills sections, and
- the District \$750,000 funding for enrollment growth

George asked how growth affects faculty hiring. Kathy Blackwood informed the DCBF that the district's faculty obligation projected for fall 2009 is 23 FTEF more than that of fall 2008. Normally, districts who do not meet the obligation are charged a steep penalty. The Board of Governors, scheduled to meet on November 3rd, will determine whether this rule will be suspended in light of the fact that the state budget does not provide adequate funds to enable colleges to hire faculty to meet their obligation. Another important factor is the downward turn in the economy, which may contribute to enrollment growth.

There was a discussion about the resource allocation model which Anyta said is always reevaluated. She wants the CBC to think about the model as a district and not just as a college. Skyline recognizes the benefit of its productivity and does well with the allocation model. Vicki is optimistic that Skyline will grow out of the deficit and be balanced next year.

District Committee on Budget & Finance (DCBF) Report

Linda reported that this is the last year into restoration and depending on the pool of moneys for growth the college may consider shifting summer school 2009 into the 2008-09 year. Skyline is growing. Summer 2008 was about 25% over last year. For fall 2008, Skyline is up about 8%. Vicki said as of today Cañada's and CSM's loads are both about 525 and Skyline is at 600. Eloisa said it is the performance of Skyline as a whole that really impresses the district. Skyline is only 4%-5% behind CSM in share of the district this fall. Students are getting into the classes and Linda complimented Connie Beringer in getting English students into classes. Vicki said it is about close work at the division level, between the faculty, dean, and VP sorting out where it makes sense to add sections, in a very close way. It is a very focused and smart view and the Skyline does not randomly do it.

State Budget Update

The budget was signed 85 days after the beginning of this fiscal year on September 23. Eloisa distributed the adopted budget that Kathy presented during the September 24 Board of Trustees meeting. Kathy reviewed the assumptions used in developing the 2008-09 adopted budget:

- FTES was originally projected based on what was reported at P-2 which includes actual summer and fall FTES and an estimate for spring. Based on P-2, Skyline projected to grow by 7% next year. With our performance for Fall 08, Skyline's FTES goal was changed to 9%.
- A deficit factor of 1% was assumed.
- There was no state COLA built in, hence no known compensation adjustments.
- There will be increases in the cost of utilities and benefits.

- The approved state budget had 2% growth statewide. For SMCCCD, this equals 1.24%.
- The deferral of apportionment payments was reviewed. These delays will result in reduced interest income to the district.
- The facilities bond is cancelled. This results in a loss of \$53 million for the three colleges. Skyline projects that were going to be funded if the facilities bond passed included the Building 2 remodel and modernization of Building 1 and the theatre. The state decided that the requests for funding for all the projects have to be resubmitted and the colleges go back to competing for these funds. Skyline will keep submitting the requests but projects will be delayed and timelines for completion are up in the air.

Vicki is meeting with district staff to identify pieces and parts of construction that are affected. The automotive building will be built with construction starting in early winter and completion in about a year.

Eloisa will go over the 2008-09 resource allocation at the next meeting. The district is anticipating mid-year cuts. Kathy did indicate that should there be any, the district will figure out the solution so the colleges can just move forward. Last year, community college funding was reduced because of a property tax shortfall. As a result, SMCCCD's budget was reduced by about \$1.6 million. The 2008-09 final state budget included a provision to back-fill last year's property tax short-fall. With the back-fill, the district expects to receive about \$1.3 million which can be set aside for mid-year cuts.

Revised Revenue and Expenditure Assumptions

Eloisa presented the district's 2008-09 revenue and expenditure budget, pointing out that the district's ongoing budget is balanced. The three colleges will receive one-time subsidies that will be funded out of district carryover. Eloisa pointed out that the 2008-09 site allocation for Skyline was increased by \$102,000. This was the portion of the FTES enhancement fund that was set aside if SFSU agreed to have Skyline offer math classes for their students. The agreement fell through so the funds remained unallocated. Since Skyline exceeded its FTES goal and its productivity was the highest, it was decided that Skyline would get these funds.

Anyta asked if the CBC will be using the same process to look at the budget, allocate money and prioritize cuts that it has used before. Eloisa said more will be known as we go through the year and proposed to discuss the process at the next meeting in anticipation of budget cuts.

Next meeting: October 30