

College Budget Committee Meeting Minutes November 13, 2008

Attendance: Co-Chairs Eloisa Briones and Ray Hernandez, Lori Adrian, Anyta Archer, Carla Campillo, Mike Fitzgerald, Fermin Irigoyen, Rob Johnstone, Barbara Lamson, Joe Morello, Vicki Morrow, Félix Pérez, Ekaterina Semonchuk, Regina Stanback-Stroud, Rick Wallace, Jeff Westfall, Linda Whitten, George Wright, Soodi Zamani. Guests: Jeff Acidera, Connie Beringer, Maria Escobar, and William Watson.

Absent: Rick Escalambre, Tony Jackson, Margery Meadows, Virginia Padron

Review of the CBC minutes of September 25, 2008

Mike suggested adding a bullet point to the minutes that would read, “Another important factor is that a downward turn in economy may contribute to enrollment growth.” This will be added at the end of the first paragraph on page 2.

State budget update

At her October 30 presentation to the CBC, Kathy Blackwood said the current year state budget deficit was \$2-\$4 billion. Subsequently, these estimates went up to \$3-\$8 billion. Last week, the Governor announced his proposal to address the shortfall is \$11.2 billion. One of his proposed solutions is a mid-year cut of \$4.5 billion, so the share for community colleges is \$332 million. The shortfall for 2009-10 is projected at \$13 billion. The Legislative Analyst’s Office (LAO) concurs with the Governor’s report in most cases. The LAO projects the deficit in the next 20 months to be \$28 billion vs. the Governor’s projection of \$24 million. P.E. and enrichment courses were going to be cut. The LAO also suggested a student fee increase in January 2009 and again in July 2009.

Based on the available state budget projections, Eloisa developed scenarios to estimate 2008-09 site reductions for Skyline. These range between \$555,841 for a \$3 billion state budget deficit to \$1,482,244 if the state deficit is \$8 billion.

District Committee on Budget & Finance update

Linda Whitten and Anyta Archer reported on discussions at the December 4 DCBF meeting:

- Each college will make their own cuts and the DCBF will oversee cuts for the district, including Central Services. Kathy suggested not making cuts that will cut FTES.
- The Board of Governors decided to suspend the full-time faculty obligation and that was followed by official notification by the chancellor’s office.
- Constituent groups’ recommendations about ways to increase revenue and reduce expenses should be sent to the DCBF through the DCBF reps. The DCBF will be the repository for all suggestions. CBC decided that any recommendations will be submitted to both the Skyline CBC and the DCBF.

- Eloisa and Ray will develop a Sharepoint site so the Skyline community can make their suggestions, share information with each other and read the latest developments on the budget.

Addressing the current year budget deficit – structure/process

Eloisa distributed the estimated 2008-09 reductions. She built the scenarios based on the latest numbers that she has. The SMCCCD share is 1/1000 of the state deficit. The estimated current year reduction is \$332.2 million and the SMCCCD share is 2% or \$6.64 million. Eloisa used the 2008-09 site allocation based on the resource allocation model she has this year for her calculations. Skyline's allocation is \$21.3 million, which is 19% of the district's allocation. To identify the reductions that Skyline needs to make, the college will take 19% and apply it to the budget reduction for Skyline. Kathy and the district staff will address the Central Services piece and identify reductions there. Central Services are utilities, insurance, facilities, telecommunications and benefits. They are all the costs not paid out of the sites' funds. Kathy suggested a benefit audit. There will be discussions with the unions about retirement incentives and managed hiring. Ray said that the CBC needs to look at the reductions in a holistic way that focuses on the institution as a whole rather than by department.

Mike said the CBC presented a list of budget reduction strategies a couple of years ago and Eloisa said the committee will look at it again. The CBC considered whether or not a sub-committee would be formed to analyze the budget and make recommendations about reductions. Regina said that the CBC has been the group who has really looked at the budget, has become very educated about it and has institutional memories. Eloisa recommended that the CBC look at the scenario method, which is the usual method used during budget development during the past few years, instead of handing it off to a sub-committee. The CBC agreed with that recommendation. Eloisa will generate the calculations for the college. Mike asked if the estimated site reductions highlighted in the handout include the one time money or \$1 million that Skyline received from the district last year and Eloisa said it does not. Skyline is working off of a \$22 million budget. Lori said that 94% of the budget is in salaries.

Strategies and Suggestions

Eloisa suggested that the committee establish guiding principles to guide the group through this budget process and read the Chancellor's closing statement on his email to all district employees. Rob distributed Skyline's vision, mission, goals and strategies to provide guidance to the CBC when it looks at budget reductions. He reminded the CBC to think about how those decisions affect Skyline's students. Here are some of the suggestions and discussions:

- Set up a budget information suggestion box/website where budget information can be communicated college wide and people can easily submit a suggestion.
- Communicate budget information to the campus community. Vicki will regularly communicate to All Skyline and will include budget updates in *Skyline Shines*. This will be done along with a Sharepoint site that the CBC develops.
- Determine if there are assets that could be sold or leased to bring income and take the emphasis off cuts.

- Reduce or eliminate paper handouts by asking students to print these off of the faculty web sites.
- Eliminate conference travel and use CC Confer for meetings. This would also reduce mileage costs.
- Get involved politically and partner with other groups throughout the state to confront the overall state economic crisis. Barbara Christensen is the district's government relations liaison and Vicki said it is a good suggestion to address this. Kathy Blackwood is also in constant communication with the state policy makers.
- Look at the alumni association for support. Vicki said an alumni event is being planned and the district foundation, on Skyline's behalf, has joined a new statewide association of community colleges to get in contact with alumni.
- Expand the international student program and work with the CITD.

Tasks and Timelines

Eloisa distributed a spreadsheet that shows the meeting schedules for the CBC and the DCBF. Mike asked when the mid-year cuts are supposed to be made and Vicki is not sure but the implementation goes through a political process which the Governor is working on. Skyline needs to get ahead of it by creating multiple scenarios and work on it regardless of what is happening at the state level. Each division will need to look at their own budgets and the division deans have been given their reports. Joe suggested defining the targeted cuts first and then asking the deans to look at it. Rob said the college is cutting 6% in mid year, but next year, it is spread out over a full year. He cautioned the group not to overcut in the near term. The divisions need to make suggestions for reducing costs and increasing revenues.

Future meetings

Vicki suggests that the CBC meet every week over the next few months. The CBC needs to discuss the suggestions, review the old strategies list and review the scale of cuts. The CBC will meet on the following dates:

- **November 20**
2:10-4:00 p.m., Room 6203
There will be an update on DCBF discussions around managed hiring and retirement. The CBC will also talk about the list of budget balancing strategies and Eloisa will provide some calculations. Vicki would like to add a 11%-12% scenarios based on the LAO report.
- **December 4**
2:10-4:00 p.m., Room 5131
- **December 11**
2:10-4:00 p.m., Room 5131
- **December 17**
2:10-4:00 p.m., Room 5131