

## **College Budget Committee Meeting**

**August 27, 2009**

### **Minutes**

Attendance: Eric Brenner, Eloisa Briones, Maria Escobar (for Lori Adrian), Rick Escalambre, Mike Fitzgerald, Ray Hernandez, Fermin Irigoyen, Rob Johnstone, Barbara Lamson, Joe Morello, Vicki Morrow, Regina Stanback Stroud, Rick Wallace, Linda Whitten, George Wright, Linda Van Sciver, Soodi Zamani. Recorder: Linda Bertellotti

Absent: Anyta Archer, Lori Adrian, Nina Floro, Jeff Westfall

New committee members, Eric Brenner and Linda Van Sciver, were introduced.

### **Review of minutes of May 21, 2009**

The minutes were approved as written.

### **Budget update**

Eloisa Briones shared the powerpoint presentation that Kathy Blackwood presented at the August 19 budget hearing. In summary:

- At the close of fiscal year 2008-2009, the district ended up with a \$2 million deficit primarily due to the investment loss the district suffered as a result of the Lehman Brothers collapse. Prior year reserves were used to cover the deficit.
- For 2009-2010, there is no COLA or growth and there is a 3.4% apportionment cut. Categorical cuts range from 19 to 100% and the impact to the district is about \$5 million. There may be a one-time backfill of \$1.3 million in federal stimulus funds for community colleges, however, it is not likely that this total amount will be received. Overall, the district anticipates a \$5.4 million deficit. Reserves will be used to cover the deficit.

Eloisa added that Skyline's ending balance for 2008-09 is \$1.1 million. Savings in hourly instruction costs were generated as a result of increased productivity. There were also several vacant budgeted positions that were not filled. In preparation for mid-year reductions, allowable costs that can be charged to grants and categoricals were made and some of the budget reduction measures were implemented.
- Workload reductions - Part of the final budget package allowed adjustments to base workload measures commensurate with reductions in general apportionments. This will reduce base workload expectations for purposes of apportionment calculations and make it easier for districts to make necessary cuts to course sections. In 2009-10, the district's FTES goals are reduced by 305 FTES. In looking at summer and fall 2009 FTES, the district's three colleges are expected to go over cap in 2009-10 based on the growth it is experiencing. Mike would like to have a future discussion on how to manage cap. Regina said the college developed a tool for budgeting around a growth in FTES. The Vice

President and deans work on the schedule so that they meet the FTES goal but stay within the budget. Regina added that the CIOs at all three colleges are meeting regularly because Regina does not want to aggressively cut things in Skyline's budget that will lower the percentage the college gets in the resource allocation model. The college cannot cut so much that students cannot get anything. Vicki said it is a balancing act – the student programs and resource allocation model are on one side and the cost of putting it out there on the other side, alongside cuts the college will have to make.

Fermin asked what faculty should do about wait lists and adding students. Regina said it is the faculty member's prerogative to decide if allowing the student to come in affects the quality of their instruction and the pedagogy. For some teachers, the increase may affect the teaching dynamics. Mike said it is harder to teach more students. Vicki said it is all about the faculty member's judgment.

In terms of enrollment, it is not how many are there on opening or ending day, it is about the enrollment class on census day. If a faculty member takes so many students that it drives them away by census day, it is not good. Census day is what drives the college's funding. Mike would like to see an email go out to remind faculty to recalculate the enrollment figure prior to census day as the faculty member adds new students. Ray has talked to Sherri Hancock about it and an email will be sent to faculty.

### **Early projections for 2010-11**

Eloisa distributed the 2009-10 revenue and expenditure assumptions after allocation of deficits, which shows the estimated total revenue \$108.4 million, the estimated expenditures of \$113.8 million and the \$5.4 deficit that will be covered by reserves. Skyline's allocation is \$21,025,791.

For 2010-2011, Kathy ran the resource allocation model assuming workload reductions, no state funded COLA nor growth, a 1% deficit factor and 1.9% provision for cost increases. Based on these early projections, Skyline's site allocation for next year is \$19,743,775.

### **Bracing for more budget reductions**

Ray read the purpose of the budget reduction strategies for 2010-11, which is to balance the college's budget in the 2010-11 years in the face of probably mid-year state budget cuts in 2009-10, and anticipated cuts for next year. The draft assumptions were presented and Eloisa requested that the committee consider adding items or making revisions to these assumptions at the next meeting.

### **Budget reduction strategies to consider for FY 2010-11**

Eloisa distributed a list of Budget Reduction Strategies to Consider for FY 2010-11 which shows low and high end estimates for strategies that the committee can study to achieve the 10% to 15% budget reduction for 2010-11. Linda Van Sciver expressed concern about a consideration to eliminate the child care center because it is a valuable service that helps students who may not have other options. We should look at actual numbers, how many use the service and if there is a waiting list. Eloisa said a detailed analysis can be prepared for this and other items on the list and there will be are hard

choices to be made because the college can no longer conduct business as usual. Cabinet put together the document to create a tool that would start the conversation in CBC. Some of the ideas came from the budget e-suggestions for Spring and Summer 2009. The low and high end estimates were calculated differently for each line, keeping the student impact in mind.

Mike asked if the divisions that house these programs will be commenting on these items and Regina said every year they go through the governance process with the constituency groups looking at the programs. She will be asking the Curriculum Committee to form a task force to implement the Program Improvement and Viability (PIV) process. Ray said people have ideas but are respecting the governance process as discussions will be starting.

**Next meeting:** An Open Forum on the budget will be held on September 10 in the theater in place of the regular CBC meeting. Kathy Blackwood will be presenting. The next regular CBC meeting will be held on September 24, 2009.