



**FISCAL STABILITY TASK FORCE
MINUTES**

November 30, 2004

Joe Newmyer called the meeting to order at 2:05

Roll Call

Members Present: Cuaron, Davis, Doran, Dowd, Forsyth, Frady, Gommel, Gordon, Jay, Kratcoski (for Lopez) Madrigal, McCluskey, Miyamoto, Neault-Kelber, Newmyer, Roth, Smith, Springer, Townsend-Merino

Members Absent: Eckman, Miyamoto

- I. **Approval of Minutes** - (MSC Neault-Kelber/Jay) The approval of the minutes of November 16, 2004. These will be posted on the Palomar web page:
www.palomar.edu/committees.htm

II. **Reports from Sub-Group meetings**

Sub-Group 1

The survey developed for distribution to the Gooder College Group was distributed and discussed. The survey states that we are seeking a comparison between expenditures in several TOPs code areas, specifically the TOP 1000-5900 area and the TOP 6000 area. Each member of the sub-group was asked to select a few Districts from the Gooder Group. It was discussed that the fiscal operation of each college would be the best area to contact to complete the survey.

Also discussed was the document titled "Over Budgeting." The document described is a two phase process to make sure that a "surprise" ending fund balance does not happen again by over-budgeting and balances automatically rolled over to the next year. It is suggested that the last three-year expenditure patterns be reviewed and compared to this year's budget with the maximum that was spent in any of those three years, take the difference and set it aside. This would be Phase I. Phase II would include the allocation of those funds to the following: 1) Reduce the current deficit financing; 2) Provide compensation increases through the collective bargaining process; or, 3) Meet high priority needs throughout the college. It was agreed that these would be established at the Planning Council level and then forwarded to RAC. It was suggested that the Planning Councils re-establish their respective prioritization list for reallocation.

It was noted that this document is related to the worksheet that is being developed in Group 2.

There were some wording changes which will be reflected in the document when presented to SPC as part of the mid-year report.

Motion: Accept the Over-Budgeting proposal to include procedures that would be a two-step process and identify Phase I and Phase II. Phase I would include all levels identified and Phase II would be at the FSTF level. Shift paragraphs identifying changes. (Dowd/Townsend-Merino) MSC.

Also discussed was the recommendation on grant proposals. Sometimes grant approval come at the last minute for authorization - you hear about it, get an e-mail and it is due the next day. A suggestion was made that something be written in the recommendation as tentatively applying for a grant with the option to withdraw if not approved. Although not a practice we would want to get in to. There seemed to be a little confusion on the cost of grants and that we should be careful that we do not "shoot ourselves in the foot" by not pursuing grants. The task force members agreed that there should be further review of grants and a small group would be formed to continue discussion. A grant proposal process was created by Jerry Patton outlining the process a grant should go through all across services outlining needs, but was never moved forward. The second process is who will follow up on grants.

Motion: Accept the recommendation of Group 1 as follows:

It is the recommendation of Group 1 of the Fiscal Stability Task Force that a policy should be established that all existing and proposed grants be brought to SPC and RAC for approval if they meet one of the two following criteria:

1. The provisions of the grant limit the college's recovery of indirect costs to a percentage less than full cost recovery. Currently, it is estimated that full cost recovery would require indirect cost recovery of at least 27%. Or
2. The provisions of the grant require matching funds from the college.

It is the expectation that SPC and RAC would examine the grant in terms of the mission and purpose of the college. (Gordon/Jay) MSC.

Sub-Group 2

The notes of Sub-Group 2 were reviewed. Group 2 had discussions similar to Group 1 on the over-budgeting in 2004-05. They addressed developing the budget next Spring for 2005-06 and they took the three years of actuals and then highest of three years was chosen rather than an average because of the fact there could be anomalies or as we know the last couple of years we have tightened our belts and so by going back three years is a more conservative approach. This will be used to build the 2005-06 budgets. There should also be rationale for increases and decreases. They will include the multi-year budgeting. This will be distributed as a pilot. The hope is to use this for budget development next year. The budget development process will begin in February.

Sub-Group 3.

The notes of Sub-Group 3 were reviewed. They feel they need next semester to finish their charge. The main aspect of their notes was that they revisited again the discussion of the VP of Human Resources. The group agreed that the position, whatever the title may be, should report to the President and the salary needed to be in line with the level of responsibility which would make it a little higher than a dean. Group 3 states: *Discussion concluded with the concern that given the disparity between the various constituency matrixes hiring a vice president should include at the least a commitment to equalization of all the various matrixes.*

The other issues discussed were the original tasks before this group: getting with the various planning councils to look at organizational charts, procedures for all vacancy replacements, workload analysis, and review of the Education Centers.

Sub-Group 4.

There was no handout. The group reported that they were close to bringing a proposal on how we'll handle Comet Copy in a way that would make it self supporting. Also there is a procedure being developed that will be used to define Enterprise Funds.

Designated accounts have been neglected, but will begin work on that

III. Budgets

- ✓ Process to be used to identify over-budgeting - **discussed in Group 1 & 2**
- ✓ Ending fund balance allocation process- moved to a future meeting

IV. Status Report for SPC

The Task Force reviewed the draft of the Fiscal Stability Task Force Mid-Year Report prepared by Bonnie Dowd. It includes the motions and actions taken by the task force and includes a summary (guiding principles) of the sub-groups. It was recommended that a PowerPoint presentation be prepared and the report given to SPC next week. The task force members applauded Bonnie for a job well-done on the preparation of the report.

Discussion continued on when this report would be given to the Board. It was suggested Joe could advise the Board on December 14th that the task force is working hard and will have a report in January or February.

Motion: Accept Guiding Principles as written in the mid-year report with minor corrections and the inclusion of "with the exception of soft-money" to be added in #8. (Townsend-Merino/Gordon) MSC.

Motion: Submit report to SPC with recommendation that the mid-year report be given to the Governing Board at the January meeting. (Jay/Neault-Kelber) MSC.

V. Other

Martin will provide the task force members a "budget" calendar at the next meeting.

The first FSTF meeting of the spring semester will be January 25, 2005.

Meeting adjourned at 4:05

The next meeting is scheduled for 3:30p.m. December 7, 2004

Room SU-18

DRAFT