



**FISCAL STABILITY TASK FORCE  
MINUTES**

July 27, 2004

The meeting was called to order at 2:50 p.m. (following SPC) by Joe Newmyer

Roll Call

Members Present: Cuaron, Davis, Doran, Dowd, Eckman, Forsyth, Gommel, Halttunen (for Madrigal), Jay, Kratcoski, Lopez, McCluskey, Metzger, Miyamoto, Morrissette, Newmyer, Smith, Springer, Townsend-Merino, Thompson, Versaci, Wick (for Frady)

Members Absent: Neault-Kelber

Guests Present: Good, Taveuveu

An updated state budget document that was disseminated by The League was reviewed. There is good and bad news. There is concern that scheduled maintenance and instructional equipment is listed separately. This may result in approximately \$400,000 being available for Instructional Equipment rather than \$800,000. Also of concern is the rumor that the Governor plans to veto \$27M from the Partnership for Excellence funds which would cost us roughly \$650K. We won't know for sure for at least a couple of weeks. The Governor has 12 days to veto any amounts he wants. Following approval of the final budget the Chancellor's Office will hold budget workshops outlining the implications. Additional budget information will be available by the next meeting. Palomar's projected lack of Growth will have an impact on our funding. The tentative budget for 2004-05 anticipates that we will be out of balance by \$1.8M. Another budget uncertainty could be property tax shortfall which is projected for both 2003-04 and 2004-05 for Palomar College.

Discussion continued on the impact of the proposed deficit in PFE funding given that 72 positions are funded from PFE.

I. Approval of Minutes – (MSC Dowd/Townsend-Merino) The minutes of July 13, 2004 were approved with corrections and will be posted on the Palomar web page – [www.palomar.edu/committees.htm](http://www.palomar.edu/committees.htm)

II Discussion/Follow up items

Capital Outlay Budgets

**“2004-05 Proposed Capital Outlay Budget”**

-	<b>Replace 13 out of warranty servers</b>	<b>\$129,990</b>
-	<b>Replace 16 B-Building switches</b>	<b>\$ 81,000</b>
		<b>\$211,394</b>
-	<b>Emergency Instructional Equipment Repair and Replacement</b>	<b>\$100,000</b>
		<b>\$311,394</b>

1. **Eliminate all other capital outlay budgets**
2. **Allow transfers from other discretionary budgets to fund necessary capital outlay items**
3. **Do not reduce 05-06 budgets because of transfers made in 04-05 pursuant to item 2**
4. **Allocate total instructional block grant to instructional equipment and fund all scheduled maintenance items from San Marcos RDA funds.**

It was requested that the task force be given a breakdown (size, storage, warranty) for the cost of the servers before taking any action on this item. Don Sullins or delegate will be asked to attend the next FSTF meeting to provide further explanation.

Discussion about Instructional program equipment needs and the fact that \$408K from the block grant will not go far towards these needs. It was suggested that \$100K be provided for *Instructional Equipment Emergencies* over above the amount proposed. Instructional needs will not be fully identified or analyzed until the fall.

It was suggested that since the Instructional Block Grant is only \$408 that the general fund capital outlay account pay for the IS needs.

It was agreed that the Vice President of Instruction have the approval authority for *Instructional Equipment Emergencies* but that she advise IPC of expenditures made and that the data be reflected in IPC minutes.

There is currently \$893K in the Capital Outlay budget. This proposal would result in \$311K in the budget account and \$582K be used to reduce the district deficit.

**Motion: Approve the capital outlay proposal adding \$100K for Instructional Emergencies (agreeing that the VPI will report expenditures through the planning process) resulting in \$582K going toward the current deficit. Warranty and switches expenditures pending further information on the requested servers – Halttunen/Doran - MSC**

#### Child Development Subsidy

An analysis of the historical ending fund balances was requested. It was suggested that after reviewing this information, there could be an adjustment for indirect costs equal to the subsidy for 2005-06.

#### Continue discussion of FSTF goals

The two immediate goals previously established: 1) Reduce deficit financing for FY2004-05 to less than \$1M; 2) Increase allocation for retiree medical benefits (this item is nearly accomplished). The task force must still look at the budget for FY05-06 in an attempt to right-size the budget. Further discussion continued about when this Task Force will complete its tasks and RAC is reconvened. It was agreed that the goals and timeline will be discussed at the next FSTF meeting on August 12<sup>th</sup>.

#### Classroom utilization/seat count data

Joe distributed a handout of data compiled by the Office of Research and Planning. This data is provided for information only. It was suggested that careful analysis by the Instructional Division should assist in decisions regarding where sections should be added or possibly condensed.

Designated Account - to be discussed at the next meeting

#### Items for Discussion

It was suggested that items to be discussed by the task force be forwarded to the co-chairs who will then compile the requests and then share with the task force members. It was agreed that given the difficult nature of our task this might be the best way to handle to avoid duplication of suggestions but more importantly not have items attached to either an individual or employee group. A list that had been distributed at the last FSTF meeting was brought forward for discussion. Given the length of this meeting only a few items were addressed with the remainder and any other items recommended by any committee member to be addressed at the next and subsequent meetings. Items addressed were:

- a. Move salary, benefits and other expenses associated with the Chief Advancement Office from the General Fund to the Foundation Office's responsibility. Discussion continued that this office should be self-sufficient. The task force requested that annual reports be brought to the next meeting for review. **Action: Martin will research and bring back data.**
- b. Review management consultants, i.e. SIG **Action: Ken will provide a list of consultants.**
- c. Eliminate VP-HR position and replace with Director. Joe reported that the President pointed out that for negotiation purposes this position should stay at the VP level. There was discussion that the Director could report to another V.P. and this would satisfy this concern. It was suggested that the Director of HR report to the V.P. Finance and Administration. There was additional discussion about the salary savings for such a change. **Action: Berta will bring a copy of ACCCA's salary survey to the next meeting for review.**
- d. Also discussed was ADA workload measures. It was suggested that some ADA's have a much greater workload than others and work could be redistributed that would alleviate the need to replace current vacancies or to hire additional support staff.

### III. Other

#### Future RAC vs FSTF Meetings

**Meeting adjourned at 5:05**

**The next meeting is scheduled for August 12, 2004  
Room SU-18**