



**FISCAL STABILITY TASK FORCE
MINUTES**

August 12, 2004

The meeting was called to order at 2:10 p.m. by Joe Newmyer

Roll Call

Members Present: Cuaron, Davis, Doran, Dowd, Kratcoski (for Lopez), Madrigal, McCluskey, Morrissette, Newmyer, Simonds (for Eckman), Smith, Springer, Townsend-Merino, Wick (for Frady)

Members Absent: Forsyth, Gommel, Gordon, Jay, Metzger, Miyamoto, Neault-Kelber, Roth, Springer, Versaci

Guests Present: Good, Taveuveu, Thompson

The meeting opened with suggestions that a more formal agenda be developed to ensure that items brought to the task force for discussion remain on the agenda until they have been brought to some resolution. Also discussed was the mission/purpose of the Task Force, developing a plan for future fiscal stability and the process that the FSTF will be using as we move forward into the fall semester. In accordance with our Governance charge, FSTF has to have a plan in place by October so that it can be implemented by January 2004.

I. Approval of Minutes - (MSC Davis/Townsend-Merino) The minutes of July 27, 2004 were approved with corrections and will be posted on the Palomar web page - www.palomar.edu/committees.htm

II Discussion/Follow up items

Capital Outlay Budgets

"2004-05 Proposed Capital Outlay Budget"

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

It was requested that the IS department take a further look at the pricing of the servers and report back to the Task Force.

Palomar College will receive \$925,000 as a "Block Grant" which is allocated instructional equipment and material so therefore the \$100,000 added to the Capital Outlay request at the July 27th FSTF meeting will not be required.

Comet Copy

It is proposed that the per copy cost at Comet Copy be increased from \$.0268 to \$.04. This would increase the Comet Copy Center's revenue by about \$40,000 and would eliminate the need for the corresponding district subsidy that was included in the Tentative Budget. This change would be passed down to each department which would have to absorb the increase cost. The recommendation is being made as the increased cost more accurately reflects the actual costs for copies. There was concern expressed of the effect on the classroom. Discussion included the fact that by more accurately portraying the costs for copies, departments could do a cost/benefit analysis to determine if an outside source should be used for copies. There was further discussion that a significant part of the copying for instruction could perhaps be passed on through the book store charges through student material's fees. This proposal to increase copy costs from \$.0268 to \$.04 has been discussed with the vice presidents and they are okay with it. It would reduce the deficit by \$40,000.

There was lengthy discussion on the impact this increase would have on departments.

The proposal equates to redistribution of funds within departments.

One alternative suggested would be to allocate the additional \$40,000 to Comet Copy and distribute additional funds to departments, although this is not a savings. It would simply eliminate the deficit to Comet Copy.

Discussion continued regarding ways departments can operate more cost efficiently. There was also discussion on exactly which "enterprise" organizations do exist on the campus and if information could be provided to FSTF to examine all of the enterprise organizations at one time. It was agreed that no further action would be taken at this time. The item will be brought back for further discussion.

Follow up: Martin to provide the Task Force with a breakdown of "Enterprise" operations within the college.

Apprenticeship Program

It was reported that the Apprenticeship Program, a designated account, is projected to generate revenue of \$1,032,283 during 2004-05. The projected direct expenses for that program are \$940,699. By including the projected revenue and expenses in the budget as stated above, a balance of \$91,584 remains. This amount is available to cover part of the costs of this program. However since all of those costs have already been budgeted, this remainder can be used to offset the projected deficit.

Discussion of the Apprenticeship Program continued. It was agreed that this would be an item to look at as the Task Force reviews future years.

Motion: Accept recommendation to add \$91,584 from the Apprenticeship Program to the General Fund to assist in off-setting the 2004-05 deficit. MSC (Madrigal/McCluskey)

Discussion followed with Task Force members about process for future meetings and how ideas would be shared and discussed. It was also agreed that zero-based budgeting may be the way to go in the future. Berta volunteered to begin developing a formula model worksheet for program funding.

Other Designated Accounts

A recommendation was brought forward that three areas under the Administrative Services Division that have ending balances be used to off-set the deficit:

1. Follett Minimum Guarantee - as part of the Follett contract, they guarantee Palomar College \$350,000 annually. After expenses and the ASG contribution, there is a balance of \$135,000.
2. BFAP (Board Financial Aid Program): This program is over-funded by \$40,000.
3. Indirect Overhead: After expenses this account has a surplus of \$250,000.

There was discussion that FSTF should review Institutional Review recommendations to determine any budgetary impacts.

Future RAC vs FSTF Meetings

It was discussed that this Task Force would meet replacing RAC until the plan for 2005-06 has been developed. There is a tentative SPC meeting scheduled on August 24 and it was agreed that the Task Force would meet following SPC and then again on August 31, taking advantage of the 5th Tuesday of the month. Otherwise it was agreed that the Task Force would meet the 1st and 3rd Tuesdays following SPC - although this does not allow for lengthy meetings.

Meeting adjourned at 4:15

The next meeting is scheduled for August 24, 2004
Room SU-18