



BUDGET COMMITTEE

MINUTES

November 28, 2017

A meeting of the Budget Committee was held November 28, 2017. The meeting was called to order at 2:50 p.m. by Vice President of Finance and Administrative Services, Ron Ballesteros-Perez.

Roll Call

Members Present: Ron Ballesteros-Perez, Colleen Bixler, Carmen Coniglio, Carmelino Cruz, Tricia Frady, Anel Gonzalez, Mireya Gutierrez-Aguero, Joel Glassman, Adrian Gonzales, Jack Kahn, Teresa Laughlin, Kendyl Magnuson, Travis Ritt, Fari Towfiq, Anastasia Zavodny

Members Absent: Aaron Holmes, Kai Kramer, Lisa Norman, Dung Pham, Candace Rose

Recorder: Dayna Schwab

I. Approval of Minutes:

MSC (Bixler/Laughlin) to approve the minutes of October 24, 2017. The minutes were approved unanimously.

II. New Business

- A. Enrollment Report: Kendyl Magnuson reported the fall 2017 enrollment has stabilized at -3.7%, the headcount is 23,800 (down 1% from last year), and FTES is 7,850 (down 4% from last year). A factor to consider is we started one week later this year than last year. Currently enrollment is down, but the week of Thanksgiving is usually a slow registration week, so by the end of this coming week, we should see an increase in enrollment. We continue to try to incentivize early registration because there has been a trend for several years where students register for classes a little later than the year before. There was a discussion on the payment options and notifications for students. Kendyl confirmed students are notified in advance before they are dropped from classes for non-payment of enrollment fees.
- B. Budget Reduction Draft: VP Perez reported the budget continues to be monitored and changes are being made. Per President Blake's request, he will present budget forums to faculty and staff next week. VP Perez provided an overview of a PowerPoint handout outlining the budget reduction plan that is in progress. He said enrollment is down, the budget is based on 19,200 FTES, and we'll be in stabilization again this year. We'll be funded at the 18,129 FTES number, which is why our budget reduction goal is \$7M; \$5M in apportionment FTES revenue loss and normally/historically the District has passed COLA to employees and that's another \$1.5M. For new committee members, VP Perez explained how the base revenue allocations differ depending on FTES and how "summer shift" can help to maximize FTES. In FY15-16, we reported at 16,600 FTES, however we were funded at 19,600. This was the first stability year. FY16-17 was year one of the three-year restoration process and we reported 18,129 FTES. This year we're at 17,476 FTES which means we'll be funded at the 18,129 number. The difference between 18,129 and 19,200 is the amount we need to cut. Next year, to hit our target (20K large college) we'll need to grow a lot. VP Perez went on to provide a "mini micro" review of the budget, explaining ways general unrestricted fund expenditures can be

reduced by reassigning specific expenditures to other funds. He said some expenditures can be moved to Fund 12-Prop 20 Lottery if they support instruction to students in the classroom (i.e. printing expenditures). Some maintenance agreement expenditures can be moved to Fund 4. Travel expenses for the VP's can be cut. Of the \$1.3M electricity expenses to the District, 50% can be moved to Fund 43-Energy Conservation. Questions were asked about COLA and how it increases the deficit. VP Perez clarified the Classified Union has already negotiated COLA language into their contract, so classified staff members automatically receive it. There was a discussion regarding the difference between salaries for classified, educational, and executive administrators. VP Perez reported on the increase to STRS and PERS costs (\$1-\$2M) with no additional funding from the state. The budget reduction plan goes to SPC on 12/5/17, reductions will be implemented in spring 2018, and year-end adjustments will take place in July and August. VP Perez suggested reviewing the Budget Quarterly Report that goes to the Board as a way to monitor the budget. A question was asked whether or not an analysis had been done to see if any of our marketing strategies are working. VP Gonzales said Student Services is constantly having conversations about ways to increase enrollment and the opening of the South Center is expected to help. He said not all marketing expenses came from general funds; several came from categorical dollars. There was a brief discussion regarding the appropriate use of categorical and grant funds. VP Perez reported he gave the CCE's list of ideas/questions regarding budget reductions to President Blake for distribution to the VP's. He said President Blake's wish is to protect jobs for all employees. SISC saved the College money on employee benefits, but the Benefits Committee is currently looking for another broker in an effort to further reduce costs. VP Perez commented briefly on the importance of the Strategic Enrollment Management Plan (SEM's) and the Resource Allocation Formula.

III. Adjourned

There being no further business, the meeting was adjourned at 3:35 p.m.