



BUDGET COMMITTEE

MINUTES

February 13, 2018

A meeting of the Budget Committee was held February 13, 2018. 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, Aaron Holmes, Jack Kahn, Teresa Laughlin, Kendyl Magnuson, Lisa Norman, Travis Ritt, Candace Rose, Fari Towfiq, Anastasia Zavodny

Members Absent: Joel Glassman, Adrian Gonzales, Mireya Gutierrez-Aguero, Kai Kramer

Guest: Brandi Taveuveu

Recorder: Jennie Vastola

I. Approval of Minutes:

The minutes from the November 28, 2017 were approved unanimously with three (3) abstentions. (MSC: Bixler/Ritt) The minutes will be posted on the Palomar website at: <https://www2.palomar.edu/pages/fas/budget-committee-agenda-minutes/>.

II. New Business

A. FY2016-2017 Financial Audit Report:

VP Perez reported audits conducted for Prop M and District financials concluded with unmodified opinions. Audit reports are posted on the Fiscal website at: <https://www2.palomar.edu/pages/fiscalservices/financial-reports/annual-financial-reports/>.

B. FY2017-2018 Quarterly Financial Report:

VP Perez reviewed the CCFS-311Q report, pointing out the projected ending fund balance, \$17.6M, at the end of the 12/31/17 quarter. The ending fund balance for FY16-17 was \$21.8M, and a \$4.2M deficit was projected based on the assumption FTES attendance would be at 19,200. FTES is currently at 17,700, so a \$7M budget reduction will be made mid-year.

C. Enrollment Report:

Kendyl Magnuson reported current state-funded FTES is currently at -.1%, which is better than was originally anticipated. He said each year students are enrolling a little later, so the final enrollment figures will likely improve.

D. FY2018-2019 Budget Development Timetable:

VP Perez explained the Budget Development Timetable is presented to the Budget Committee each year for review/approval before it goes to SPC. The timetable is utilized for budget development for general fund and categorical restricted programs. The Budget Committee voted unanimously to approve the FY2018-2019 Budget Development Timetable. (MSC: Laughlin/Towfiq)

- E. **FY2018-2019 Governor's Proposed Workshop:**
VP Perez reported on the Governor's proposal for a new performance based funding model for California Community Colleges. The new funding formula is based on 50% FTES, 25% degree attainment transfer, and 25% BOGW/CA Promise/Pell Grant. There are CBO and CEO work groups who are to provide feedback to the Chancellor's Office by March 9th. Once all the feedback is submitted to the Chancellor's Office, our District will receive a simulated funding model which will be incorporated into the Governor's May revise. More details will become available in mid-March or April.
- F. **Budget Reduction Plan Update**
VP Perez provided an overview of key budget reductions that will be necessary to reach the June 30, 2018 \$7M overall budget reduction goal. Fund 11 General Unrestricted Funds will need to be reduced by over \$1M and \$5.7M of expenditures will be reassigned to alternative funding sources. Division Vice Presidents will be meeting with their Deans and Supervisors to review budgets and determine where reductions can be made. There was a discussion about the potential impact to the budget related to non-credit courses and AB705 (eliminating remedial classes beginning Fall 2018).

IV. Other

- A. **Fiscal Recovery Plan Proposal/Timeline**
VP Perez provided the outline/timeline for a financial recovery plan. He encouraged committee members to send him suggestions for ideas that can be incorporated into the plan. He also recommended forming a Budget Sub-Committee and asked for volunteers who would be willing to assist him in the writing of the fiscal recovery plan. He said the regular Budget Committee meetings will be on the 2nd Tuesday and the Budget Sub-Committee meetings will be on the 4th Tuesday of the month. The goal will be to have the plan completed by the end of May 2018. T. Laughlin volunteered to serve on the sub-committee and made a recommendation to include efficiency measures in the plan.
- B. **SEM Plan:**
VP Kahn gave a brief overview of the Strategic Enrollment Plan (SEM) and talked about some of the ways to optimize enrollment and improve student success (increased access, retention activities, community engagement, partnerships). Liaisons will be created with different units on campus, and the membership of the SEM Committee will shepherd the various projects to ensure plans go forward and goals are reached.
- C. **Guided Pathways:**
VP Kahn will share information about Guided Pathways at the next meeting.
- D. **Efficiency Models:**
There was a discussion regarding current measures used for hiring administrators and it was suggested that the Budget Committee review efficiency models. There was a discussion about the high number of small classes and the importance of working together to find ways to build enrollment in them. Concern was expressed about staffing efficiency. It was reported that the Classified Unit is down 100 people and that the District has, in essence, been balancing the budget with some of the classified work. Further concern was expressed regarding the inefficiency of hiring high numbers of temporary employees. VP Kahn agreed to provide information about efficiency models at the next meeting and VP Perez will also investigate efficiency models from other Districts. There was a brief discussion regarding the new Centers and whether or not classes with low enrollment will be canceled. Members talked about the negative impact to PT instructors and students when classes are canceled. VP Kahn said he would bring the subject to the Executive Cabinet for discussion.

III. Adjourned

There being no further business, the meeting was adjourned at 3:45 p.m.