



# SANTA ROSA JUNIOR COLLEGE

## BUDGET ADVISORY COMMITTEE

### Minutes

Tuesday, November 26, 2002

Senate Chambers, 2:30 p.m.

The meeting was called to order by Ron Root (Co-Chair).

**Members present:** Russ Bowden, Barbara Croteau (Co-Chair), Ted Crowell, Peg Goebel, Micca Gray, Maryanne Michaels, Cole Perry, Jamey Ransford, Ron Root (Co-Chair), Deborah Sweitzer, Sandi Tassano.

**Members absent:** Bob Flores, Michael Ludder, Joe Morello, Ed Sikes.

**Also present:** Ed Buckley, Tatjana Omrcen, Bea Griffiths, Ty Ronquillo, Kathi Bradbury, Eileen Cichocki, Susan St. Clair.

#### 1. Approval of Minutes—November 8, 2002

The minutes from the committee's November 8, 2002 meeting were approved as submitted.

#### 2. LAO Report on California's Fiscal Outlook

Ron Root distributed a handout regarding the State's budget outlook for next year. He explained that the \$20 to \$25 billion deficit (20% to 25%) is even higher than this year. Ron said that, in recent years, SRJC has managed to end the year with a small surplus, but that will not be the case this year. With the PERS 9.2% rate increase, a rate raise for Workers' Comp and other insurances, and the increase in health insurance premiums, the college will be faced with a sizable shortfall without taking into account any pay adjustments. He asked the committee, in upcoming meetings, to continue the dialog regarding budget retrenchment strategies.

#### 5. Budget Impact of Instructional Cost Trends

Ed Buckley gave the committee a presentation involving instructional costs. He said that over the last several years, SRJC has been linking the budget to planning, but when the budget is sparse, the college needs to prepare for tightened spending by considering the basic way the school is planning its programs and examining the financial impacts. Ed noted that SRJC receives 81% of its unrestricted General Fund from State General Revenue

(apportionment), and that 58% (including instructional salaries, instructional supplies, and paraprofessional support) of the total District expenditures generates 81% of the college's revenue.

Ed Buckley said faculty salary is the single most significant cost, and FTES is the single most significant revenue. He continued by reviewing instructional terms such as FTES (1 student x 5 courses x 3 hours/week x 35 weeks = 525 Student Contact Hours, or 1 FTES), Positive Attendance (actual student contact hours), and FTEF (the sum of instructional assignments equaling 100%). Ed explained that all faculty reassigned time does not count toward FTEF. He said that one credit FTES generates \$3,352, and one non-credit FTES generates \$1,834. When Deborah Sweitzer asked about credit/no credit courses, Ed replied that credit/no credit courses receive apportionment, but contract instruction and out-of-country students do not generate apportionment revenue.

Ed Buckley said the workload measure should evaluate the college's revenue, compared with its expenditures. He indicated that a direct measure of the ratio of revenue to expenditure is FTES divided by FTEF.

During a discussion regarding lower enrolled classes, Ed Buckley said as the college was building programs both off-campus and at the Petaluma campus, there were low-enrolled classes that were allowed to continue, but now that the college will not be getting paid for growth, the institution needs to examine this practice. Ed added that if all SRJC's lecture classes were taught by contract faculty, and each had a limit of 22 students, the college would fail financially. Ron Root pointed out that not all instruction is equal: Health Sciences courses, for instance, are mandated to have smaller class sizes and SRJC's funding from the State does not take this into account.

Ed Buckley reviewed the major variables: class size (pedagogy, facilities, maximum and minimum class size, shrewd scheduling); load factors (lecture and lab, large-lecture-loads); salaries (full-time and hourly); and growth cap. He said other important factors also include high-cost programs, changing student characteristics, technology, and facilities. With this in mind, Ed said SRJC should determine what type of school it wants to be and what it wants to offer, and then plan strategies using better enrollment management.

Ron Root distributed a handout regarding Tidal Wave II, the explosion in California college enrollments. Ron said California is growing rapidly in some areas, and colleges in these areas have grown to serve the needs of a larger community college constituency. California's southern counties are growing rapidly, but there is much slower growth in the northern counties. He continued by saying that part of the decline in SRJC's workload efficiency is because the college has had to promote enrollment with high school outreach, off-campus courses, non-credit courses, etc. He said that colleges want growth to earn more revenue than that growth costs, and that the margin is narrowing. Ron added that if SRJC just cuts non-instructional budgets, it will amount to relatively insignificant funds. Significant financial impact is in class enrollment—the college needs to look at instructional efficiencies and how the college manages its instructional function.

During a discussion about scheduling conservatively to minimize the number of cancelled classes, Maryanne Michaels suggested using large wait lists (up to 30 slots), and utilizing those lists to create new sections if additional classrooms are available.

#### **4. General Fund – Major Objects of Expenditure**

Eileen Cichocki distributed a handout regarding General Fund unrestricted and designated 2002/03 budget amounts. When Deborah Sweitzer asked whether the total for contract faculty salaries includes administrator salaries, Eileen replied that it does. Ron Root then asked Eileen to break-out administrators' salaries from the contract faculty salaries, and to do the same with classified administrators' salaries. Eileen offered to also breakout instruction salary costs from reassigned-time salary costs. When Russ Bowden asked if these figures can be compared over time, Eileen responded that the information could be set up as a four-year comparison.

Ron Root suggested that the committee start the discussion about budget retrenchment strategies at a conceptual level, and although looking at numbers can be beneficial to get a sense of the magnitude of particular expenses (i.e., salaries), the committee should talk about the process before it delves into detail.

Ron Root distributed a handout regarding the general obligation bond projects, and told the committee he would supply periodic updates.

The meeting adjourned at 4:35 p.m.

**Next Regular Meeting: Friday, December 6, 2002, 10:00 a.m. - Senate Chambers**