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## Standard III: Resources

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**Financial Resources:** Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning are integrated with institution planning.

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### Description

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Skyline College's overall budget for 2005-06 was \$37,404,534, of which \$21,364,388 is in the general unrestricted fund. Ninety-five percent of the general unrestricted fund is expended on salaries and benefits.

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The College relies primarily on its share of the District's general unrestricted fund. In the past, site allocations were calculated using the average FTES for the past three years. Under this allocation model, sites received additional funding as enrollment increased, however in 2000-01, use of the three-year average FTES was discontinued. Instead, site allocations were increased each year for COLA, long service increments and step and column increases only. Any new funding was distributed based on the proportion of each site allocation to the district total. There were no provisions for funding special programs, nor rewarding growth.

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In Spring 2003, the District Committee on Budget and Finance began work in developing a new resource allocation model. The new model must be simple, predictable and stable. It must protect the integrity of base funding, accommodate good and bad years, and be in accord with the District's mission and goals. DCBF developed a new resource allocation model which takes into consideration the 3-year average of FTES. The model was approved by the District Shared Governance Council for implementation in fiscal year 2006-2007. (Budget Handbook section 5)

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In FY 2002-2003 and 2003-04, the SMCCCD was forced to reduce its general unrestricted fund budget by \$12 million largely due to the state's budget deficit. Skyline had to reduce its budget by \$3.5 million. The College did not have any significant reserves to meet the cuts. Instead of lay-offs, the Strategic Alternatives to Institutional Funding Committee (SAIF) made recommendations to the President on how to address the budget reduction. The committee recommended that some positions left vacant after retirements not be immediately replaced. In addition, several vacant faculty, staff and administrator positions were un-funded. The hourly instruction budget was considerably reduced, and the prior year ending balance was given up.

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The College relies on vacant positions to provide funding for hourly instructional and counseling salaries as needed, as well as funding for unforeseen expenditures that arise. Skyline has not yet recovered from this budget reduction. The College's ability to offer additional sections or develop new programs continues to be significantly impacted as a result of these budget cuts.

(This section still needs an evaluation and planning agenda.)

**D.1** The institution relies upon its mission and goals as the foundation for financial planning.

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### **Description**

The development of the College budget is driven by the College's vision, mission, values, goals and strategies, in accordance with the College's Educational and Facilities Master Plan, Strategic Plan, Matriculation Plan, Student Equity Plan, the Accreditation Planning Agenda and others.

In Fall 2002, Skyline College began work on a new strategic and operational planning process. The process began with a strategic analysis of the internal and external environment (i.e. enrollment and community demographics, economic and labor market shifts, and educational and technological advances) to determine trends that could impact enrollments, programs, services, staffing and facilities planning decisions. The planning cycle included annual goals with unit work plans. The planning process was revisited in 2005 by the Institutional Planning Committee (IPC). The IPC revised the process and planning cycle so that it would be better aligned to the budget process and more useful as a planning tool. As a result of this revision, the college operates on a four-year planning cycle in which the first year is used to conduct and assess information from a comprehensive environmental scan. The remaining three years in the cycle are used for annual unit planning that is tied to college-wide goals and strategies. In addition, at the end of each academic year each unit produces a progress report on their activities so that a college-wide year-end report of progress made on goals and strategies is produced.

In addition to being the transition year from the annual to the three-year work plan, fiscal year 2005-06 was also the implementation year for planning and budget process changes. In previous years, the College developed a tentative budget. College goals were incorporated in the Tentative Budget report which was published by the District. While the goals remained the same year after year, the College also identified specific priority activities for each institutional goal. At that point, Skyline did not have a long-term strategic plan. There was great uncertainty about the state budget as well. The District's status as a self-supporting District also contributed to the difficulty in making long-range projections

### **Self- Evaluation**

14077 **The College meets this standard.** Financial planning, through the processes described  
14078 above, is now guided by the mission and goals of Skyline.

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### 14080 **Planning Agenda**

14081 None.

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**D.1.a** Financial planning is integrated with and supports all institutional  
planning.

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### 14084 **Description**

14085 Until fiscal year 2002, the Planning and Budget Committee (renamed College Budget  
14086 Committee) was primarily responsible for the allocation of the College's discretionary  
14087 budget. Funding for budget requests was prioritized considering program needs, FTES  
14088 and load for the division and program. Hiring priorities, the instructional equipment  
14089 priority list and program reviews were presented to the Planning and Budget Committee  
14090 for information. There was no direct link between goals and budget.

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14092 (This repeats verbatim language above.) In Fall 2002, Skyline began work on a new  
14093 strategic and operational planning process. The process began with a strategic analysis of  
14094 the internal and external environment (i.e., enrollment and community demographics,  
14095 economic and labor market shifts, and educational and technological advances) to  
14096 determine trends that could impact enrollments, programs, services, staffing and facilities  
14097 planning decisions.

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14099 In 2003, the Strategic Planning Task Force was formed composed of student, faculty,  
14100 staff and community members. In-depth analysis and review of community needs, labor  
14101 markets (current and projected) were performed in the course of the study. This exercise  
14102 resulted in the formation of the Institutional Planning Council (IPC) in September 2003.  
14103 The IPC, which is governed by charter and By-Laws of the College Council, is the  
14104 primary body responsible to coordinate, communicate and integrate College-wide  
14105 planning at Skyline College (<http://www.smccd.net/accounts/skypro/IPC/index.htm>). It is  
14106 also the primary body responsible for the development and implementation of the  
14107 College-wide performance measurement system (i.e. indicators, metrics and benchmarks)  
14108 and the College-wide research agenda. The IPC's initial task was to define the College's  
14109 mission statement, vision, and values. In addition, one of its first recommendations was  
14110 to move from an annual to a three-year work plan. Subsequently, goals were established  
14111 and during the 2005-2006 school year, strategies were developed for each goal. To date,  
14112 the College has five goals each with one to three strategies.

14113 (mission\_vision\_values\_goals\_strategies.pdf) The three year work plan is delineated  
14114 according to the Skyline College Budget and Planning Calendar. The Calendar  
14115 encompasses 31 activities which specifically detail the integration of financial planning  
14116 with all institutional planning for the college. (Office of Institutional Planning, Research,  
14117 and Institutional Effectiveness: (<http://www.smccd.edu/accounts/skypro/home.html>)

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### 14119 **Self-Evaluation**

14120 **The College meets this standard.** Through IPC and the Skyline College Planning and  
14121 Budget committee, financial planning is integrated with and supports all institutional  
14122 planning.

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14124 **Planning Agenda**

14125 None.

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**D.1.b** Institutional planning reflects realistic assessment of financial resources  
availability, development of financial resource, partnerships and  
expenditures requirements.

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14128 **Description**

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14130 In Fall 2005 the IPC began the revision of the planning process in an effort to more  
14131 closely link the strategic planning activities to the budget planning process. In addition,  
14132 the IPC led an effort to develop strategies that are aligned to each goal so that  
14133 departments and divisions could develop objectives in response to a concrete set of  
14134 guideposts. The outcome of these revisions are: 1) a more useful version of the division  
14135 work plans, 2) an extended cycle of planning (one year development and three year  
14136 implementation), and 3) an improved process for linking budgetary decisions to planning  
14137 actions. For the first time Skyline College has produced a three-year college-wide work  
14138 plan. This plan will be implemented over the course of three years with annual reviews  
14139 and revisions as needed. A year-end report on the objectives will continue as an annual  
14140 update on progress made toward each goal area.

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14142 Goals and strategies are prioritized by the instructional and student services leadership  
14143 teams and submitted as a recommendation to the IPC. (See Budget & Planning Process  
14144 flowchart) Final recommendation is made to the President. Divisions develop their work  
14145 plans guided by the prioritized goals and strategies as well as program reviews and state  
14146 mandates. During the budget development process, divisions submit to the College  
14147 Budget Committee (CBC) funding requests for faculty and staff positions and  
14148 discretionary items (e.g. supplies, equipment needs).

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14150 The CBC reviews and evaluates each request using a rubric (Exhibit III.D.1.b.2) which  
14151 measures the request against prioritized goals, strategies and activities. Funds are  
14152 allocated depending on the amount of available funds in the College's general  
14153 unrestricted fund site allocation. The CBC submits its budget recommendation to  
14154 College Council. College Council in turn submits the budget to the President for final  
14155 approval.

14156

14157 Skyline College is dependent upon state revenues for a major portion of its funding and is  
14158 therefore highly sensitive to fluctuations in enrollment. The College implemented a  
14159 number of strategic initiatives aimed at increasing enrollment, which have been informed  
14160 through program reviews and dialogue with faculty and staff.

14161

14162 Further, the District has developed a managed hiring program to be used in the event of  
14163 state revenues decreases. This program allows the District to avoid layoffs by identifying  
14164 non-essential classified positions and eliminating them, but placing the holders of those  
14165 eliminated positions in other positions for which they are qualified and by filling essential  
14166 classified vacancies from the ranks of existing employees. This plan was used in fiscal  
14167 year 2003 in order to implement cost reductions.

14168  
14169 Each year departments identify faculty, staff and discretionary (i.e. supplies and  
14170 equipment repairs) through the program review and other divisional processes.  
14171 Instructional equipment requests are presented annually by the Division deans to the  
14172 Instructional Leadership Team, where they are prioritized and funded based on the  
14173 availability of state Instructional Equipment funds. Requests for faculty positions are  
14174 developed and prioritized by the divisions and then forwarded to the FTEF Allocation  
14175 Committee for review and prioritization. Based on available funding, the CBC makes  
14176 recommendations to the Academic Senate, who in turn recommend to the Vice Presidents  
14177 and finally the President as to the number of faculty positions to be included in the  
14178 following year's budget allocation.

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#### 14180 **Self-Evaluation**

14181 **The College meets this standard.** Resources and expenditures are carefully assessed  
14182 each year through a combined College and District process. From FY 2000-01 to 2004-  
14183 05, Skyline held the record across the district of having the lowest cost per FTES for  
14184 Student Services expenditures. During the same period, except for FY 2001-02,  
14185 Skyline's cost per FTES for Instruction and Instructional Services was also the lowest of  
14186 the three colleges in the district. (Exhibit III.D.1.b.3)

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14188 There is a continual effort to ensure an adequate college budget to successfully  
14189 implement identified goals and strategic planning efforts. In addition, the College is  
14190 working to increase its reserves which have been in decline over the past years, in order  
14191 to remain fiscally solvent.

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#### 14193 **Planning Agenda**

14194 None.

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**D.1.c** When making short-range financial plans, the institution considers its  
long-range financial priorities to assure financial stability. The institution  
clearly identifies and plans for payment of liabilities and future  
obligations.

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#### 14198 **Description**

14199 Skyline has identified its financial priorities through the development of a long range  
14200 educational and facilities master planning process. As a result of this process, short-range  
14201 financial plans will be able to be addressed that are aligned with the long range planning.  
14202 Several components of this educational and facilities master plan will be accomplished as  
14203 the result of the passage of a new bond issue of \$468,000,000 in 2005. The Education

14204 and Facilities Master Plan will reflect changes in educational programs and current  
14205 campus facilities needs.

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14207 To address both long term and short term financial needs not otherwise funded, the  
14208 College is supported by the San Mateo County Community Colleges Foundation  
14209 (SMCCCF) and by Skyline’s Office of Development, Marketing and Public Relations  
14210 (see Standard IIID.2.e).

14211  
14212 Financial reserves are maintained by the College District in order to meet long-term  
14213 obligations as well as budget emergencies. Current reserves are maintained at  
14214 approximately 4 percent of the District operating budget. This, in conjunction with other  
14215 District reserves, has led to the District having a reserve approximating 9% per year. See  
14216 Standard IIID.2.c for further discussion.

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14218 The District also addressed long term liabilities by establishing a Post-Retirement  
14219 Benefits Fund to cover the medical insurance costs for retirees. In addition to capping the  
14220 benefits a number of years ago, the District also started putting \$1.5M per year into the  
14221 Post-Retirement Benefits Fund, which has now amassed over \$24M. The District  
14222 received a new actuarial study in March 2007 and will increase the amount set aside  
14223 yearly to reflect the findings of that study. Evidence: “Actuarial Study of Retiree Health  
14224 Liabilities” prepared by Total Compensation Systems, Inc. January 4, 2007

14225  
14226 **Self-Evaluation**

14227 **The College meets the standard.** As a result of the budget reductions in FY 2003-04,  
14228 Skyline’s ending balance has been in decline. The CBC, with input from all  
14229 constituencies has developed strategies to keep the College budget balanced. These  
14230 include delaying some full-time faculty hiring and postponing non-essential discretionary  
14231 spending. During FY 2005-06 and 2006-07 the district budgeted \$1.5 million to help the  
14232 colleges bump up enrollment. Skyline relied on its share of these FTES growth  
14233 enhancement funds to add sections and increase marketing and outreach efforts that  
14234 otherwise would have been difficult to accomplish given the college’s lean budget.

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14236 In addition, the District has a plan in place to address the long term issue of funding post  
14237 retirement benefits.

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14239 **Planning Agenda**

14240 None.

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**D.1.d** The institution clearly defines and follows its guideline and processes  
for financial planning and budget development, with all constituencies  
having appropriate opportunities to participate in the development of the  
institutional plans and budgets.

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14244 **Description**

14245 Skyline defines and follows its guideline and process for financial and budget  
14246 development and provides all constituent groups with the opportunity to participate in  
14247 developing institutional plans and budgets through the shared governance process. The  
14248 IPC, CBC, and College Council are broad-based committees made up of all  
14249 constituencies including faculty, staff and administrators.  
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14251 The District Committee on Budget and Finance is a District-wide committee representing  
14252 all constituencies at all three colleges. The District Committee on Budget and Finance  
14253 meets on a year-round basis. The committee prepares an annual budget calendar  
14254 consistent with the requirements of the California Education Code. Meeting minutes and  
14255 other materials are available on the District Committee on Budget and Finance website.  
14256 College Council and the IPC hold monthly meetings during the academic year, while the  
14257 CBC meets twice a month. All three groups publish meeting notes, agendas, and  
14258 informational handouts to the campus community via Skyline Notes at  
14259 <http://www.smccd.net/accounts/skynotes/> .  
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#### 14261 **Self-Evaluation**

14262 **The College meets the standard.** Our shared governance policies ensure that all major  
14263 constituencies are represented throughout the budget development and planning process.  
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#### 14265 **Planning Agenda**

14266 None.  
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### **D.2**

To assure the financial integrity of the institution and responsible use of its resources, the financial management system has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making.

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#### 14269 **Description**

14270 The Banner software is used at SMCCCD. Information is available and accessible to  
14271 managers on the Banner system. Upon request, managers are able to retrieve budget data  
14272 and reports in detail or in summary. The purchasing and procurement system in place  
14273 have spending controls that preclude charges to accounts that have insufficient funds.  
14274 Procurement cards with established dollar limits are issued to appropriate staff and  
14275 approved by department managers.  
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14277 Decisions to augment budgets go through an approval process beginning with department  
14278 and division heads, then through the Vice President offices and finally completed at the  
14279 Budget Office.  
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#### 14281 **Self-Evaluation**

14282 **The College meets this standard.** Since the last accreditation visit, the creation of a  
14283 new position of Financial Analyst to assist the Director of Business Services has  
14284 contributed greatly to the success of Banner training at Skyline. Several upgrades of the  
14285 software have also improved user proficiency. Communication between managers, staff

14286 and the College Business Office has improved and a more thorough understanding of the  
14287 finance system has evolved in the last five years. The total count for purchasing training  
14288 District Wide during the timeframe 2001 - 2006 is the following: Freshman 56,  
14289 Sophomore 58, and Junior 15. From Employee Voice Survey Skyline provides adequate  
14290 opportunities for training in technology related to my area of responsibility. The results  
14291 are the following: 2.8% Completely Disagree, 11.2% Disagree, 28.8% Somewhat  
14292 Agree/Disagree, 38.6% Agree and 18.6% Completely Agree.

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14294 Evidence: Email between Skyline College and District on Freshman Training and  
14295 General Training for banner.

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14297 Sophomore Banner Training Materials

14298 <http://www.smccd.edu/portal/Finance/Forms/AllItems.aspx?RootFolder=%2fportal%2fFinance%2fFinance&View=%7b3E36E34B%2dA4FD%2d4F11%2dB785%2d8B7524E43FA4%7d>  
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### 14302 **Planning Agenda**

14303 None.

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#### **D.2.a**

Financial documents, including the budget and independent audit, reflect appropriate allocation and use of financial resources to support student learning programs and services. Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.

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### **Description**

14308 Allocation of resources to support student learning programs and services are reflected in  
14309 the annual planning process. As required by the California Education code, an annual  
14310 audit is performed by an independent Certified Public Accountants (CPA) firm on all  
14311 financial records of the District, including all District funds, student financial aid,  
14312 bookstore, associated students, trust funds and reports required by the state. The annual  
14313 audit report is presented to the Board of Trustees by the independent auditor. The audited  
14314 financial report is placed on the District website and is available to all.

14315

14316 The District prepares financial reports which include budget at year end and at mid-year.  
14317 These reports are presented to the board of trustees and are available to all on line. The  
14318 mid-year report and final budgets is distributed to the members of the Skyline College  
14319 Budget Committee and the District Committee on Budget and Finance.

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### 14321 **San Mateo County Community College District Budget Reports**

14322 <http://www.smccd.edu/accounts/smccd/aboutdistrict/budget.asp>

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14324 At the end of each month, the District Business Office performs the close and generates  
14325 month- end reports, which indicate financial activities for the month, by fund, with  
14326 comparisons of actual year-to-date expenditures versus budgets and remaining budget

14327 balances. These reports are made available to the College Business Services for  
14328 distribution to the divisions and departments. The District strives to complete each  
14329 month-end close on or before the 10<sup>th</sup> of the following month. Financial statements are  
14330 provided to departments and divisions on a monthly basis.

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14332 Each College department and division office in conjunction with the College Business  
14333 Office monitors budget activity and provides reports to College staff for planning and  
14334 decision-making.

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### 14336 **Self-Evaluation**

14337 **The College meets this standard.** Educational Master Plan, Strategic Plan and Program  
14338 Review guide the College in review and assessment of the financial resources needed to  
14339 support student learning programs and services in addition to the current financial  
14340 resources currently used in this area.

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14342 Audit findings are supported by recommendations by the external auditor and require a  
14343 response by the affected department in the form of an action plan. The annual audit report  
14344 is presented to the Board of Trustees by the independent auditor. The audited financial  
14345 report is placed on the district website and is available to all.

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14347 SMCCCD Portal Accounting: SMCCCD AUDIT Report 05

14348 <http://smcweb.smccd.net/portal/Accounting/SMCCCD%20AUDIT%20RPT%2005.pdf>

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14350 District Audit

14351 [http://smcweb.smccd.net/portal/District%20Information/Rules%20And%20Regulations/8\\_05.pdf](http://smcweb.smccd.net/portal/District%20Information/Rules%20And%20Regulations/8_05.pdf)

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14353 Auditing of Courses

14354 [http://smcweb.smccd.net/portal/District%20Information/Rules%20And%20Regulations/6\\_31.pdf](http://smcweb.smccd.net/portal/District%20Information/Rules%20And%20Regulations/6_31.pdf)

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14356 San Mateo County Community College District Budget Reports

14357 <http://www.smccd.edu/accounts/smccd/aboutdistrict/budget.asp>

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14359 Audit findings have been relatively minor and have been appropriately addressed. The  
14360 district has obtained an unqualified opinion for many years. This means that the auditors  
14361 believe that the District's financial statements fairly represent the financial position of the  
14362 District. The district became fiscally accountable in July, 2005. This was a process that  
14363 required the District to take more responsibility for and strengthen its internal controls  
14364 and gave it the ability to process its own payroll instead of having the County Office of  
14365 Education prepare the payroll.

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### 14367 **Planning Agenda**

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Appropriate financial information is provided throughout the institution.

**D.2.b**

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**Description**

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SMCCCD uses the Banner system to record and monitor functions and activities related to student, financial aid, finance, position control, payroll, grants and human resources. In finance, fund accounting is used to account for revenues and expenditures separately for each fund. The final budget is loaded after Board approval. Expenditures are recorded through the requisition and procurement card processes in which orders go through approvals beginning with the division administrator and finally the Business Office. Similar processes are followed for expediting budget transfers, expense reimbursements, independent contracts and petty cash.

Skyline College uses the Banner Finance Module to record and review financial transactions and information online. Each manager has access to all accounts, both restricted and unrestricted, for which they are responsible. The manager has the option to view Banner screens or run various reports at any time using either native Banner or through WebSMART. These records are accurate and reliable. Unposted documents (i.e. documents awaiting review) are not reflected and only included in the amounts displayed online and on reports as of the date they are approved and posted. Efforts to improve user training have been significant within the last couple of years. The General Services Department as well as the College Business Services offices have successfully trained number of users and managers. College staff is trained on how to access and interpret financial reports. Additional budget workshops at the College are held as needed to disseminate budget information.

External funds and grants are all restricted. Coordinators are responsible for program administration and budget monitoring. The College Business Office and the District Grants Analyst also have oversight responsibilities.

The Skyline College Budget Committee is the primary budget recommendation group for the College, thereby establishing recommendations to the College administration on College budgetary matters. The Committee is responsible for reviewing the revenues and expenditures of the College. Notes from the meeting of this group can be found at <http://www.smccd.net/accounts/skycbc/home.html> , along with agendas and the compendium of committee members.

The District Committee on Budget and Finance is made of all major College constituencies from all three Colleges. Information on budget development, minutes as well as other financial information is posted on their website. Additional information posted on the District websites includes year end and mid-year budget reports, the audited comprehensive financial statements, annual budget calendar and information on capital project. This information is available to all.

District Committee on Budget and Finance

14415 <http://www.smccd.edu/portal/dcbf/default.aspx>

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14417 San Mateo County Community College District Budget Reports

14418 <http://www.smccd.edu/accounts/smccd/aboutdistrict/budget.asp>

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14420 **Self-Evaluation**

14421 **The College meets the standard.** The information is readily available.

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14423 **Planning Agenda**

14424 None.

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**D.2.c**

The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and realistic plans to meet financial emergencies and unforeseen occurrences.

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14427 **Description**

14428 The District prepares and annually presents to the Board of Trustees a cash flow  
14429 statement prior to assessing the need for issuing Tax Revenue Anticipation Notes. This  
14430 cash flow is updated monthly and as needed. Each year, the District issues Tax Revenue  
14431 Anticipation Notes (TRANs) to provide the necessary cash flow to fund District  
14432 operations prior to the receipt of property tax and State apportionment revenues. A  
14433 separate cash flow is developed for capital project expenditures prior to the issuance of  
14434 any bonds.

14435

14436 The District monitors its risk strategies regularly. The District recently reviewed  
14437 alternative risk management programs with the objective to reduce the budgetary burden,  
14438 improve claims administration, improve the scope of coverage, and achieve greater  
14439 overall value. The review included an examination of the District's claims history and  
14440 costs and an actuarial study of the District's Workers' Compensation program. As a  
14441 result, the District withdrew from the various joint powers authorities that it was a  
14442 member of and procured insurance independently as well as increasing the self-insured  
14443 retention, deductibles and, in some cases, self-insuring.

14444

14445 The District maintains insurance of various types, including employee health benefits,  
14446 and a workers' compensation plan. The District obtains health benefits from CalPERS  
14447 and the San Mateo County Schools Insurance Group (SMCSIG). The District is self-  
14448 insured for workers' compensation insurance. The District maintains property insurance  
14449 over \$300,000,000 with a deductible of \$150,000. The District maintains liability  
14450 insurance coverage up to \$15,000,000, with a self-insured retention that varies between  
14451 \$7,500 and \$200,000. Coverage above \$5,000,000 is provided by SELF

14452

14453 The District conservatively budgets both revenues and expenditures with the expectation  
14454 that unforeseen occurrences typically occur. The District's budget provides for a 4%  
14455 reserve to address financial emergencies. Each year, the District issues Tax Revenue  
14456 Anticipation Notes (TRANs) to provide the necessary cash flow to fund District

14457 operations prior to the receipt of property tax and State apportionment revenues. In  
14458 addition to using TRAN proceeds for cash from its other funds.

14459

14460 **Self-Evaluation**

14461 **The College meets the standard.**

14462

14463 **Planning Agenda**

14464 None.

14465

**D.2.d**

The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.

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14468 **Description**

14469 The institution has an annual external audit, prepared in accordance with generally  
14470 accepted accounting principles that is comprehensive and thorough. All externally funded  
14471 programs, grants and financial aid require year-end financial and program reports that are  
14472 submitted to the State Chancellor's Office after final review by the District. All grant and  
14473 externally funded program journal entries, new hires and purchase requisitions are  
14474 approved by the Skyline College Business Office prior to action at the District level. The  
14475 student body accounting is done by the College Business Office with oversight by the  
14476 District.

14477

14478 Institutional investing is done at the District level, utilizing the San Mateo County  
14479 investment pool as well as other investment options as needed. The San Mateo County  
14480 Community Colleges Foundation (SMCCCF) is a separate 501(C)3 entity and is not a  
14481 component unit of the District.

14482

14483 In addition, the College Business Office prepares financial summary reports for review  
14484 by the Cabinet, the management council and College Budget Committee. Regular  
14485 training is available for all managers in printing and understanding reports from the  
14486 District's Banner system.

14487

14488 **Self-Evaluation**

14489 **The College meets this standard.** The College follows a financial review process that  
14490 starts at the Division level and includes evaluation by the College Budget Committee, the  
14491 President's Cabinet and the College Council for all decision making. This process is  
14492 documented through the College Business Office to the District level.

14493

14494 **Planning Agenda**

14495 None.

14496

**D.2.e**

All financial resources, including those from auxiliary activities, fund-raising efforts, and grants are used with integrity in a manner consistent with the mission and goals of the institution.

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**Description**

The San Mateo County Community Colleges Foundation (SMCCCF) seeks funding from the private sector for scholarships and other projects not funded by Skyline College. The Foundation works with the College President in an effort to seek funding that will support the mission of the College. Funds raised from individuals, corporations and foundations are received, documented, and administered by the SMCCCF. Funds raised by Skyline College are deposited with the Foundation, and the Foundation accountant prepares and distributes the checks for reimbursement for Skyline projects and scholarships after receiving the appropriate invoices and paperwork.

The Foundation is governed by a 24-member Board of Directors. Twenty two are community volunteers and two are ex-officio, the District Chancellor and Executive Vice Chancellor. The Foundation undergoes an audit separate from the District. As a separate entity, the foundation operates independently and is responsible for its annual independent audit to ensure that the SMCCCF is handling the assets of donors in accordance with their wishes.

San Mateo County Community Colleges Foundation (SMCCCF)

<http://www.smccd.net/accounts/foundation/>

<http://www.smccd.net/accounts/foundation/about.html>

<http://www.smccd.net/accounts/foundation/message.html>

[http://www.smccd.net/accounts/foundation/pdfs/fdtn\\_annual%20report\\_0405\\_combined%20pages.pdf](http://www.smccd.net/accounts/foundation/pdfs/fdtn_annual%20report_0405_combined%20pages.pdf)

Foundation Current Board Members

<http://www.smccd.net/accounts/foundation/board.html>

Skyline’s Office of Development, Marketing and Public Relations is dedicated to developing effective communications about the accomplishments of the College, its faculty and students, and to maximize financial contributions to the College. The department works closely with the SMCCCF, its non-profit partner.

In its fundraising role, the Office of Development, Marketing and Public Relations works in conjunction with the President’s Council, composed of community leaders who serve as advisors to the President. The primary role of the President’s Council is to provide community input and feedback for the resource development program at Skyline College. Membership of the council includes representatives from business, industry, government, nonprofits and other organizations whose commitment to Skyline College provides a strong base of knowledge and support for the President of the College.

14540 In addition, there is a President's Council Advisory Board, a group of community leaders  
14541 that agree to support the College, and when called upon, offer advice. The President's  
14542 Breakfast, held annually in the spring, is the major fundraising event of the year. The  
14543 President's Breakfast Committee of the President's Council oversees the planning and  
14544 execution of the event, during which funds are raised from individuals and businesses for  
14545 the President's Innovation Fund.  
14546 <http://www.smccd.net/accounts/skypio/pif/index.html>  
14547  
14548 All funds raised by the Office of Development, Marketing and Public Relations are  
14549 deposited with--and disbursed by--the SMCCCF.  
14550 <http://www.smccd.net/accounts/skypio/>  
14551  
14552 The President annually presents funding priorities to the Foundation. The recent  
14553 priorities are:  
14554 President's Innovation Fund, Friends of Skyline Scholarship Fund & Jump Start. The  
14555 Development, Marketing & Public Relations Office secures grant support for Jump Start,  
14556 and contracts with a grant writer for that project.  
14557  
14558 College President's Priorities, 2005-06  
14559 <http://www.smccd.edu/accounts/foundation/projects.html>  
14560  
14561 The College Auxiliaries includes the following activities: bookstore, food service, and  
14562 associated students. The bookstore is managed and operated through the District office,  
14563 food services is contracted out by the District office, and the Associated Students reports  
14564 directly through the College. The College Auxiliary Services Advisory Committee  
14565 (CASAC) whose members are also on the District Auxiliary Services Advisory  
14566 Committee (DASAC), meet two to three times a year and more if needed. These  
14567 committees make recommendations and provide input into the operations, and assist in  
14568 assuring that College mission and goals are met. DASAC's agendas and minutes are  
14569 available online. The bookstore staff works closely with the College to make sure  
14570 student concerns are addressed; for example, the bookstore handles the EOPS book  
14571 grants as well as other grants and interfaces with the student financial aid system.  
14572 District Auxiliary Services Advisory Committee (DASAC)  
14573 <http://www.smccd.edu/portal/dasac/default.aspx>  
14574  
14575 Other financial resources available include funds from two bond issues, approved by  
14576 voters in 2002 and 2005 for capital improvements. As of June 2006, expenditures of  
14577 bond funds and other capital outlay funds district-wide total approximately \$185,000,000.  
14578 The bond measure mandates a citizens' advisory committee, which is responsible for the  
14579 oversight of all bond expenditures. This 11 member committee meets quarterly and is  
14580 responsible for reviewing the annual independent audit of bond expenditures and has  
14581 preview over all bond financed projects in the District. **Are their minutes published?**  
14582 **Should be referenced and go in evidence box.**  
14583  
14584 Swinerton Management was hired by the District to assist in managing the projects.  
14585 Projects are designed and implemented with input from various ad hoc committees from

14586 the college faculty and staff. President’s cabinet provides input and oversight to assure  
14587 college mission and goals are met.

14588  
14589 All funds, including grants, contracts and auxiliaries, are audited annually. Auxiliaries,  
14590 with the exception of Associated Students of Skyline College (ASSC), are managed by  
14591 the District and they operate under the same financial requirements, procedures and  
14592 policies that apply to Skyline College. ASSC, the student government organization, is  
14593 the responsibility of the College.

14594  
14595 **Self-Evaluation**

14596 **The College meets this standard.** By assuring that grant applications are consistent  
14597 with the College mission and goals, by working with the auxiliaries to ensure that  
14598 services meet the needs of the students and staff in a cost-effective manner and by  
14599 managing bond funds wisely with significant oversight, the College ensures that the  
14600 mission and goals will be achieved and assets safeguarded.

14601  
14602 **Planning Agenda**

14603 None.

14604

**D.2.f** Contractual agreements with external entities are consistent with the  
mission and goals of the institution, governed by institutional policies,  
and contain appropriate provisions to maintain the integrity of the  
institution.

14605

14606

14607 **Description**

14608 Contracts are required for annual service, maintenance agreements, professional services,  
14609 copyright or licensing agreements, and facility or vehicle rental. These contracts need to  
14610 be submitted to the Office of the Executive Vice Chancellor for review and approval  
14611 prior to the services being rendered. Board approval is required for contracted services in  
14612 the amount of \$50,000 or more. An exception to this amount is public contract code  
14613 agreements, which require Board approval if they exceed \$15,000.

14614

14615 Purchases exceeding \$65,100 for materials, supplies or services sold or leased to the  
14616 District must be legally advertised, formally bid and awarded by the Board of Trustees to  
14617 lowest responsive bidder. There are two exceptions to the \$65,100 limit: public contract  
14618 code work, and professional services. Public works projects require the formal bidding  
14619 procedure if expenditures are greater than \$15,000. This process must be completed  
14620 before purchase orders can be issued. Professional services are exempt from bid  
14621 requirements.

14622

14623 Three written quotations must be obtained and compared for competitive pricing on the  
14624 purchase of any services or equipment in excess of \$5,000. Purchases exceeding \$1,000  
14625 require three verbal or simple e-mail quotes. For purchases in excess of \$20,000, but less  
14626 than the legal bid requirement of \$65,100, a Request for Quotations, must be prepared.

14627

14628 Contracts are required for service work performed by an independent contractor. An  
14629 independent contractor is defined as an individual who performs a service for the District,  
14630 rather than a company or individual who provides a tangible product to the District.  
14631 Independent contractors are in business for themselves and they are responsible for their  
14632 own tax reporting to the IRS. The independent contractor uses a social security number  
14633 for tax identification purposes, rather than a federal tax ID number. SB1419 sets specific  
14634 guidelines for appropriate use of Independent Contractors.

14635  
14636 Purchasing Procedures and Contract Requirements  
14637 <http://www.smccd.net/purchasing/policies.htm>  
14638 [http://www.smccd.net/portal/PurchasingGeneral%20Services/Contracts/Standard\\_Services\\_Contract\\_2006.doc](http://www.smccd.net/portal/PurchasingGeneral%20Services/Contracts/Standard_Services_Contract_2006.doc)

14639  
14640 Standard Services Contract 2006  
14641 <http://www.smccd.edu/portal/PurchasingGeneral%20Services/Forms/AllItems.aspx?RootFolder=%2fportal%2fPurchasingGeneral%20Services%2fContracts&View=%7b8AFE6C40%2d7CF1%2d4862%2dA192%2d6A9BDF155231%7d>

14642  
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14645 Additional contracts include, but are not limited to: 1) Clinical agreements for placement  
14646 of students in clinical settings, 2) Grant and sub-recipient contractual agreements, 3)  
14647 Facilities usage agreements, 4) Vendor agreements held by the San Mateo County  
14648 Community College District Office that produce revenue for the College and Associated  
14649 Students, 5) Bookstore agreements held by the San Mateo County Community College  
14650 District office.

14651  
14652  
14653 Skyline College Budget and Planning Calendar  
14654 [http://www.smccd.edu/accounts/skypro/planning/planning\\_calendar\\_vr7.pdf](http://www.smccd.edu/accounts/skypro/planning/planning_calendar_vr7.pdf)

14655  
14656  
14657 Policies and procedures regarding contracts are developed and implemented in  
14658 compliance with: Education Code, Public Contracts Code, and Civil Code. Only the  
14659 Chancellor and Executive-Vice Chancellor are authorized to sign contracts for the  
14660 District. A contract without these signatures is not a valid contract.

14661  
14662 **Self-Evaluation**

14663 (It's still not clear how if this is supposed to be here.)  
14664 **RE: FAILURE TO PERFORM.** If, at any time, in the opinion of District, Contractor fails  
14665 to render services of proper quality or has failed to perform, keep, and observe any of the  
14666 terms or conditions herein contained on the part of Contractor to be performed, kept, and  
14667 observed, District may give Contractor written notice to correct such conditions or cure  
14668 such default; and if any such condition or fault shall continue for ten (10) days after said  
14669 written notice, then, and in that event, the Agreement shall cease and expire. Thereupon  
14670 District or its duly authorized representative may employ other parties to carry the  
14671 Agreement to completion as District may deem proper.

14672

14673 **The College meets this standard.** The College has sufficient controls in place to assure  
14674 that contracts and agreements are consistent with the College’s goals and missions and  
14675 appropriate controls are also in place to ensure the integrity of the process.  
14676

14677 **Planning Agenda**

14678 None.

14679

**D.2.g**

The institution regularly evaluates its financial management processes, and the results of the evaluation are used to improve financial management systems.

14680

14681 **Description**

14682 The formation of the District Committee on Budget and Finance in 2002 has created a  
14683 process of shared governance among District constituencies. In its role as the primary  
14684 forum responsible for SMCCCD’s budget decision-making, the District Committee on  
14685 Budget and Finance reviews the budgeting process and financial information at the  
14686 District and College level. Policy changes and procedures are discussed during their bi-  
14687 monthly meetings. The information flows to the Skyline College Budget Committee for  
14688 discussion, input and recommendations at the College. A committee of business officers,  
14689 the Business and Finance Officers Group (BAFOG), and business staff from the District  
14690 meet monthly to discuss, evaluate and make recommendations on financial processes  
14691 such as internal controls and software enhancements. This group regularly assesses the  
14692 effectiveness of business processes and discusses and implements needed changes. Any  
14693 recommendations in the annual audit are quickly addressed. Information from BAFOG is  
14694 shared with Cabinet, the Management Council and the Skyline Finance Operations Group  
14695 (SKYFOG) which is the college’s business operations team. This group is composed of  
14696 staff from all college units who are responsible for performing various activities relating  
14697 to purchasing, payroll and budgets.

14698

14699 Banner financial reports are available on line for all divisions to review and track all  
14700 expenditures. Quarterly reports are sent to managers. Divisions can also request financial  
14701 reports from the Business Services departments. Divisions can also request in-person  
14702 meetings with the Business Services finance employees for more in depth knowledge or  
14703 guidance with regards to financial analysis of their divisions’ budgets, or completion of  
14704 any required year end reports. District finance and purchasing staff are invited to the  
14705 college to hold training and familiarization sessions as needed.

14706

14707

14708 Skyline Finance Operations Group (SKYFOG) is Skyline College Business Operations  
14709 Team.

14710

14711 District Committee on Budget & Finance

14712 <http://www.smccd.edu/portal/dcbf/default.aspx>

14713

14714 Business and Finance Officers Group (BAFOG)

14715 <http://www.smccd.edu/portal/District%20Information/Forms/AllItems.aspx?RootFolder=%2fportal%2fDistrict%20Information%2fBAFOG&View=%7bF268A2B9%2d228C%2d4AE5%2dB3A1%2dEF3D1F2D2DB1%7d>

14716  
14717  
14718  
14719 Skyline College Budget Committee (CBC)  
14720 <http://www.smccd.edu/accounts/skycbc/home.html>

14721  
14722 **Self-Evaluation**

14723 **The College meets this standard.** Both the College and the District review, revise and  
14724 occasionally revamp the business processes to keep the flow of financial information  
14725 timely, accurate and useful for decision-making.

14726  
14727 **Planning Agenda**

14728 None.

14729  
**D.3** The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement.

14730  
14731 **Description**

14732 The effective use of the institution's financial resource is assessed by the Skyline College  
14733 Balanced Scorecard (BSC). The Skyline College Balanced Scorecard (BSC) is a strategic  
14734 management system adopted by the Skyline College Institutional Planning Committee (a  
14735 shared governance committee) as a way to enhance the existing college-wide planning  
14736 process. The BSC translates the college vision and mission into meaningful indicators  
14737 which are directly linked to college goals and strategies. The BSC provides a vehicle for  
14738 collaborative decision-making by measuring, tracking and communicating performance  
14739 of goals and strategies.

14740 The Balanced Scorecard makes use of a set of core indicators that define and measure  
14741 institutional effectiveness. This effectiveness is viewed from four perspectives, each with  
14742 a balance of financial and non-financial indicators and measures: Internal Stakeholders,  
14743 External Stakeholders, Financial and Operational Performance, and Growth and  
14744 Innovation. The BSC incorporates a balance of lead indicators which identify what the  
14745 college puts into the system to drive performance, and lag indicators which identify  
14746 outputs or explanations of institutional performance. These outcomes are reported  
14747 through a Scorecard which tells how well the college is performing. The Scorecard uses  
14748 benchmarks which were established through a collaborative process of research, analysis  
14749 and negotiation among the various constituency groups across the college. These  
14750 benchmarks provide the means for assessing goals and adjusting strategies for meeting  
14751 these goals. Financial and Operational Performance is measured using the following  
14752 benchmarks: Productivity, FTES, WSCH, Efficiency, Budget Efficiency, Facilities  
14753 Planning. (<http://www.smccd.edu/accounts/skypro/balancedscorecard/home.htm>)

14754 **Self-Evaluation**

14755 **The College meets this standard.** The institution systematically assesses the effective  
14756 use of financial resources and uses the results of the evaluation as the basis for  
14757 improvement.

14758

14759 **Planning Agenda**

14760 None.