



**COLLEGE BUDGET COMMITTEE
MEETING MINUTES
February 9, 2006**

Present: Lori Adrian, Anyta Archer, Eloisa Briones, Carla Campillo, Rick Escalambre, Mike Fitzgerald, Jennifer Hughes, Fermin Irigoyen, Barbara Lamson, Margery Meadows, Vicki Morrow, Virginia Padron, Félix Pérez, Regina Stanback-Stroud, Salah Webb, Linda Whitten, George Wright, and Soodi Zamani. Guest: Kathy Blackwood. Recorder: Linda Ghio

Absent: Taylor Angel, Cathy Hasson, Nick Kapp, and Dino Nomicos

Announcement and Introduction

Fermin Irigoyen was introduced as the interim faculty representative from the Language Arts division replacing Connie Beringer, who was appointed interim Dean of Language Arts. Connie will not be attending CBC meetings during the interim period.

Review and approval of minutes

Minutes from the January 26, 2006 College Budget Committee meeting were approved.

ERAF and Basic Aid

Kathy Blackwood led a PowerPoint presentation and distributed handouts on “ERAF (Educational Revenue Augmentation Fund) and Basic Aid”. She explained that property taxes that cities and special districts (such as water districts) ordinarily receive are moved into ERAF. ERAF money goes to the schools but the county must first determine which schools receive Basic Aid.

Funding for schools funded is made up of regular property taxes, student fees, and ERAF. Additional funds that are needed are made up out of state apportionment. In the past, the SMCCCD met its revenue cap with these three items and did not get apportionment. We were getting less ERAF because we were getting more in tax. Kathy said we want to be getting regular property taxes, which is San Mateo county tax, and student fees and then we would not be limited by the state’s revenue growth. A district gets to “Basic Aid” status when property taxes grow faster than the state’s revenue.

San Mateo County has 23 schools and eight are Basic Aid. Basic Aid districts get no ERAF funds. Of the remaining 15 schools, the amount of ERAF needed must be determined. She referred the CBC to Step 3 in the ERAF handout. In San Mateo County, the total needed by the district is less than the cities pay in. This is how excess ERAF is determined. The law states that this is returned to the special districts that paid

in. It gets allocated each year and does not carry over. Félix asked what happens when we have students who live outside of San Mateo County that attend our school and do not pay taxes in this county. Kathy said we have a free flow of students here and we don't require that they live in the county.

With the effect of the triple flip and the vehicle license legislation, non-Basic Aid school districts (K-12) and special education programs gets funds, and cities that lost sales tax money to pay for the state fund due to the trip flip will be reimbursed by ERAF money. Also, vehicle license fee revenue that cities lost is reimbursed out of ERAF. These are the entities that have a claim on the ERAF money however there is not enough ERAF to pay for the refund. The cities and special districts get their money first, as well as Basic Aid. The ERAF shortfall is taken from the property taxes of the remaining non-Basic Aid school districts, which includes SMCCCD. So we lose ERAF but our state apportionment goes up.

SMCCCD is entitled to about \$6 million in ERAF. That means we are not a Basic Aid district, but Basic Aid status is re-determined every year. We could move to Basic Aid if countywide property tax growth exceeds base revenue increases. In time, we should get there. However in 2005 and 2006 the state rolled Partnership for Excellence (PFE) and equalization in to our base revenue. The time that we can become Basic Aid is now delayed for between 3-10 years. Margery Meadows asked if it is possible that we may never become a Basic Aid district and Kathy said yes. Vicki said if we do become Basic Aid, you can go into and out of Basic Aid. Kathy said that Basic Aid is relatively stable and predictable, but it does not cure your financial problems. The advantage is that it does get you out of some state regulations. At the point in which we become Basic Aid, we will have slightly more money than we would have had without the additional property taxes. But that amount can go down and we could become state-supported again.

SB361 synopsis and effect on SMCCCD

A few years ago a group was started to simplify the current complex program-based funding model and developed SB 361. The goal is to get the bill passed in order to allocate 2006-2007 funds to districts. Kathy is watching it because the college business officers statewide are working with the State Chancellor's Office to implement the model.

The first draft was very complex and she is going to work further on this. SB 361 calls for funding in a lot of different areas but there is no money behind it, other than COLA, growth and equalization. Vicki asked if there is an initiative prepared for the November ballot. Kathy said there is and it reduces community colleges fees, changes the governing structure by moving the Board of Governors into a more independent role, and segregates Prop 98 between K-12 schools and community colleges.

The initiative calls for a 10.49% distribution between K-12 and the community colleges, which is less than the Governor's 06/07 budget proposal. SB 361 only addresses the distribution of the money. SMCCCD would get \$9 million and about \$4,000 per FTES. This is instead of and not in addition to what we get.

Kathy reviewed the synopsis with the committee. Mike asked if this is why we don't want to grow. Kathy said yes and added that if we grow more than our growth level we don't get paid for it. Kathy said that statewide in 05/06, there will be \$60 million in

unspent growth money. She is working closely with the group providing the scenarios for the model that she is working on with other CBOs. Virginia Padron asked if the priorities have been set and Kathy said the governor has his own priorities.

Enrollment Growth Plans

During the fall semester, Kathy Blackwood and the Vice Presidents of Instruction at all three colleges met to design plans on how to increase enrollment (FTES) throughout the district. The plans were presented at the district Vice Presidents meeting and were approved by Chancellor's Cabinet on February 7, 2006. A summary of the Enrollment Growth Plans was sent to the District Committee on Budget and Finance on February 7 and Regina distributed a copy to the College Budget Committee.

The colleges jointly developed plans for spending over \$4 million however the concern was that maybe we were not being realistic and so we allocated the funding available, but left it up to the colleges to decide which plans to implement.

Regina reported that the plans were adjusted to reflect a more realistic projection of FTES. The allocation of the resources was based on a scenario that allocated \$1,250,000 the four-year average of the FTES at each college. Additionally, the scenario set aside \$250,000 to be allocated for special growth opportunities or projects at any of the three colleges.

Regina reported that the SFSU request for Skyline to offer 39 sections of math on their campus would meet that special growth opportunity. Those talks are in progress. Regina reported that Skyline would have to be invited by the San Francisco City College board to offer the classes because it is in their service area. They have expressed concerns about us coming in to their area. We will continue to work with them on this issue. We hope to have an answer so we can incorporate this into the fall schedule.

Regina added that SFSU approached us about language arts classes but they have chosen a different approach that involved a FIPSE grant. We are working in partnership with them on the grant but are not in discussion about offering Skyline College English classes at the university.

Mike Fitzgerald expressed a concern that Skyline does not offer enough remedial courses already. Regina reported the decrease in enrollment in the math classes.

Kathy reported that Skyline has 2,981 estimated FTES. We will show a little growth, but not a tremendous amount. Next year when we have been able to do a little more we will expect more growth. Kathy reported that Cañada is up and CSM is down. The summer is the beginning of the fiscal years when you consider FTES. Regina said there is no significant difference in FTES between spring and fall. Our comparison is fall to fall or spring to spring.

Next Meeting

The next College Budget Committee meeting will be held on February 23, 2006.