

Sent: May 14, 2007 10:46 a.m.  
From: Morrow, Victoria  
To: Skyline Employees  
Subject: An Update on Skyline's Budget

I would like to provide everyone a quick overview of Skyline's budget situation. You may be hearing about budget cuts taking place at CSM, and I want to be sure there is a clear picture of Skyline's situation.

Our projected deficit is lower than CSM's and our load (WSCH/FTE) has been consistently higher, so that makes our situation a little bit different than theirs. We reported to our College Budget Committee that we estimated the 2007-08 deficit to be \$1.7 million. That number assumes a zero ending balance for this year, (an unknown at this point). A big part of the deficit results from our budgeting for our actual hourly instruction costs for the first time. The college has been carrying a huge hidden deficit in the hourly budget since 2003-04. Our ending balance allowed us to ride that out in recent years, but that ending balance has been declining steeply, so we must now budget the real cost of hourly instruction. Also, the college is still living with a side effect of the permanent staffing cuts made in 2002-03 because our lean staffing means that we have not had the salary savings that can allow a college to build up a bit of a cushion to smooth out tight budget times.

We developed with our College Budget Committee a long list of both short-term and long-term strategies to get our budget balanced and to keep it there. We are grateful to the district for their assistance in smoothing out the bumps for the next year or so via the shifting of summer enrollment. Our most critical strategy will be for this college and all three colleges to grow their enrollment, and the district's assistance buys us time to do that. In the short term, we have also scrutinized our college budget to identify areas where we can trim without serious long-term harm. We are hiring only two full-time faculty in the fall and those are merely replacements for this year's retirees. We are making use of some categorical funds where we can. We are moving the Center for International Trade Development from its off-site location to the college to save the rental costs.

We are also working hard here to augment our marketing and outreach, thanks to many people across the college. You heard from Ron Galatolo about the district wide Summer Outreach Initiative in which we are all participating. The Board of Trustees and the Chancellor are also working with the Foundation in a new approach designed to dramatically improve its fundraising capabilities, which will assist the colleges in the long run. Our college Institutional Planning Committee has also undertaken an assessment of our enrollment management efforts and that will lead us to other strategies we will want to consider.

When our College Budget Committee reconvenes in the fall, we will have additional information assist us: we will know what the revenue from the state actually was in the wake of passage of a state budget during the summer; what our ending balance was for the current year, and how our enrollment for summer and fall are doing at that point. That will allow us to consider any "course corrections" we may need.

If you have questions about any of this, please let me know, via email, a call or stopping by. If you are interested in the College Budget Committee's minutes, they are on our website at <http://www.skylinecollege.edu/skynotes/>.

Meanwhile, best wishes for the last couple of weeks of class!

Victoria P. Morrow, Ph.D.  
President

### **Skyline College**

650-738-4111  
3300 College Drive  
San Bruno, CA 94066

[www.skylinecollege.edu](http://www.skylinecollege.edu)  
[morrowv@smccd.edu](mailto:morrowv@smccd.edu)