



**Fiscal Advisory Committee
February 3, 2016
Minutes**

Present

Members: Krysta Daily, Erin Farmer, Neil Glines, Curt Johnston, Joshua Scott, Michael Wyly

Advisory: Gregory Brown, Yulian Ligioso, Leslie Minor

Guests: Peter Cammish, Laura Convento, Zyra Larot, Rischa Slade

Absent:

Members: Jeff Lehfeldt, Terri Pearson-Bloom, Francesca Sisto, Lavonne Slaton, Vacant - ALG

Call to Order

The meeting was called to order at 2:19 p.m. by the Chair, Vice President Yulian Ligioso.

Approval of Agenda

It was moved by Joshua Scott and seconded by Michael Wyly to approve the agenda.

The motion passed unanimously.

Approval of Minutes

It was moved by Joshua Scott and seconded by Michael Wyly to approve the minutes from December 16th.

The motion passed unanimously.

Public Comments

Michael Wyly reported that Terri Pearson-Bloom will not be serving on the Fiscal Advisory Committee. Senate will be working to make an active appointment prior to the next committee meeting.

VP Ligioso added that the information will be passed down to ALG to get a new management representative.

Budget Update

Vice President Yulian Ligioso presented on Budget.

Year to date (Update through December 2015)

- Budget looks good right now (due to one-time funds)
 - o Revenues are tracking with projections
- Full time equivalent students (FTES) – not clear at this point
 - o To hit 8576, we need to attain 921 FTES during the summer
- We need to look at our options to increase the topline, improve fill rates

Peter Cammish reported the following figures/trends.

Summer	2010-11	2011-12	2012-13	2013-14	2014-15
Fill Rates	95%	0	72%	68%	69%
Sections	238	none	268	291	305
FTES				795	821

VP Ligioso reported that the President will be planning a Strategic Enrollment Management Summit, to identify options/alternatives to improve access, retention, and success of the students.

VP Ligioso noted that the mid-year showed \$4.9 million dollars positive (Dec 2015). He commented that it doesn't account for:

- Adjunct payments (payment in January)
- Accrual for post-employment benefits (OPEB)
 - o Health benefits for those with over 10 years of service
 - Unfunded liabilities
- As of January 1, CalPers increased their annual health fees (under 5% ~\$150k increase for the next 6 months)
- Retirement incentive (4- Retirees in December), the rest will be leaving at the end of the school year.

VP Ligioso reported we are positive because of the one-time funds received. However, if the funds are removed, we are in the negative. He commented that there is a structural imbalance, and that we are spending more than we are taking in.

He noted that the vacancies not filled helped with the \$750k in savings, addressed in the adopted budget. No cuts were made this year. The one time funds bought us extra time.

Last meeting, it was recommended that we go back into stability (reporting 2-4-2 terms). He mentioned we were not the only school using stability.

He discussed:

- Revenue calculation
 - o Comprised of enrollment fees, property taxes and state apportionment
 - o Risks
 - State does not backfill property taxes
 - Deficit factor (State pays less than what school is entitled to)
 - o Enrollment Fees
 - Gross \$8.5 million, \$5 million is covered through Board of Governor’s waiver (BOG)
 - Net \$3.5 million per year
- Assets and Liabilities
 - o Institution’s Assets – cash, receivables, other assets
 - o Liabilities – such as loans
 - o Our assets minus liabilities are = net worth (equivalent to fund balance)

He reiterated that the State expects us to collect the student fees/receivables. When we don’t collect, we set aside an allowance for doubtful accounts, which takes away from our reserves.

Below is the accounts receivable aging comparison.

	Student Accounts Receivable	Allowance for Doubtful Accounts
As of June 30		
2015	5,187,000	1,425,306
2014	4,570,000	1,174,787
2013	4,123,000	901,739
2012	3,499,000	651,739

Joshua Scott asked what we knew about these students. Economic status? Amount of money owed? Etc.

VP Ligioso responded that the four main categories of student receivables are enrollment fees, financial aid (return to Title IV), out of state tuition, and other fees.

Financial Aid

- If a student leaves for whatever reason
 - o Solano pays the bill to the Department of Education
 - Solano charges the student account
- This accounts for \$0.5 million in receivables.

Out of state tuition

- Fees owed by non-resident and international students
- Previous leadership was more interested in the enrollment numbers than the fees being paid
- Close to one million owed in this category
- Will work with Admission & Records to separate non-resident from international students

Health Fees

- BOG fee waiver does not cover the health fee
- Students are not prevented from registering when this fee is not paid
- In prior semesters, students were allowed to register with low debt threshold (less than ~100 dollars)
- Accounts for about a quarter of a million dollars

Joshua Scott asked about the international student population and wants to know what happened.

Curt Johnston commented it would be harder to collect from international students.

Michael Wyly asked if the process changed now, if we expect the international students to pay prior to doing their paperwork. He also commented if we are lax with collecting funds in a timely manner, if we are we actively working to change that.

VP Ligioso said he hopes so.

Curt Johnston commented that he would like to know the percentage of international students that are actually paying. He questioned why we would go after international students if they don't pay.

Neil Glines asked who oversees the international students. VP Brown commented that Shemila Johnson and Laurie Cheatham oversee that program. He added that there are about 40 international students. VP Brown commented he will do additional research on the figures (international student data/debt).

VP Ligioso discussed approaches to collecting student receivables.

Billing

- Student bills are sent via the Solano e-mail
- Many students don't know about or don't check their email

- ASSC commented that if they see an email from the school they just delete them
 - o Krysta Daily commented students might respond better to texts or phone calls

Chancellor's Office Tax Offset Program (COTOP)

- California tax payer will get their refund offset with the money owed
- Not as successful with older balances

Joshua Scott asked why we stopped using COTOP and when we stopped.

VP Ligioso answered that the former Director of Admissions & Records thought it was too tedious of a process. He noted this process was just reinstated this year.

Joshua Scott and Michael Wyly asked about the stats of the student population.

VP Ligioso discussed different scenarios.

- Students in a position to pay us but did not pay
 - o Students will pay when they need services/transcripts
 - o Students will not pay if they don't need services and just walk away

Disenfranchised students would not be on this list because they would have qualified for financial aid or the BOG fee waiver.

Curt Johnston commented that if you have \$600k year after year of uncollected debt, if it would be worthwhile to use a consultant or staff, to keep track of students. He said from a business standpoint it would it's better to hire someone at \$100k and get a return on the money, than just writing off the \$600k each year.

VP Ligioso reported on the midyear balance sheet.

Joshua Scott asked what were the one-time funds and if there was a list. VP Ligioso noted that the Governor found money, revenues were better than expected, and gave it to the schools.

VP Ligioso discussed some highlights from the Governor's proposed 2016-17 Budget.

- o Access - \$114.7 million for increased access (2% growth)
- o Cost of Living Adjustment (COLA) -\$29.3 million for a COLA of 0.47 percent
 - o \$250K
- o Workforce - \$200 million
- o Maintenance and Instructional Equipment - \$289 million
 - o Double from what we received this year
- o Proposition 39/Energy Efficiency Initiative - \$45 million
 - o Facilities working on proposals for next year
- o Fees – No fee increases

However, increases in STRS, PERS, Step and Column will add up to about \$1.3 million

He emphasized the ongoing monies coming in cannot cover the ongoing expenditures.

Questions/Comments

Neil Glines asked for an update on the Ed plans. VP Brown will refer back to the notes and give an update at the next meeting.

Adjournment

It was moved by Curt Johnston and seconded by Joshua Scott to adjourn the meeting.

The meeting adjourned at 3:17 p.m.

Respectfully submitted by Laura Convento