



**Fiscal Advisory Committee  
September 16, 2015  
Minutes**

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**Present**

Members: John Bilmont, Erin Farmer, Neil Glines, Curt Johnston, Jeff Lehfeltd, Terri Pearson-Bloom, Joshua Scott, Francesca Sisto, Michael Wylly

Advisory: Gregory Brown, Patrick Killingsworth, Yulian Ligioso, Leslie Minor,

Guests: Kevin Anderson, Stan Arterberry, Laura Convento

**Absent:**

Members: Lavonne Slaton

**Call to Order**

The meeting was called to order at 2:03 p.m. by the Chair, Vice President Yulian Ligioso.

**Approval of Agenda**

It was moved by Jeff Lehfeltd and seconded by John Bilmont to approve the agenda.

The motion passed unanimously.

**Approval of Minutes**

As this was the first Fiscal Advisory Committee meeting, there were no minutes to approve.

## **Public Comments**

None

## **Membership**

### **Vacancies**

Vice President Ligioso reported there are 11 advisory members, and the student member is the only vacancy at this time. Vice President Brown noted after the student elections, a member will be appointed. Vice President Ligioso asked the members to go to their constituents to find alternates for the committee.

*Action Item: FAC Members assign alternates.*

Michael Wyly joined the meeting at 2:10 p.m.

### **Quorum**

Vice President Ligioso discussed quorum with the Advisory members and noted the summer implications. It was discussed that 6 voting members would establish quorum and the Chair would be a swing vote. Michael Wyly noted that the alternates do not get a vote, but may sit in to pass the information to their group. He added that Laurie Gorman would be a good resource regarding Brown Act.

*Action Item: FAC Members to provide brief updates to constituent groups.*

A question was raised by Kevin Anderson about the creation of Financial & Budget Planning Advisory Council (FABPAC), if it was by the Board of Trustees? How was it formed? John Bilmont asked how questions would be brought to the meeting. Vice President Ligioso asked that agenda items be turned in a week in advance.

## **Budget**

### **2015-16 Adopted Budget**

Vice President Ligioso asked the group to review terminology. He noted that it would be helpful to look at the Budget and Accounting terms, and if anyone had questions to please ask him. Vice President Ligioso asked the group to visit the Finance & Administration webpage, where the District Budget, Quarterly Reports, Annual Report, Actuarial Study, and various updates from the Chancellor's Office, School Services and the Community College League of California (CCLC) can be found.

Vice President Ligioso gave a brief overview and shared highlights of the governor's fiscal year 2015-16 budget. He emphasized that while the budget forecast is pretty good with the one-time funds the college will receive in 15/16, we have challenges in year 16/17. He noted that STRS and PERS need to be fully funded by 2020 and asked

how are we going to fund? The actuarial study estimated that 19% for costs, and in 2020 that percentage will be about 37%. Vice President Ligioso noted that \$630k of the budget will be put aside for the increase.

### **Potential Revenue Increase Options**

Vice President Ligioso discussed Prop 30 revenues and the potential revenues lost due to the Sales Tax and Property Tax piece expiring. He briefly spoke about the prospect of Enhanced Non-Credit and other opportunities. Vice President Ligioso discussed SB 361 and how Solano receives its funding through enrollment fees, property taxes and apportionment. Kevin Anderson asked how much we receive per Full time equivalent student (FTES) and how the Baccalaureate degree program impacts enrollment. Vice President Ligioso added that we receive about \$4700 per full time equivalent student and the fees received for the Baccalaureate program are separate, outside of the formula. A question was asked about the middle college enrollment and if their FTES count. Terri Pearson-Bloom noted we get FTES for the middle college and asked if the middle college fees are waived. She also asked about the prison program enrollment. Vice President Ligioso used the Biotechnology as an example, which was funded by a grant, when Solano waived fees, they were unable to claim the FTES for the apportionment.

Terri Pearson-Bloom asked how the District collects fees for students. Vice President Ligioso reported that SCC reports fees twice a year, Period 1 (P1), Period 2 (2), and annual recalculation. Fees are charged as receivables, and if the student doesn't pay the District eats the cost. Every year receivables are looked at and aged accounts are written off. Francesca Sisto commented that student accounts are blocked when they don't pay. Terri Pearson-Bloom added that they are blocked, but can arrange a payment plan. There is a written policy however, it is not the practice. Curt Johnston commented on the issues getting the scholarships to the students. He noted the process is to transmit awards to Higher One cards. He commented that there are two foundations on campus, the Scholarship and Educational Foundation. He reported that it was much easier for the Foundation to just give a check to the student.

### **Potential Expenditure Reductions**

Vice President Ligioso began to discuss the expenditure side. He noted the following expenditures, California State Teachers' Retirement System (CalSTRS), California Public Employees' Retirement System (CalPERS), Health care. He briefly discussed the Affordable Care Act, and the Cadillac tax (tax on premium that exceeds a certain threshold). He added that the threshold for a family plan is about \$27k and noted that the District's highest plan costs about \$30k. The current ratio of salaries and benefits are about 89% of the budget. Six years ago, the ratio was about 82% of budget.

Joshua Scott asked how we compared to other schools. Vice President Ligioso noted that Napa and Shasta do not want to exceed 85%, and that San Francisco was in excess of 90% (93% or 94%), which was above what the Accrediting Commission for Community and Junior Colleges (ACCJC) recommends.

Jeff Lehfeltdt asked if it the increase was attributed to internal (enrollment going down) or external (costs going up) factors. Vice President Ligioso commented that with Step & Column, Health & Welfare, added positions, adding of classes, our expenses are going up. He reiterated we are using the stability mechanism to stabilize funding. We have an expense structure of 8500 FTES, with enrollment about 7800 FTES. To preserve the budget, cuts needed to be made to supplies and equipment, but how do we support our classes that need the supplies and equipment?

Vice President Leslie Minor joined the meeting at 3:02 p.m.

Terri Pearson-Bloom asked about Health Care for adjuncts. Pat Killingsworth commented that we do not pay for adjunct benefits. (Note: At the September 16<sup>th</sup> Board Meeting, a motion passed to offer Adjunct Faculty health benefits, with a minimum contribution from the District)

Jeff Lehfeltdt recalls a discussion about reaching 10,000 FTES and how it was discussed during FABPAC the plan to get there. Kevin Anderson commented on CTE programs and the limited number of students in the classes. He commented that we should be careful how we add classes, eliminate programs where we don't have money, and strategically look how we plan out the classes. Vice President Ligioso agreed and commented that we should look at the depth and breadth of courses offered, what classes are offered to the community, redefine mission.

John Bilmont commented that we should have an enrollment plan. Vice President Ligioso commented that we have a strategic enrollment management plan, however, it's been difficult/and the District has not been able to articulate the plan. He noted we have an enrollment manager and outreach. He noted we are budgeting on an 8500 FTES plan. Vice President Minor commented that we have a comprehensive plan with strategies to maximize offerings. She asked how can we do outreach / get the most we can for the budget we have. She noted that the District tried adding more sections, but had fewer students. Michael Wyly commented our headcount is better, however, students are taking fewer classes. We need more efficient students.

The committee made general comments for enrollment:

- Need a long term plan to increase enrollment
- Need to fix transportation issues
  - Recommend Shuttles, Vanpools, Solano Uber, Alternative Transportation
- Total Cost of Ownership
  - 50 Year old buildings – 4 times the cost to maintain
  - Examine and embrace technology
  - Efficient Designs
- How do we service the same amount of people for less

Stan Arterberry joined the meeting at 3:26 p.m.

Vice President Minor commented that students are not leaving Solano for Napa. She added that enrollment is down for Napa as well, we are not alone for losing FTES. They are not our nemesis.

Jeff Lehfeldt added to the transportation discussion. Regarding green initiatives, alternative fuels. In addition, he commented on the cost of maintenance and discussed the events of the water main break.

Vice President Ligioso commented on the reserve levels and noted we are closing out the 14/15 school year barely at a 5% rate. He reminded the group of the special trustee the school had when we had ACCJC issues. Currently, our reserve levels are good and our credit reaffirmed. There are many implications if we are run with the bare minimum reserve levels. He added that the school is receiving money for student success and support. We need to understand what activities are allowed with this funding and the parameters. Vice President Brown added that there is a \$1.7 million pot available, and 14/15 unspent funds that need to be used before December.

Terri Pearson-Bloom asked about Strategic Proposals. She asked what is behind the rationale for not institutionalizing programs. For example, pilot programs that demonstrate success, that come back each year with proposals for permanent funding. She noted the importance of closing the loop with this process.

Kevin Anderson commented it was discussed at Shared Governance, and programs like UMOJA that come back each year. He commented that the general fund cannot absorb everything.

Terri Pearson-Bloom commented that the process shouldn't be open ended, all the work performed, yet nothing gets done. She commented on the need for the writing lab, that it was brought to Shared Governance as a Strategic Proposal, the end result, no lab. Joshua Scott commented that the process is demoralizing, not able to take it to the finish.

Curt Johnston added that he can probably get funding for that. He commented that he knows 6-figure donors that would want to fund a program that demonstrates success.

Vice President Brown commented there is an Institutional Effectiveness Partnership Initiative (IEPI) meeting on November 5<sup>th</sup>. He commented on the strategic proposals, if we can identify what can be paid from equity funds, we may be able to close that loop. Terri Pearson-Bloom commented we need to make tweaks to the strategic proposal process, maybe have them more than once per year. Erin Farmer asked if the information on equity funds can be disseminated. Vice President Brown mentioned he is currently working on it.

Vice President Ligioso commented that great discussions were had and we are off to a great start. He noted the years of the one year budget are gone, and we need to plan 3-5 years out. He commented that we got a reprieve this year and the one-time funds has bought us some time.

Action item: Look at Budget, what is looming in the future? Expenses

Action item: Please review the webpage online

### **Proposed Schedule for Fiscal Advisory Committee**

The proposed schedule will be every first and third Wednesday of the month, from 2:00 – 4:00 pm. The next meeting will be on October 7<sup>th</sup>, 2015.

### **Adjournment**

The meeting adjourned at 3:58 p.m.

Respectfully submitted by Laura Convento