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SANTA MONICA COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES

STUDY SESSION

SATURDAY,
FEBRUARY 28, 2009

Santa Monica College
Gym Room 223 (Skybox)
1900 Pico Boulevard
Santa Monica, California

9:30 a.m. – 2:30 p.m.

Written requests for disability-related modifications or accommodations, including for auxiliary aids or services that are needed in order to participate in the Board meeting are to be directed to the Office of the Superintendent/President as soon in advance of the meeting as possible.

PUBLIC PARTICIPATION
ADDRESSING THE BOARD OF TRUSTEES DURING A SPECIAL MEETING

Members of the public may address the Board of Trustees by oral presentation **concerning an item on the special meeting agenda** provided the requirements and procedures herein set forth are observed:

1. Individuals wishing to speak to the Board at a Board of Trustees meeting during Public Comments or regarding item(s) on the agenda must complete an information card with name, address, name of organization (if applicable) and the topic or item on which comment is to be made.

Five minutes is allotted to each speaker per topic. If there are more than four speakers on any topic or item, the Board reserves the option of limiting the time for each speaker. A speaker's time may not be transferred to another speaker.

Each speaker is limited to one presentation per specific agenda item before the Board, and to one presentation per Board meeting on non-agenda items.

Exceptions: This time allotment does not apply to individuals who address the Board at the invitation or request of the Board or the Superintendent

2. Any person who disrupts, disturbs, or otherwise impedes the orderly conduct of any meeting of the Board of Trustees by uttering loud, threatening, or abusive language or engaging in disorderly conduct shall, at the discretion of the presiding officer or majority of the Board, be requested to be orderly and silent and/or removed from the meeting.

No action may be taken on items of business not appearing on the agenda

Reference: *Board Policy Section 1570*
 Education Code Section 72121.5
 Government Code Sections 54954.2, 54954.3, 54957.9

SANTA MONICA COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES STUDY SESSION

SATURDAY, FEBRUARY 28, 2009

The Santa Monica Community College District Board of Trustees will hold a Study Session on Saturday, February 28, 2009, 9:30 a.m. to 2:30 p.m., at the Santa Monica College, Gym Room 223 (Skybox), 1900 Pico Boulevard, Santa Monica, California.

I. ORGANIZATIONAL FUNCTIONS

A Call to Order

B Roll Call

B ROLL CALL

Louise Jaffe, Chair

David Finkel, Superior Court Judge (Ret.), Vice-Chair

Dr. Susan Aminoff

Dr. Nancy Greenstein

Dr. Margaret Quiñones-Perez

Rob Rader

Dr. Andrew Walzer

Cameron Henton, Student Trustee

II. PUBLIC COMMENTS

Members of the public may address the Board of Trustees by oral presentation pursuant to Board policy, concerning items of business on this agenda.

III. MAJOR ITEMS OF BUSINESS

Discussion Item A Full-Time/Part-Time Faculty

Discussion Item B Core Values and Purposes

Discussion Item C Visions, Challenges, Possibilities: Controlling Our Destiny

- Structural Deficit
- Limiting Expenditures
- Increasing Revenues
- Managing Growth
- Upper Division Courses/Degree
- Revenue Opportunities Beyond State Funding

IV. ADJOURNMENT

The next regular meeting will be held on Monday, March 2, 2009 at 7 p.m. (5:30 p.m. if there is a closed session) in the Santa Monica College Board Room (Business Building Room 117), 1900 Pico Boulevard, Santa Monica, California

Santa Monica Community College District
Board of Trustees Study Session
February 28, 2009

Agenda

9:30-11:30 a.m.	Discussion	
	<ul style="list-style-type: none">♦ Full Time/Part Time Faculty	
	<u>Reports</u>	<u>Page No.</u>
	AB 1725 FTEF and Reported FTES, 1998-2008	5
	Full-Time/Part-Time Faculty Compensation Study Summary and Worksheets	7
	Full-Time/Part-Time Retention Study, 2006-2008	11
11:30 a.m. -12 noon	Lunch/Break	
12: noon-2:30 p.m.	Discussion	
	<ul style="list-style-type: none">• Core Values and Purposes• Visions, Challenges, Possibilities; Controlling Our Destiny<ul style="list-style-type: none">○ Structural Deficit○ Limiting Expenditures○ Increasing Revenues○ Managing Growth○ Upper Division Courses/Degree○ Revenue Opportunities Beyond State Funding<ul style="list-style-type: none">– Fee Based Courses– Additional Fees– Non-resident Tuition– Student Housing– Commercial Development– Others	
	<u>Support Documents</u>	
	Mission, Vision and Goals	18
	Board of Trustees Goals and Priorities, 2008-2009	20
	<u>Reports</u>	
	Challenges & Possibilities: Budget Update	21
	Out of State Recruitment	25
	Nonresident Fees – SMC Legislation “Placeholders”	26
	<ul style="list-style-type: none">• Summary of Areas of General Agreement	
2:30 p.m.	Adjournment	

AB 1725 FTEF AND REPORTED FTES—1998-2008					
	FT	PT	RATIO	FTES	
Fall 1998	304.30	242.24	55.68%	18,828.36	
Fall 1999	332.85	260.98	56.05%	19,786.02	
Fall 2000	353.87	267.44	56.96%	20,559.48	
Fall 2001	366.55	288.03	56.00%	22,084.36	
Fall 2002	366.51	281.62	56.55%	22,843.46	
Fall 2003	357.84	127.56	73.72%	15,726.83	
Fall 2004	345.89	291.65	54.25%	21,041.41	
Fall 2005	326.63	330.39	49.71%	21,315.59	
Fall 2006	321.45	343.02	48.38%	22,073.69	
Fall 2007	326.95	361.58	47.49%	18,843.12	
Fall 2008	335.33	390.64	46.19%	23,377.03	(P1 Projection)

Full-Time, Part Time Ratio



FULL-TIME/PART-TIME FACULTY COMPENSATION STUDY SUMMARY

The purpose of this study was to calculate the cost differential between hiring full-time faculty and covering the equivalent assignments with part-time faculty. The study resulted in the following cost differentials:

\$43,367 (Teaching Faculty)
\$34,567 (Non-Teaching Faculty)

The assumptions and calculation methodologies for this study are summarized below:

General Assumptions

- Teaching and non-teaching faculty assignments were considered separately because of the hour-for-hour compensation (regardless of load factor) used for SMC part-time faculty. (Full-time teaching assigned hours per week range from 15 to 20; non-teaching faculty are assigned 30 hours per week.)
- 2009-2010 salary schedules were used in the calculations so that the final results of the full-time faculty step decompression and part-time faculty parity (81.25% for Load Factor 1 assignments) processes would be included.
- Benefits (Payroll and Health) were calculated based upon the percentages used by Fiscal Services for budget projections—35% for full-time faculty and 15% for part-time faculty

Full-Time Faculty Compensation Assumptions

- 2009-2010 salaries were applied for the initial salary placements of all full-time faculty hired from 2006 to the present (a total of 29), the salary amounts were averaged, and the closest actual salary schedule placement was determined. This resulted in placements of Group 3, Step 9 (\$73,780) for teaching faculty and Group 5, Step 11 (\$83,365) for non-teaching faculty.
- Benefits were added to these amounts, resulting in **\$99,603** for teaching faculty and **\$112,543** for non-teaching faculty.

Part-Time Faculty Compensation Assumptions

- The average salary placements used in preparing estimates for faculty contract negotiations were used—Group 6, Step 1 on Schedule B-2 for Load Factor 1 assignments; Group 3, Step 2 (Teaching) on Schedule B-3 for other teaching assignments; and Group 3, Step 2 (Non-Teaching) on Schedule B-3 for non-teaching assignments.
- For teaching assignments, these steps were used to calculate the full-time equivalent salaries for each of the load factors—Load Factor 1 (15 assigned hours per week for two semesters); Load Factor 0.875 (17.5 assigned hours per week for two semesters); and Load Factor 0.750 (20 assigned hours per week for two semesters). This resulted in full-time equivalent salaries of \$50,117 for Load Factor

1 assignments; \$42,468 for Load Factor 0.875 assignments; and \$48,535 for Load Factor 0.750 assignments.

- Fall 2008 faculty assignments were used to determine the percentage of assignments at each load factor—74.06% Load Factor 1, 13.27% Load Factor 0.875, and 12.66% for Load Factor 0.750.
- The load factor percentages were used to calculate a weighted compensation amount of \$48,901 for teaching assignments
- Benefits were added to this amount, resulting in **\$56,236**.
- For non-teaching assignments, a full-time equivalent salary was calculated at Load Factor 0.500 (30 assigned hours per week for two semesters). This resulted in a full-time equivalent salary of \$67,727 for non-teaching faculty.
- Benefits were added to this amount, resulting in **\$77,886**.

FULL-TIME FACULTY COMPENSATION		
TEACHING		
Group 7, Step 11	\$88,959	
Group 6, Step 7	\$71,356	
Group 6, Step 4	\$65,180	
Group 7, Step 23	\$107,490	
Group 6, Step 9	\$81,982	
Group 6, Step 1	\$59,001	
Group 6, Step 9	\$81,982	
Group 4, Step 23	\$99,161	
Group 6, Step 2	\$61,062	
Group 4, Step 16	\$90,927	
Group 1, Step 51	\$83,656	
Group 7, Step 1	\$61,862	
Group 6, Step 4	\$65,180	
Group 6, Step 5	\$67,239	
Group 5, Step 7	\$68,623	
Group 6, Step 4	\$65,180	
Group 7, Step 6	\$72,156	
Group 3, Step 3	\$54,917	
Group 5, Step 5	\$64,504	
Group 4, Step 12	\$82,690	
Group 7, Step 3	\$65,980	
Group 7, Step 1	\$61,862	
Group 7, Step 3	\$65,980	
Average/Median	\$73,345	\$67,239
Group 3, Step 9	\$73,780	
Plus Benefits	\$99,603	
FT/PT Differential	\$43,367	
NON-TEACHING		
Group 2, Step 8	\$68,986	
Group 5, Step 2	\$58,326	
Group 6, Step 10	\$84,041	
Group 7, Step 3	\$65,980	
Group 7, Step 21	\$103,371	
Group 7, Step 21	\$103,371	
Average/Median	\$83,018	\$84,041
Group 5, Step 11	\$83,365	
Plus Benefits	\$112,543	
FT/PT Differential	\$34,657	

PART-TIME FACULTY COMPENSATION AS FULL-TIME EQUIVALENT					
		Hourly	Sem. WTH	Annual FTE Salary	% PT Faculty
LDF=1.0	Group 6, Step 1—Schedule B-2	\$92.81	\$1,671	\$50,117	74.06%
LDF=0.875	Group 3, Step 2, Schedule B-2, Teaching—Schedule B-3	\$67.41	\$1,213	\$42,468	13.27%
LDF=0.750	Group 3, Step 2, Schedule B-2, Teaching—Schedule B-3	\$67.41	\$1,213	\$48,535	12.66%
	Weighted Average Salary			\$48,901	
	Plus Benefits			\$56,236	
LDF=0.500	Group 3, Step 2, Schedule B-2, Non-Teaching—Schedule B-3	\$62.71	\$1,129	\$67,727	
	Plus Benefits			\$77,886	

PART-TIME FACULTY – INSTITUTIONAL SUPPORT

Part-time faculty members play a vital role in supporting the institution's instructional and support service goals as well as promoting student success. For Spring 2009, the District employs 1,108 part-time faculty assigned to various departments and programs (499 have the status of Associate Faculty). The District has demonstrated support for the part-time workforce with advancement in parity compensation, paid office hours, STRS Defined Benefit Program, opportunity for enhanced health benefits and agreement for immediate implementation of the 67% Law. Part-time faculty provide the following enrichment to the college:

- Opportunity to augment departmental diversity
- Currency of skill set that enhances curriculum
- Enrich academic preparation for full-time faculty members and bring "real world professional experience" into the classroom
- Flexibility in scheduling classes and other assignments (collective bargaining limitation of 8 a.m.–3 p.m. defined work day for FT faculty)
- Immediate response to curriculum changes or workforce/contract needs
- Timely hiring process
- Advisory Committee participation

**AVERAGE RETENTION BY DEPARTMENT
FALL SEMESTER 2008**

DEPARTMENT	CONTRACT	HOURLY	OVERLOAD
Art	81%	80%	88%
Athletics	64%	96%	N/A
Business	78%	79%	84%
Communication	87%	86%	64%
Counseling	82%	85%	80%
CSIS	78%	79%	81%
Cosmetology	81%	81%	75%
Dance	93%	80%	91%
Design Technology	83%	78%	N/A
Earth Sciences	85%	81%	89%
ECE/Education	82%	84%	50%
English	82%	82%	87%
ESL	91%	93%	90%
Health Sciences	93%	87%	94%
History	84%	81%	N/A
Kinesiology	80%	82%	N/A
Library	80%	61%	N/A
Life Science	78%	81%	72%
Mathematics	76%	78%	73%
Modern Languages	76%	78%	N/A
Music	84%	86%	90%
Photography & Fashion	86%	79%	92%
Physical Science	78%	72%	90%
Psychology	85%	85%	74%
Philosophy & Social Science	80%	83%	86%
Theatre Arts	83%	80%	60%
College Average	81%	82%	81%

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**AVERAGE RETENTION BY DEPARTMENT
SPRING SEMESTER 2008**

DEPARTMENT	CONTRACT	HOURLY	OVERLOAD
Art	84%	78%	79%
Athletics	73%	95%	N/A
Business	81%	77%	84%
Communication	87%	86%	76%
Counseling	83%	86%	84%
CSIS	77%	73%	74%
Cosmetology	79%	78%	N/A
Design Technology	86%	83%	N/A
Earth Sciences	86%	85%	75%
ECE/Education	81%	86%	N/A
English	79%	80%	86%
ESL	89%	88%	N/A
Health Sciences	95%	86%	89%
History	83%	84%	N/A
Kinesiology/Dance	82%	84%	74%
Library	76%	75%	N/A
Life Science	76%	83%	80%
Mathematics	74%	78%	88%
Modern Languages	74%	77%	N/A
Music	87%	82%	93%
Photography & Fashion	89%	80%	N/A
Physical Science	80%	80%	77%
Psychology	81%	83%	N/A
Philosophy & Social Sciences	79%	84%	84%
Theatre Arts	82%	77%	94%
College Average	80%	81%	84%

**AVERAGE RETENTION BY DEPARTMENT
FALL SEMESTER 2007**

DEPARTMENT	CONTRACT	HOURLY	OVERLOAD
Art	81%	79%	80%
Athletics	79%	91%	N/A
Business	79%	78%	85%
Communication	86%	86%	77%
Counseling	86%	83%	88%
CSIS	80%	78%	78%
Cosmetology	81%	77%	94%
Design Technology	83%	83%	N/A
Earth Sciences	84%	81%	80%
ECE/Education	85%	83%	79%
English	83%	82%	85%
ESL	90%	91%	88%
Health Sciences	93%	82%	88%
History	82%	81%	N/A
Kinesiology/Dance	85%	81%	N/A
Library	75%	72%	N/A
Life Science	79%	81%	73%
Mathematics	71%	78%	78%
Modern Languages	77%	78%	N/A
Music	89%	83%	66%
Photography & Fashion	80%	77%	87%
Physical Science	79%	80%	N/A
Psychology	85%	84%	N/A
Philosophy & Social Sciences	82%	83%	81%
Theatre Arts	81%	77%	89%
College Average	81%	81%	82%

**AVERAGE RETENTION BY DEPARTMENT
SPRING SEMESTER 2007**

DEPARTMENT	CONTRACT	HOURLY	OVERLOAD
Art	81%	81%	86%
Athletics	92%	91%	N/A
Business	81%	77%	84%
Communication	82%	85%	100%
Counseling	83%	86%	84%
CSIS	78%	77%	75%
Cosmetology	85%	85%	71%
Design Technology	80%	83%	N/A
Earth Sciences	84%	82%	84%
ECE/Education	81%	87%	N/A
English	77%	79%	89%
ESL	88%	90%	88%
Health Sciences	92%	90%	94%
History	81%	81%	N/A
Kinesiology/Dance	82%	83%	92%
Library	76%	75%	N/A
Life Science	79%	84%	92%
Mathematics	73%	77%	72%
Modern Languages	76%	76%	N/A
Music	85%	82%	53%
Photography & Fashion	80%	76%	96%
Physical Science	78%	81%	61%
Psychology	79%	84%	N/A
Philosophy & Social Sciences	78%	83%	84%
Theatre Arts	81%	77%	94%
College Average	79%	81%	83%

**AVERAGE RETENTION BY DEPARTMENT
FALL SEMESTER 2006**

DEPARTMENT	CONTRACT	HOURLY	OVERLOAD
Art	80%	82%	71%
Athletics	82%	93%	N/A
Business	77%	79%	79%
Communication	85%	87%	82%
Counseling	86%	84%	80%
CSIS	77%	74%	80%
Cosmetology	85%	86%	94%
Design Technology	82%	78%	N/A
Earth Sciences	85%	82%	78%
Education & Public Affairs	83%	83%	67%
English	81%	81%	87%
ESL	89%	88%	N/A
Health Sciences	91%	81%	98%
History	83%	79%	N/A
Kinesiology/Dance	78%	82%	75%
Library	72%	83%	N/A
Life Science	78%	85%	91%
Mathematics	72%	78%	66%
Modern Languages	79%	75%	N/A
Music	88%	80%	67%
Photography & Fashion	83%	79%	100%
Physical Science	79%	79%	N/A
Psychology	81%	82%	N/A
Philosophy & Social Sciences	78%	82%	87%
Theatre Arts	87%	79%	84%
College Average	80%	81%	82%

**AVERAGE RETENTION BY DEPARTMENT
SPRING SEMESTER 2006**

DEPARTMENT	CONTRACT	HOURLY	OVERLOAD
Art	86%	82%	73%
Athletics	100%	92%	N/A
Business	80%	79%	85%
Communication	84%	85%	81%
Counseling	81%	83%	97%
CSIS	77%	76%	74%
Cosmetology	83%	85%	N/A
Design Technology	82%	82%	N/A
Earth Sciences	86%	84%	85%
Education & Public Affairs	87%	87%	N/A
English	78%	81%	81%
ESL	87%	85%	N/A
Health Sciences	95%	87%	N/A
History	86%	83%	N/A
Kinesiology/Dance	81%	83%	87%
Library	82%	65%	N/A
Life Science	79%	83%	94%
Mathematics	73%	78%	77%
Modern Languages	75%	74%	N/A
Music	84%	80%	80%
Photography & Fashion	83%	75%	100%
Physical Science	81%	82%	N/A
Psychology	83%	81%	N/A
Philosophy & Social Sciences	79%	86%	88%
Theatre Arts	85%	74%	75%

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Mission, Vision, and Goals

**Santa Monica College: Changing Lives in the Global Community
Through Excellence in Education**

Mission

Santa Monica College strives to create a learning environment that both challenges students and supports them in achieving their educational goals. Students learn to contribute to the global community as they develop an understanding of their personal relationship to the world's social, cultural, political, economic, technological, and natural environments.

To fulfill this mission, Santa Monica College provides open and affordable access to high quality associate degree and certificate of achievement programs. These programs prepare students for successful careers, develop college-level skills, enable transfer to universities, and foster a personal commitment to lifelong learning.

Santa Monica College serves the world's diverse communities by offering educational opportunities which embrace the exchange of ideas in an open, caring community of learners and which recognize the critical importance of each individual's contribution to the achievement of the college's vision.

Vision and Core Values

Santa Monica College will be a leader and innovator in student learning and achievement. Santa Monica College will prepare and empower students to excel in their academic and professional pursuits for lifelong success in an evolving global environment.

As a community committed to open inquiry that encourages dialog and the free exchange of ideas, Santa Monica College will serve as a model for students in the practice of its core values: intellectual inquiry, research-based planning and evaluation, democratic processes, communication and collegiality, global awareness, and sustainability.

Goals

To achieve this vision, Santa Monica College has identified the following Institutional Learning Outcomes and supporting goals.

Institutional Learning Outcomes:

Santa Monica College students will:

- Acquire the self-confidence and self-discipline to pursue their intellectual curiosities with integrity in both their personal and professional lives
- Obtain the knowledge and skills necessary to access, evaluate, and interpret ideas, images, and information critically in order to communicate effectively, reach conclusions, and solve problems.
- Respect the inter-relatedness of the global human environment, engage with diverse peoples, acknowledge the significance of their daily actions relative to broader issues and events.
- Assume responsibility for their own impact on the earth by living a sustainable and ethical life style.

Supporting Goals

Innovative and Responsive Academic Environment

- Continuously develop curricular programs, learning strategies, and services to meet the evolving needs of students and the community

Supportive Learning Environment

- Provide access to comprehensive student learning resources such as library, tutoring, and technology
- Provide access to comprehensive and innovative student support services such as admissions and records, counseling, assessment, outreach, and financial aid

Stable Fiscal Environment

- Respond to dynamic fiscal conditions through ongoing evaluation and reallocation of existing resources and the development of new resources.

Sustainable Physical Environment

- Apply sustainable practices to maintain and enhance the college's facilities and infrastructure including grounds, buildings, and technology

Supportive Collegial Environment

- Improve and enhance decision making and communication processes in order to respect the diverse needs and goals of the entire college community.

Revised by SPTF: October 19, 2007, November 29, 2007, December 7, 2007, January 18, 2008

Revised by DPAC: March 12, 2008

Reviewed and Revised by Superintendent/President: April 18, 2008

Approved by Board of Trustees: May 12, 2008

BOARD OF TRUSTEES GOALS AND PRIORITIES 2008-2009

Goal 1—Academic Advancement and Quality

- Infuse global citizenship into student learning.
- Improve student achievement, with particular emphasis on addressing basic skills education issues and improving retention for all student populations.
- Strengthen and expand vocational program offerings.

Goal 2—Community and Government Relationship (Local/State/National)

- Foster community and government relationships in fulfillment of SMC mission and goals.
- Enhance existing partnerships and promote new partnerships with community and government agencies at the local, state and national levels.

Goal 3—Facilities and Sustainability

- Complete the design and begin construction of the Student Services Building.
- Inaugurate the Broad Stage at the SMC Performing Arts Center
- Convert, where appropriate, college electrical systems to solar power.
- Adopt and implement sustainability designs and practices.
- Plan and implement a resource management program to expand the public use of college facilities and promote new sources of revenues.

Goal 4—Internal Operations and Relations

- Ensure the financial health of the College through enrollment development, budget discipline and enterprise opportunities.
- Ensure inclusiveness in the budget development process and transparency in budget communication efforts.

Goal 5—Labor Relations

- Maintain healthy relationships with classified and academic staffs and their representatives.
- Address employee retention and recruitment issues for classified and administrator/manager positions.
- Develop a long-term plan to increase the number of full-time faculty members and continue to move toward parity for adjunct faculty.

Goal 6—Leadership and Articulating a Vision

- Carry out the objectives of the strategic initiatives.
- Complete the first draft of the Accreditation 2010 Institutional Self-Study to allow for an ample review period in early Fall 2009.

Goal 7—Transportation Issues

- Implement the transportation initiative.
- Continue advocacy for mass transit solutions including a SMC station for Expo.

Approved by the Board of Trustees; June 21, 2008



Board of Trustees Study Session February 28, 2009

Challenges & Possibilities: Budget Update

Jeanine Hawk
Vice-President, Business & Administration

Prepared In Collaboration with Fiscal Services



Board of Trustees Study Session Revenues

Structural Deficit: How Did We Get Here?

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Increase
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ADOPTED	Over
REVENUES	REVENUE	REVENUE	REVENUE	REVENUE	BUDGET	5 Years
FEDERAL	144,445	115,864	100,212	101,674	125,012	-13.45%
STATE	65,596,426	76,627,577	91,993,978	93,704,624	91,762,711	39.89%
LOCAL	41,157,553	37,805,620	37,564,904	38,650,211	38,414,818	-6.66%
TRANSFER IN	51,683	82,991	100,705	213,913	188,791	265.29%
TOTAL REVENUES AND TRXFRS	106,950,107	114,632,052	129,759,799	132,670,422	130,491,332	
BEGINNING BALANCE	6,834,088	5,586,996	8,385,633	15,960,596	18,797,976	175.06%
ADJ TO BEGINNING BALANCE	(1,564,387)	386,417	-	-	-	
TOTAL FUNDS AVAILABLE	112,219,808	120,605,465	138,145,432	148,631,018	149,289,308	33.03%



Board of Trustees Study Session Expenditures

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Increase
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ADOPTED	Over
EXPENDITURES & TRANSFERS	EXP	EXP	EXP	EXP	BUDGET	5 Years
TOTAL ACADEMIC	53,288,951	54,516,808	59,569,929	62,291,221	65,905,781	23.68%
TOTAL CLASSIFIED	21,005,439	23,139,976	23,958,938	26,510,699	30,296,830	44.23%
TOTAL BENEFITS	20,142,224	20,947,639	22,358,453	23,939,831	26,425,210	31.19%
SUPPLIES	908,283	903,300	869,469	929,899	1,081,020	19.02%
CONTRACTS/SERVICES	7,289,128	8,452,505	10,564,651	10,283,931	10,811,357	48.32%
INSURANCE	597,237	618,707	770,606	860,891	801,000	34.12%
UTILITIES	2,297,437	2,665,353	2,919,575	3,006,397	3,251,811	41.54%
OTHER TRANSFER FOR FIN AID	411,100	308,032	274,350	267,030	258,252	-37.18%
OTHER OUTGOING TRANSFER	-	-	7,922	1,000,000	-	-
TOTAL EXPS & TXFRS	105,939,799	111,552,320	121,293,893	129,089,899	138,831,261	31.05%
DESIGNATED RESERVES	-	-	-	-	2,200,000	-
CONTINGENCY RESERVE	5,586,996	8,385,633	15,960,596	18,797,976	7,474,791	-
	5.27%	7.52%	13.16%	14.56%	5.38%	-

*Note: Includes partial contribution to retiree health benefits liability. Full cost of compliance is \$4,413,671/year.



Board of Trustees Study Session Why?

How Did This Happen?

- Revenue Increased and Included \$5,818,536 in ONE-TIME Resources
- Expenditures Increased with over \$6 million in ON-GOING Commitments

Resulting In:

- Structural Imbalance Before Designated Reserves



Board of Trustees Study Session Assumptions

Budget Development Assumptions:

	2009-2010		2010-2011	
	Best	Worst	Best	Worst
Credit FTES Growth (100% Funded) NOTE 1	2.1%	0.0%	2.1%	0.0%
International Student Enrollment	0.0%	0.0%	0.0%	0.0%
Out of State Students	0.0%	0.0%	0.0%	0.0%
COLA	0.0%	0.0%	0.0%	0.0%
Deficit Factor (-1.20% Currently)	-2.0%	-4.0%	-2.0%	-4.0%
Interest Revenue	-5.0%	-10.0%	-5.0%	-10.0%
Vacancy	Hire 50%	Hire 100%	Hire 50%	0.0%
Health and Welfare	+8.0%	+8.0%	+8.0%	+8.0%
Health and Welfare - Retiree	+14.0%	+14.0%	+14.0%	+14.0%
Workers' Compensation	+6.0%	+6.0%	+6.0%	+6.0%
Supplies	-1.0%	+1.0%	-1.0%	+1.0%
Contracts/Services	-10.0%	0.0%	-10.0%	0.0%
Insurance/Utilities	+10.0%	+10.0%	+10.0%	+10.0%
Capital Outlay	-20.0%	0.0%	-20.0%	0.0%

Note: All Step/Column and Contractual Agreements



Board of Trustees Study Session Towards a Balanced Budget

	2008-2009	2009-2010		2010-2011	
	Q2 Projection	Best	Worst	Best	Worst
Beginning Fund Balance	18,797,976	11,068,496	11,068,496	3,114,246	(2,894,052)
Total Revenues	133,119,225	134,037,499	129,628,015	136,266,436	129,582,813
Total Expenditures	138,648,705	141,491,749	143,090,563	142,970,609	146,117,386
Structural Deficit	(5,529,480)	(7,454,250)	(13,462,548)	(6,704,174)	(16,534,573)
Ending Fund Balance Prior to Designated Reserve	13,268,496	3,614,246	(2,394,052)	(3,589,928)	(19,428,625)
Fund Balance Ratio to Total Expenditures and Transfers	9.57%	2.55%	-1.67%	-2.51%	-13.30%
Designated Reserves For:					
Global Education Initiative 2009-2010	200,000	-	-	-	-
Unfunded Retiree Benefits	2,000,000	500,000	500,000	500,000	500,000
Undesignated Ending Fund Balance	11,068,496	3,114,246	(2,894,052)	(4,089,928)	(19,928,625)
Undesignated Ending Fund Balance Ratio	7.86%	2.19%	-2.02%	-2.85%	-13.59%
Gap To Reach 5% Reserve		3,960,341	10,048,580	11,238,458	27,234,494
Undesignated Ending Fund Balance		7,074,587	7,154,528	7,148,530	7,305,869
Undesignated Ending Fund Balance Ratio		5%	5%	5%	5%



Board of Trustees Study Session Possible Strategies

Increase Revenue:

- Non-Resident
- Grants
- New Opportunities

Lower Expenditures:

- Section Reduction – Summer 7.5%, Fall 5.0%
- Review DPAC Recommendations
- Shift Costs To Other Funds
- More Aggressive Purchasing – Reduce Costs



Board of Trustees Study Session Next Steps

What	Target Date 2009	Who
Develop Assumptions	February	Hawk/Bonvenuto
Review Assumptions	24-Feb	Sr. Staff
BOT Study Session	28-Feb	Hawk
Recommend Assumptions	Late February	Budget Committee
Approve Assumptions	Early March	DPAC
Develop Scenarios	Early March	Hawk/Bonvenuto
Review Scenarios	Early March	Sr. Staff
Recommend Scenarios	Early March	Budget Committee
Approve Scenarios	Mid-March	DPAC
Evaluate Position Control	Mid-March	Hawk/Bonvenuto
BOT Meeting Update	6-Apr	Hawk
Develop Approach to Balanced Budget	April	Hawk/Bonvenuto
Review Approach to Balanced Budget	April	Sr. Staff
Recommend Approach to Balanced Budget	April	Budget Committee
Approve Approach to Balanced Budget	April	DPAC
Establish Tentative Budget for Departments		Hawk/Bonvenuto
BOT Tentative Budget	May	Hawk
2008-09 Financial Close	July	Bonvenuto
Continue Budget Development		All
BOT Hearing	August	Hawk
BOT Budget Adoption	September	Hawk

Out of State Recruitment

Current Snapshot

Out-of-State Student Enrollment trends from 2003-2008

	Applications Submitted	Enrolled – New students	Enrolled – Continuing students	Total, new and continuing students	Enrollment Increase over previous year
Fall 2008	4,852	1,144	891	2,035	8.4%
Fall 2007	4,135	1,055	808	1,863	8 %
Fall 2006	4,267	949	766	1,715	3 %
Fall 2005	4,176	919	745	1,664	23 %
Fall 2004	4,063	874	409	1,283	31 %
Fall 2003	4,022	647	239	886	n/a

Since we assumed responsibility in 2003 for out-of-state recruitment, enrollment has increased 56%.

Top Feeder States by Applications Fall 2008.

State	Applications	Enrollment
1. Hawaii	172	60
2. Florida	124	47
3. Texas	108	39
4. Nevada	93	33
5. New York	92	35
6. Illinois	88	34
7. Michigan	78	27
8. Ohio	74	19
9. Arizona	72	27
10. Washington	71	22

Fall and Spring Recruitment

Fall recruitment

September 14, 2008	Phoenix, AZ	Brenda Simmons
September 26	Seattle, WA	Esther Hugo
October 3-4	Portland, OR	Brenda Simmons
October 12	Cincinnati, OH	Sonali Bridges
October 16	Fort Lauderdale, FL	Kathy Flynn
October 25	Chicago, IL	Esther Hugo
November 2	Reno, NV	Brenda Simmons
November 14-21	Oahu, Maui, Hawaii	Esther Hugo

Spring recruitment

February 8	Atlanta, GA	Brenda Simmons
March 13-14	Rochester, NY	Brenda Simmons
March 29	New York City	Brenda Simmons
April 5	Houston, TX	Brenda Simmons
April 24	Honolulu, HI	Esther Hugo

NONRESIDENT FEES—SMC LEGISLATION “PLACEHOLDERS”

To Make Capital Surcharge Per-Unit Fee Applicable to Domestic Nonresident Students:

EC 76141. (a) In addition to the nonresident tuition fee established pursuant to Section 76140, a community college district may charge to nonresident students ~~who are both citizens and residents of a foreign country~~ an amount not to exceed the amount that was expended by the district for capital outlay in the preceding fiscal year divided by the total full-time equivalent students of the district in the preceding fiscal year.

To Allow for a Nonresident Student Services Per-Unit Fee:

EC 76140

(f) The governing board of each community college district also shall adopt a tuition fee per unit of credit for nonresident students enrolled in more or less than 15 units of credit per term by dividing the fee determined in subdivision (e) by 30 for colleges operating on the semester system and 45 for colleges operating on the quarter system and rounding to the nearest whole dollar. The same rate shall be uniformly charged nonresident students attending any terms or sessions maintained by the community college. The rate charged shall be the rate established for the fiscal year in which the term or session ends.

NEW SUBDIVISION. *In addition to the nonresident tuition fee, a community college district may charge a per-unit special services fee in recognition of services provided to meet the particular needs of its nonresident student population. Such services include, but are not limited to, customized orientation, housing assistance, transportation, and targeted academic and personal counseling.*

(g) In adopting a tuition fee for nonresident students, the governing board of each community college district shall consider nonresident tuition fees of public community colleges in other states.