

FINANCE COMMITTEE SUMMARY

December 6, 2013

Chair's Report

Chair Mark Herron opened the meeting at 1:45 p.m. and thanked everyone for attending. Trustee guest, Phil Swan and incoming Vice President for Business Affairs, Donna Ng, were welcomed.

Approval of Minutes

The minutes from the October 29, 2013 meeting were approved as presented.

2013-14 Forecasts

- **Operations:** Janet Grieman reviewed the budget forecast for fiscal year 2013-14 as of month-end October 2013. Average full time equivalent (FTE) student enrollment is forecast to be 968; 23 more students than budgeted. The negative variance in offsite student housing expense is offset by the projected savings in study abroad program expenses. At this time, an operating budget surplus of \$1.3 million is forecast.
- **Cash:** Diane Holmes presented the cash flow forecast as of month-end October 2013-14. The cash flow forecast charts available cash as of November 1, 2013 and projects cash inflows and outflows for the remainder of the fiscal year.

Preliminary Budget Model 2014-15

Joanne Coville presented the preliminary Budget Model for fiscal year 2014-15. No new personnel and operating budget requests were funded. The committee supported the major budget assumptions. The budget will be further refined for the February meeting.

Preliminary Ten-Year Long-Range Plan

Janet Grieman reviewed the first run of the ten-year long-range plan (LRP). The plan incorporates the 2014-15 proposed budget and forecasts operating budgets for the next nine years. The LRP has three parts: base budget (status quo operations), strategic initiatives (additions to base budget for program expansion), and strategic plan capital projects. The committee agreed with the recommendation that budgeted FTE enrollment should remain at 955 all ten years. The on-campus Budget Advisory Committee will further refine the Long-Range Plan for the February Finance Committee meeting.

Additional Debt Financing for Capital Projects

Joanne Coville discussed debt financing for capital projects. To-date, the College has borrowed \$8.7 million of the \$20 million Board-authorized loan from First Republic Bank (FRB). The College is on track to borrow the remaining \$11.3 million before the loan commitment ends July 1, 2016. At its March 9, 2013 meeting, the Board accepted the full \$50 million loan commitment from FRB. However, additional borrowing above and beyond the authorized \$20 million would need to be recommended by the Finance Committee and approved by the Board of Trustees.

Mark Herron and the committee thanked Joanne Coville for her much appreciated work at Scripps.

Executive Session

The staff were excused at 3:25 p.m. so the committee could meet in executive session.