

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

2323 N. Broadway, Santa Ana, California 92706

Office: (714) 480-7321 Fax: (714) 796-3935

Budget Allocation and Planning Review Committee

District Office – Executive Conference Room #114

1:30 –3:30

Meeting Minutes for August 22, 2007

Members Present: Raul Gonzalez del Rio, Peter Hardash, Noemi Kanouse, Steve Kawa, Erlinda Martinez, Marti Reiter, Rennie Velasquez, and Paul Foster.

Members Absent: Morrie Barembaum, John Didion, Norman Fujimoto, John Hernandez, Peter Paolino, Julie Slark, John Smith, Sergio Sotelo, George Troxcil and Juan Vazquez.

Guests Present: Thao Nguyen and Carl Jaeger

Mr. Hardash called the meeting to order at 1:35 with a welcome.

Approval of Minutes from June 6, 2007

The minutes were not approved due to a lack of quorum.

2007-08 Budget Update:

State Budget Updates #8, #9, #10, and #11 were distributed along with notes from Erik Skinner of the State Chancellor’s Office. The Governor is about to approve the 2007-08 budget. It has been balanced by cutting \$700 million. Some say education will be fully funded; however, that could mean that education is funded at the minimum Proposition 98 guarantee, which could result in cuts.

Mr. Hardash highlighted ongoing funds listed on State Budget Update #11. There is an \$80 million reduction in ongoing funds for the apportionment. These excess growth dollars were taken out of the budget earlier this year because it looked like the community colleges weren’t spending it. However, since then, it has been established that the overall system has grown. We will have to wait until February 2008 to get the final numbers. With approximately 3% of the state’s community college budget, RSCCD could lose \$2.4 million.

Revised Adopted Budget Calendar:

Due to the late 2007-08 budget approval by the state lawmakers, the Chancellor’s Office has granted an extension to community colleges to adopt their budgets. A draft copy of the RSCCD revised adopted budget calendar was distributed, showing the budget going to the Board for adoption on October 15th. Our final numbers will be presented at the state budget workshop in September. Some dates may change.

Ending Fund Balance: The General Fund balance for June 30, 2007 is expected to be close to \$23 million, adjustments are still being made. This balance includes carryovers of unspent one-time funds received in 2006-07. We are booking an accounts receivable of \$4.1 million for the Non-Credit Enhancement mentioned above. This money will be escrowed until the exact amount is determined. The earliest it will be available will be February 2008.

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Basic Skills was among the 2006-07 one-time money that was not fully spent. Options for spending those dollars should be evaluated. There was a huge shift in funds received from the adopted budget, which impacts the funding formula. The \$3.5 million for the Non-Credit Enhancement was not included in the 2006-07 adopted budget.

Our ending fund balance is in line to other Orange County community colleges.

The 2006-07 RSCCD budget included \$13.9 million in revenue from the Educational Revenue Augmentation Fund (ERAF), which accumulates through property tax collections. 2006-07 ERAF collections are not coming in as projected and there is no provision for backfilling an ERAF shortfall. When Governor Schwarzenegger reversed the increase in vehicle license fees, cities and counties were shorted. The Governor promised to backfill those amounts, which has resulted in this year's ERAF shortfall. No community college district in Orange County received any ERAF dollars in 2006-07.

2006-07 Final Numbers: RSCCD is barely meeting the 50% law requirements, which is an indication we have an overload of classified positions. At the same time the colleges are requesting more IT technicians. The new Technical Advisor Group (TAG) will meet on October 4th and will be looking into this piece. Open positions need to be evaluated to see where we might have flexibility.

FTES: Mr. Jaeger presented updated FTES numbers. With four days left before fall classes begin, we are just 84 FTES below target. The 2006-07 FTES numbers have been reported to the state. RSCCD grew overall; however, the growth was in non-credit courses. SCC credit FTES were up, while SAC credit FTES was below target. Credit FTES is where the money is. The campuses need to confirm the targets for the adopted budget. There is no downside to serving more students.

Mr. Vazquez walked in before the meeting adjourned and approved adjusting the SCC 2007-08 target by transferring 117 FTES from Non-Credit to Credit. The FTES targets distributed at today's meeting do not reflect this change.

Next Work Group meeting: September 19, 2007; 2:30 – 4:00; Santa Ana Room.

Next BAPR meeting: September 26, 2007; 1:30-3:00; in the Executive Conference Room #114.

Mr. Hardash adjourned the meeting at 2:30.