



RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT BUDGET ALLOCATION AND PLANNING REVIEW COMMITTEE – WORKGROUP



Meeting Notes – March 30, 2010

Members Present: Peter Hardash, Jose Vargas, Steve Kawa, Nga Pham, Ed Ripley, Thao Nguyen and Gina Huegli

Guests Present: Morrie Barembaum, Ray Hicks and John Zarske

Member Absent: Paul Foster, Noemi Kanouse and Jeff McMillan

Mr. Hardash opened the meeting at 2:35 pm.

Topics Discussed:

RSCCD Budget Allocation Model

- Mr. Hicks continued to discuss the “*Draft Budget Allocation Model Proposal*” previously presented by Dr. McMillan. He discussed point #3 and #4 of the proposed model. He handed out an “*annual list for review of BAM*” to outline the process and items that should be discussed and reviewed before making changes to the allocation model. For accreditation purposes, we need to document the items that were reviewed and documented through the budget allocation process.
- The list includes suggestion for annual review/discussion of:
 - Fixed costs to each cost center by looking at FTES distribution, high cost programs, and equitable service costs
 - Relative costs of programs
 - District operations annual percentage distribution and the centralized services provided to colleges, itself and the community
 - Cost Centers that includes SAC/SCC/DO
 - Hiring needs that would impact other location and the long-term implications
- Mr. Hardash stated that #1-3 comes directly out of academic senate white paper “wish list”. He has lots of questions with this proposal.
- Mr. Vargas brought up that we still don’t know what is categorized as fixed cost.
- Mr. Hardash stated that fixed costs are the highest cost on our list. It is the “black hole” not determined by our model. It is just a funnel in our organization. Fixed costs are blind to FTES distribution, blind to square footage/per capita, and blind to high cost program. The campus/district decides what are fixed cost. Mr. Vargas asked whether discretionary costs are changed to fixed cost or vice versa.
- Mr. Hardash set an example when SCC converted an hourly employee funded by discretionary funds, (paying dollar per dollar) to ongoing part-time and then to full-time employee. Once it is converted to ongoing/full-time employee, it becomes a fixed cost (SAC paying 60 cents on a dollar, DO paying 16.48 cents on a dollar/SCC is only paying 23.52 cents on a dollar)
- Mr. Zarske suggests that fixed cost needs to be part of the annual review. It needs to be transparent and documented for accreditation purposes.
- Mr. Hardash said that last year’s budget book includes both break down of the fixed cost, discretionary cost and the combination for each site.
- Mrs. Pham brought up a concern that we don’t document our process/discussion/decisions made. For example, the college has the faculty hire list, somehow the list shrink, but does not know why or how the decision was made to shrink the list. We need to document how decisions are made.
- The BAPR Workgroup agreed to delay discussion of the “*Draft Budget Allocation Proposal Model*” until Dr. McMillan returns.

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- There is no incentive for the colleges to make fixed cost reductions because they are aware they do not receive full credit. The colleges do not want to make fixed cost reduction because they don't get credit dollar for dollar.
- Vacancies list are not proportionate from year to year. There needs to be an equitable way to decide on the distribution of credit instead of just defunding it.
- Mr. Hardash stated adjunct costs are classified as discretionary cost, only \$11 million left out of \$160 million is discretionary. The majority of our costs are fixed cost. As a group, we need to look at the fixed cost object by object and we need to look at all programs.
- Mr. Hardash discussed the overmatching of categorical projects that are fixed cost. The colleges still need to look at the fixed cost and determine how to make cuts to free up discretionary monies.

The meeting was adjourned at 3:55 p.m.

Upcoming BAPRC Meetings: Executive Conference Room, DO #114, Wednesday; 1:30 – 3:00: April 14, 2010

Upcoming Work Group Meetings: Garden Grove Room, DO, Wednesdays; 2:30 – 4:00: May 12, 2010