



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



Meeting Notes – May 12, 2010

Members Present: Peter Hardash, Jose Vargas, Steve Kawa, Nga Pham, Paul Foster, Noemi Kanouse, Jeff McMillan, Thao Nguyen and Gina Huegli

Guests Present: Morrie Barembaum, Ray Hicks, Jared Kubicka-Miller and John Zarske

Member Absent: Ed Ripley

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

Topics Discussed:

RSCCD Budget Allocation Model

- Mr. Hardash handed out a South Orange CCD 50% law worksheet that shows which objects belong to the numerator/denominator of the equation.
- Mr. Zarske pointed out problem with the current Budget Allocation Model primarily is that it does not give flexibility to the colleges. SAC College Council evaluated Draft #3 of the Budget Allocation Model and the following are deliberations that came out from the meeting:

Problems with the current Budget Allocation Model (BAM)

1. *Colleges need more flexibility determining how to utilize dollars particularly with fixed/discretionary cost allocations.*
2. *Transparency in the BAM. We need to have a clear understanding of how and why resources are allocated to the cost centers. There needs to be a flexible plan or formula for allocation of resources.*
3. *A clear understanding of fixed costs vs. discretionary costs. How and when funds can move from discretionary to fixed and vice versa.*
4. *As an incentive to save, colleges should be able to keep budget savings from year-to-year. Ending balances should be monitored because they should not be able to grow infinitely. There needs to be a balance between the District taking everything at the end of the year and colleges infinitely keeping everything.*
5. *BAM needs to be perceived as plan that fairly and equitably distributes resources.*
6. *We need a definition and plan for annually reviewing the BAM.*
7. *There needs to be a special account set up for payment of banked leave.*

- Mr. Hardash said that there were monies set aside this year in the adopted budget to account for vacation payoff for those that were RIF from the District and to accept the recommendation to proceed with discussion of revising the model.

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What are Fixed Costs?

- It is long-term commitment that you can't easily get out of.
- Overhead cost which includes employees salaries (full-time and permanent contract positions), benefits (legal obligations due to collective bargaining such as medical, retirement, other), state mandated insurances, utilities
- Mr. Hardash stated that every time fixed cost is added to the pot, SAC cost is approximately 60%, SCC cost is approximately 25%, and District cost is approximately 15%.
- Mr. Hardash again stated the overmatching of categorical project is fixed costs. The college's still needs to look at the fixed cost and determine how to make cuts to free up discretionary monies. Some of the projects that need to be reviewed are: Mesa, FSS, MCHS, EOPS, DSPS, Puente, BFAP, Matriculation (Credit and Non-Credit).
- Dr. McMillan, as a co-chair of the College Council formally asked if he can have the information that Mr. Hardash has gathered so SAC can proceed to analyze the matching requirement and determine whether it is needed or not.
- Dr. McMillan and the Colleges are trying to have control of the new grant application to be more analytical of the new grant on the match requirement.

The meeting was adjourned at 3:25 p.m.

Upcoming BAPRC Meetings: Executive Conference Room, DO #114, Wednesday; 3:30 – 5:00: May 26, 2010

Upcoming Work Group Meetings: Santa Ana Room, DO, Wednesday; 2:30 – 4:00: June 2, 2010