



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

### **Meeting Notes – November 4, 2009**

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

Guests Present: Erlinda Martinez and Morrie Barembaum

Members Absent: Gina Huegli

Mr. Hardash opened the meeting at 2:30 pm.

### **Topics Discussed:**

#### **RSCCD Budget Allocation Model**

Several budget models from various colleges and multi-college were distributed. Some are simple and others are complex.

Dr. McMillan stated that the last meeting Mr. Hardash said, "Colleges don't generate FTES." Mr. Hardash said "The colleges do not receive apportionment dollars earned by FTES generation. The District is the legal entity that receives the apportionment dollars and then distributes them to the Colleges based on FTES produced."

Dr. McMillan said that District Operations and District are used interchangeably and that others may be confused between the two. Mr. Hardash said that District Operations include District Operations and District-wide components.

Mr. Hardash went through line by line of both versions of the current allocation model.

Purpose: the purpose needs to be rewritten to reflect "allocated revenue resources" to clarify that it's not an expenditure model.

Description: is fine

Goals: the goals need to be redefined to include incentives and disincentives.

Revenue: Dr. McMillan stated that the Academic Senate at SAC does not feel that the District is following the model as it is stated in the Revenue statement.

Budget Analysis: Mr. Hardash said that revenue and expenditures needs to be redefined; for example, grants are restricted, one time income must be for one time expenses, categorical need to be tracked for both grant funded and general fund matching. We have always used a rollover budget, and Colleges make adjustments.

#### **General Model Guidelines:**

The model guidelines #3 stated that "the cost centers have maximum flexibility for budgeting and expenditures within their revenue limits." The Colleges do not feel they have the flexibility as intended in the stated guidelines. For example, if a faculty member goes on maternity leave, the college hires a part-time substitute, but does not have the capability to transfer the dollars to a part-time account to pay for that adjunct faculty.

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Dr. McMillan pointed out that guideline #6 on this document is different from the second budget model document. Guideline #6 needs clarification.

Guidelines #7 - Mr. Hardash stated that productivity measurements have never been done that would link DSCH and WSCH to growth benchmarks and FTES generation. Mr. Kawa said that SCC has done it on a College level but not at District level.

To reflect guidelines #8 – small college equalization, Santiago Canyon College was given \$300,000 per year as a start up college but it was deemed unnecessary about 3 years ago and funding stopped.

Guidelines #9 does not reflect whether it was fixed or discretionary cost.

Guideline #10 is a fixed cost component understood to mean 19-hour on-going classified employees.

Guideline #11 needs to have more clarification.

Guideline #13 needs to be readdress to reflect that the Colleges should have the flexibility and incentives and disincentives to save costs. The fixed cost part of the Budget Allocation Model is a black hole and that is the issue the SAC Senate has with the model. Fixed cost definition needs to be redefined, what to include and what to exclude; what the Colleges have and can not have for flexibility in reducing fixed costs.

Allocation Process:

The Colleges want to have a process in place where they can have the flexibility and incentives and disincentives in the new budget allocation model.

A brief discussion of the budget allocation assumptions on non-FTES apprenticeship that the District earns 15 cents on the dollar and the current model does not pass that through. The restricted revenue has not been reviewed on a program by program basis. Dr. McMillan pointed out that Assumption #10 is another discrepancy between the two budget model documents. Assumption #11 needs to be changed and better definition of the fixed costs needs to be defined for Assumption #12.

The workgroup members have different interpretations of the Assumption #13.

Assumptions #14 and #15 on growth and FTES goals are addressed by District Enrollment Management Committee regularly on an annual basis.

The workgroup needs to go back and study other models and we will finish reviewing the current model the next time to come up with the strengths and weaknesses, to improve the language (especially the definition of fixed costs), make changes and deletions to the current model. Erlinda Martinez stated that the colleges are looking for flexibility and incentives.

**Upcoming BAPRC Meetings:** Executive Conference Room, DO #114, Wednesday; 1:30 – 3:00: November 18, 2009

**Upcoming Work Group Meetings:** Garden Grove Room, DO, Wednesdays; 2:30 – 4:00: January 6, 2010

The meeting was adjourned at 4:10 p.m.