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

<u>Meeting Notes – August 11, 2010</u>
Members Present: Noemi Kanouse, Steve Kawa, Jeff McMillan, Nga Pham, Jose Vargas, Thao Nguyen and Gina Huegli

Guest Present: Ray Hicks and Aracely Mora

Members Absent: Paul Foster, Peter Hardash, Ed Ripley,

Ms. Kanouse opened the meeting at 2:35 pm.

Topics Discussed:

<u>Budget/Expense History and Other</u>

- Spreadsheets of discretionary and fixed expenditures summary and details by object history since 2007-2008 were handed out for members to review.

- Mr. Kawa asked why there are benefit objects in the discretionary unrestricted expense for SCC when they are supposed to be fixed. The reason was back in 2007-08 and 2008-09 those were the apprenticeship benefits but it has been excluded since. The budget allocation model had to be rewritten for Datatel.

- A copy of the tentative budget – budget allocation model from the tentative budget book was also distributed. Mr. Vargas asked if this reflects the changes that Mr. Vasquez had questioned as to why the district had more $ allocated and that the split between the colleges is not split by FTES. It does not reflect the changes from discretionary back to the fixed account that the district had made prior to the rollover from 2009-10.

- A list of layoffs/retirement/resignation since 2007-08 was distributed showing the number count, salary, and percentage split by site. *Note: the list includes all funds (restricted fund employees may have been replaced by other new employees working short-term or current employee getting paid out of class). Salary is based on paid amount prior to layoffs/retirement/resignation (not considering the net effect of the savings) and part-time employee salary is based on 19 hours/week (not necessary actual hours work).*

- A fixed salary analysis by site was distributed to show the reductions in salary since 2007-*08.* The split between the sites back in 2007-08 was 19.02% for District Office, 55.40% for Santa Ana College and 25.59% for Santiago Canyon College. With the vacant positions not being filled within the last 3 years, the proposed budget for 2010-11 now reflects 18.46% for the District, 54.64% for Santa Ana College and 26.90% for Santiago Canyon College. Since 2007-08, the District had reduced $1,887,059 in budget amount, that's a 13.73% reduction, Santa Ana College had reduced $4,931,843 in budget amount, that's 12.32% reduction and Santiago Canyon College had reduced $1,209,377 in budget amount, that's 6.54% reduction. The reductions by site in the last 3 years split shows that District Office reduced 23.51%, Santa Ana reduced 61.43% and Santiago Canyon College reduced 15.06%

- A worksheet analysis of FTES for the last 3 years was also distributed to show the increase in FTES in 2008-09 and the reduction of 3,991 FTES in 2009-10. The FTES produced by Santa Ana College for 2009-2010 was 21,427 FTES, the split would be 70.67%; Santiago Canyon College was 8,892 FTES, the split would be 29.33% for both credit and non-credit FTES.

- If the academies were to be taken out of the equation, the split Santa Ana College would be at 66.49% and Santiago Canyon College would be 33.51% for credit FTES. For both credit and non-credit FTES, Santa Ana split would be 67.90% and Santiago Canyon College would be 32.10%.

- Mr. Vargas brought up a question on the budget model allocation model on #9 – "Revenue will be assigned to each college based on FTES generated by each college. Within the budget year, adjustments to revenue will be formula driven." and #13 – "The ending balances of the cost centers will affect the following year's allocation. In the event there is a cost savings in any cost center-controlled budget, that savings will accumulate to the cost center in a specially designated account. Savings and cost overruns will be aggregated to this special account. Net cost overruns will be deducted from the cost center's allocation in the following year."

- A mechanism needs to be written in the budget allocation to reflect the rewards/consequences a college would get when they achieve their target or fall below their target? There needs to be an accountability that ties to FTES production. What happens when a college produced above target but it is unfunded, the college may intentionally fall below their target to have cost savings that they could carry-over into the next year.

- We need to also have a definition on mechanism written in on how to orderly downsize.

The meeting was adjourned at 3:40 p.m.

Upcoming BAPRC Meeting: Executive Conference Room, DO #114, August 25, 2010, 1:30 – 3:30 p.m.

Upcoming Work Group Meeting: Executive Conference Room, DO #114, September 15, 2010, 2:30 – 4:00 p.m.