



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



**Meeting Notes – October 14, 2009**

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

Mr. Hardash opened the meeting at 2:31 pm.

**Topics Discussed:**

**RSCCD Budget Allocation Model**

Presented were the Budget Model and the Colleges budget for the last eleven years since 1999-present. Two versions of the Budget Allocation Model developed in 1998-99 were given to the workgroup. The Budget Allocation Model was used to build 2000-2001 and the subsequent budgets. A copy of The Faculty Role in Planning and Budgeting publication by the Academic Senate for California Community Colleges adopted Fall 2001 was also given to the workgroup.

Mr. Hardash asked that everyone should have a binder with all the information given and bring it to every meeting in the future so we can work to build a revised budget allocation model following a recommendation from the Accreditation Committee to review the model.

The Budget Allocation Model was developed by a committee back in 1998-99 with extended site visits to many different colleges and many different models. Dr. Hernandez developed the framework of the model and it has worked until now.

The most misunderstood thing about the budget allocation model is that it is not an expenditure allocation model, it is a revenue allocation model. All the fixed cost is cover first any left over expected revenue is then split at a negotiated rate of 16.48% to the District and the rest will be split between the two Colleges based on the FTEs produced. Without increase in new funds, when fixed costs increase, discretionary money will decrease.

With the budget situation in the past year, we lost people due to attrition, freezing all hiring, most of the vacant positions have been defunded, we have not been following the model based on the 16.48% split of the discretionary funds to the district.

Dr. McMillan suggested funding should be based on FTEs produced that should include both fixed and discretionary cost. Dr. McMillan stated that “the funding should follow the students.” What has not worked in the current budget allocation model is that it is silent on how funding is allocated for fixed cost. Decisions should be made at the Colleges level. The Colleges prefer that the full allocation for fixed and discretionary expenses for the specific colleges should be allocated to the Colleges and give them the control.

Mr. Kawa site an example where SAC has full-time people as their gardeners and it is consider a fixed cost and that SCC hire outside gardener which they would need to use discretionary funds to hire them. That was not fair. The current model does not allow flexibility for the Colleges to for example, if they lost a full-time faculty, they are not allowed to moved that money out to supplement it with a part-time adjunct.

Mr. Hardash said that the District negotiates for all sites. The Colleges needs to keep in mind that there are certain expenses such as Retiree Health Benefits, Health Benefits, Liability Insurance, 9<sup>th</sup> ranking in the contract, the faculty obligation that have to be a part of the budget allocation model. These expenses have to be addressed during the revising of the budget allocation model.

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Mr. Kawa point out that there needs to be a mechanism build into the Budget Allocation Model to allow Colleges to carry over their savings. Mr. Hardash said that if the Colleges could carry over their savings, there needs to also be a mechanism to carryover the over expenses.

Mr. Hardash reminded the workgroup that the decision will not be made here, discussion will be made further at the BAPR Committee and a recommendation will need to go further to the Chancellor and then the Board of Trustees. The Board of Trustee still have the authority over the sites and still have the decision to decide what to do with the District.

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

November 4, 2009

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