

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

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Budget Allocation and Planning Review Committee

District Office – Executive Conference Room #114

2:30 – 4:30

Meeting Minutes for March 28, 2007

Members Present: Morrie Barembaum, Norman Fujimoto, Ann-Marie Gabel, Raul Gonzalez del Rio, Peter Hardash, Noemi Kanouse, Steve Kawa, Erlinda Martinez, Bob Partridge, Marti Reiter, George Troxcil, Juan Vazquez, and Paul Foster.

Members Absent: John Didion, John Hernandez, Peter Paolino, Julie Slark, John Smith, and Sergio Sotelo.

Guests Present: Carl Jaeger, Thao Nguyen, and Jose Vargas.

Mr. Hardash called the meeting to order at 2:30 with a welcome.

Approval of Minutes from January 24, 2007

Mr. Hardash asked for a motion to approve the minutes of January 24, 2007. Mr. Troxcil moved and Mr. Kawa seconded the motion to approve the minutes. The motion carried unanimously.

2007-08 FTES Targets:

Mr. Hardash read the following considerations that the Joint Cabinets used to develop the 2007-08 targets.

1. Growth at 1.064% over actuals for both Credit and Non-Credit has been recommended by the Joint Cabinets. This rate reflects our advance preliminary rate set by the System Office.
2. The change in FTES represents the increase in FTES from the 2006-07 Estimated Actuals.
3. Estimated Actuals equal P-1 at this point in time. We will adjust the Estimated Actuals to equal the amounts reported at P-2 for Tentative Budget purposes.
4. Joint Cabinets have recommended that we borrow 150 FTES from Summer 2007. We will add these 150 FTES into the FTES reported at Annual and thus will not include them into the Tentative Budget but rather wait until the Adopted Budget for inclusion.
5. The campuses continue to review reports related to excess course repetition. At this time, the magnitude of the necessary adjustment to FTES is undetermined; however, it is believed to be substantial.

Ms. Gabel mentioned that the Tentative Budget will be built using P-2 numbers, which are expected to be higher. The 2006-07 numbers used for this calculation are P-1 numbers, which are rough estimates. Mr. Partridge moved and Mr. Fujimoto seconded the motion to approve the 2007-08 FTES Targets as presented. The motion carried unanimously.

2006-07 Enrollment Update

Mr. Jaeger referred to the 2007 target update with activity through March 22, 2007. This latest projection indicates that the District overall is 48.35 FTES below the annual target. Final Fall noncredit numbers are due the end of March, while Spring and Summer 07 numbers appearing

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on the report are the original targets. Course repetition for Fall 2006 is currently being reviewed. Initial results indicate a possible reduction of 250 FTES.

The FTES change log identifies the target changes made since July 1. The spring enrollment update compares FTES numbers for this spring with last year's spring numbers. This year's difference is favorable. The new ASAP data collection system being used this year is superior to GLINK, which may be a factor in the better numbers this year.

Mr. Jaeger highlighted the latest enrollment update by campus, which shows an increase in WSCH FTES for this year over last year; however, the target achievement is short by 8.78 FTES. FTES reductions from the course repetition review have not been included in these calculations.

The non-credit report by semester shows factored and un-factored FTES by campus through March 22, 2007. Vice Presidents use this information to review controllable and non-controllable FTES production. The non-controllable portion represents the zero unit labs transferred from credit.

Mr. Troxcil mentioned that the criminal justice program is up and should continue to generate more FTES when the new Sheriff's Training Academy opens. Mr. Hardash mentioned that although our numbers look ok, the mix has switched from credit to non-credit. Credit courses are our life blood because they are funded at a higher rate. We fight a losing battle when credit classes are stagnant and faculty members continue receiving annual growth and COLA increases.

State Budget Update:

Committee members received copies of the latest state budget updates from the Community College League and the Legislative Analyst Office (LAO). The LAO is forecasting shortfalls in the state's income tax revenue that will impact the Governors 2007-08 Proposed Budget, and may result in mid-year cuts, since Proposition 98 funding is based on total collected state revenues. Mr. Hardash mentioned that the May Revise will give us a clearer picture because it will capture the total tax revenues collected through April 15th.

The California Lottery Commission has lowered its revenue projection for this year. The revised Lottery assumptions and the net dollar impact for RSCCD were presented by Ms. Gabel.

2007-08 Preliminary Revenue Budget Estimates:

Ms. Gabel highlighted the preliminary revenue estimates for 2007-08, which have been calculated using the FTES target growth of 1.064%. The total preliminary expected revenue increase for 2007-08 is \$4.5 million.

2007-08 Health Benefits Renewal:

The negotiated renewal increase for employee health benefits for 2007-08 is 12.0%, which equates to \$1.7 million for RSCCD. The employee contribution for health benefits is a negotiated item. Similar increases are expected over the next few years.

2006-07 One-Time Funds

Ms. Gabel has revised the one-time revenue RSCCD expects to receive based on the P-1 adjustments. The difference is largely due to the fact that other districts reported more FTES at P-1, which means there was less dollars per FTES to be distributed. Also, we amended our CCFS-320 report in October, reporting 22 more FTES. The net impact for RSCCD is an increase in unrestricted general fund dollars. This increase will go into the ending fund balance for 2006-07 and be allocated through the budget model formulas in 2007-08. Basic Skills are down because two districts just started reporting Basic Skills FTES, which threw off the System calculation. Mr. Hardash mentioned that as of now, it looks like there will be no one-time dollars for next year. We have two years to spend Basic Skills dollars. The Nursing Grant is drying up. Career Tech dollars are to be spent by June. We have two years to use Scheduled Maintenance dollars, which is now part of the Block Grant. Changes to campus allocations will be posted to the system next week.

Projected Balances as of February 28, 2006:

Ms. Gabel directed members' attention to the projected balance reports updated through February 28th. Handouts include one for each campus, one for district operations, and the all sites summary. We are projecting that operating budgets in objects 4000-6000 will be spent. Mr. Hardash called attention to the last page on the district summary report. The \$12.5 million projected ending fund balance includes \$3 million for non-credit enhancement. Given the size of our budget, numbers can easily swing 2%.

Bond Budget Update:

Mr. Hardash highlighted the bond budget update, which shows that 52% of the projects have been completed as of March 14, 2007. The SCC Math and Science Building came in \$9 million over budget, so all submitted bids were rejected. The project will likely be separated and re-bid by component. The Administration Building remodel at SAC came in \$500,000 under budget. Other remodeling projects at SAC are being identified with work expected to begin soon.

Other:

Datatel Update:

The payroll interface is being re-written, which will push the Human Resources and Payroll implementation back to January 1, 2008. Pay checks will continue to be issued in IFAS. Fiscal will go live on schedule (July 1, 2007). ITS is working on various interfaces that will provide the standard reports we need. Some reports will actually be similar to what we have now.

BAPR Work Group:

The next BAPR Work Group will be May 10, 2007; 2:30 – 4:00 in the Garden Grove Room.

Next BAPR meeting: May 23, 2007; 1:30-3:00; in the Executive Conference Room #114. We will have the May Revise numbers by then and will have a better idea of our annual FTES numbers

Mr. Hardash adjourned the meeting at 3:40.