

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT (RSCCD)
2323 North Broadway, #107
Santa Ana, CA 92706

Board of Trustees
(Regular meeting)
March 27, 2017

MINUTES

1.0 PROCEDURAL MATTERS

1.1 Call to Order

The meeting was called to order at 4:34 p.m. by Mr. John Hanna. Other members present were Ms. Claudia Alvarez, Ms. Arianna Barrios, Mr. Zeke Hernandez, Mr. Phillip Yarbrough, and Ms. Esther Chian. Mr. Larry Labrado and Ms. Nelida Mendoza arrived at the time noted.

Administrators present during the regular meeting were Ms. Judy Chitlik, Mr. Peter Hardash, Dr. John Hernandez, Mr. Enrique Perez, Dr. Raúl Rodríguez, and Dr. Linda Rose. Ms. Anita Lucarelli was present as record keeper.

1.2 Pledge of Allegiance to the United States Flag

The Pledge of Allegiance was led by Mr. Don Sneddon, Professor, Fire Technology, Santa Ana College (SAC).

Mr. Hanna asked for a moment of silence for prayer or contemplation for Rancho students, faculty, classified, and administrators for success in their endeavors this month.

1.3 Approval of Additions or Corrections to Agenda

It was moved by Ms. Barrios and seconded by Ms. Alvarez to approve a revised page to the agenda (page 4) and revised pages to Item No. 4.5 (Agreements for Emergency Relocation of Music Bldg.). The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Hernandez, and Mr. Yarbrough. Student Trustee Chian's advisory vote was aye.

Mr. Labrado arrived at this time.

1.4 Public Comment

Dr. Cari Cannon, Ms. Kristen Guzman, Ms. Becky Haglund, Mr. Gerald Sirotnak, Mr. John Smith, and Ms. Christa Soulhide spoke regarding the contract proposal to the district from the Faculty Association of Rancho Santiago Community College District (FARSCCD).

1.5 Approval of Minutes

It was moved by Mr. Labrado and seconded by Ms. Alvarez to approve the minutes of the meeting held March 13, 2017. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Hernandez, Mr. Labrado, and Mr. Yarbrough. Student Trustee Chian’s advisory vote was aye.

1.6 Approval of Consent Calendar

It was moved by Ms. Alvarez and seconded by Ms. Barrios to approve the recommended action on the following items (as indicated by an asterisk on the agenda) on the Consent Calendar, with the exception of Item 4.3 (2017-2018 Tentative Budget Assumptions) removed from the Consent Calendar by Mr. Yarbrough. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Hernandez, Mr. Labrado, and Mr. Yarbrough. Student Trustee Chian’s advisory vote was aye.

3.1 Approval of Corrected College Central Network, Inc.’s Career Services Central Application Service Provider (ASP) Agreement

The board approved the corrected agreement with College Central Network, Inc.’s Career Services Central ASP as presented.

3.2 Acceptance of Professor Regina Lamourelle’s Sabbatical Leave Report

The board accepted Dr. Lamourelle’s Sabbatical Leave Report.

3.3 Approval of Upward Bound Math and Science Summer Residential Contract with California State University, Fullerton

The board approved the Upward Bound Math and Science Summer Residential Program Contract with California State University, Fullerton.

4.1 Approval of Payment of Bills

The board approved payment of bills as submitted.

4.2 Approval of Budget Increases/Decreases and Budget Transfers

The board approved budget increases, decreases and transfers from February 25, 2017, to March 10, 2017.

4.4 Approval of Amendment to Agreement with Hammel, Green and Abrahamson, Inc. for Professional Design Services for Science Center Project at Santa Ana College (SAC)

The board approved the amendment with Hammel, Green and Abrahamson, Inc. in Santa Monica for professional design services for the Science Center project at SAC as presented.

1.6 Approval of Consent Calendar (contd.)

4.5 Ratification of Agreements for Emergency Relocation of Music Building to Johnson Student Center at Santa Ana College per Resolution No. 17-01 with Patriot Contracting & Engineering, Inc., et. al.

The board ratified the agreements, incorporated herein by reference, for the emergency relocation of the Music Building to the Johnson Student Center at SAC per Resolution No. 17-01 with Patriot Contracting & Engineering, Inc., et. al., as presented.

4.6 Acceptance of Completion of Resolution No. 17-01 Authorizing Emergency Contracts for Immediate Construction Improvements to Johnson Student Center at Santa Ana College and Approval of Recording of Notice of Completion

The board accepted the project as complete and approved filing a Notice of Completion with the County as presented.

4.7 Acceptance of Completion of Bid #1308 for Buildings A & B Soffit Repairs and Child Development Center (CDC) Post Repairs at Santiago Canyon College (SCC) and Approval of Recording of Notice of Completion

The board accepted the project as complete and approved filing a Notice of Completion with the County as presented.

4.8 Acceptance of Completion of Bid #1312 for Tenant Improvements at District Office and Approval of Recording of Notice of Completion

The board accepted the project as complete and approved filing a Notice of Completion with the County as presented.

4.9 Approval of Independent Contractor

The board approved the following independent contractor: Aric Bostick Success Training to provide keynote guest speaker services at Pathways to Teaching Annual Tomorrow's Teachers Conference and Orange County Teacher Pathway Partnership Teacher/Faculty Professional Development Day. Dates of service are April 21, 2017, through April 22, 2017. The fee is estimated at \$15,000.

4.10 Approval of Purchase Orders

The board approved the purchase order listing for the period February 1, 2017, through March 10, 2017.

5.1 Approval of Resource Development Items

The board approved budgets, accepted grants, and authorized the Vice Chancellor of Business Operations/Fiscal Services or his designee to enter into related contractual agreements on behalf of the district for the following:

- Disabled Students Programs & Services (DSPS) (SCC) \$785,760

1.6 Approval of Consent Calendar (contd.)

5.2 Approval of Second Amendment to Sub-Agreement between RSCCD and IDMLOCO for Career Technical Education Data Unlocked Grant

The board approved the amendment to the sub-agreement and authorized the Vice Chancellor, Business Operations/Fiscal Services or his designee to sign and enter into a related contractual agreement on behalf of the district.

5.3 Adoption of Resolution No. 17-08 Certifying Emergency Closure of Santa Ana College Early Childhood Education Center

The board adopted Resolution No. 17-08 certifying the SAC Early Childhood Education Center was closed due to an emergency gas and water outage on February 22, 23, and 24 of 2017.

2.0 INFORMATIONAL ITEMS AND ORAL REPORTS

2.1 Report from the Chancellor

Dr. Raúl Rodríguez, Chancellor, provided a report to the board.

2.2 Reports from College Presidents

The following college representatives provided reports to the board:

Dr. John Hernandez, Interim President, Santiago Canyon College
Dr. Linda Rose, President, Santa Ana College

2.3 Report from Student Trustee

Ms. Chian provided a report to the board, which included a report on the American Student Association of Community Colleges Annual National Student Advocacy Conference she attended in Washington, D.C. on March 11-14, 2017.

2.4 Reports from Student Presidents

The following student representatives provided reports to the board on behalf of the Associated Student Government (ASG) organizations:

Ms. Esther Chian, Student President, Santiago Canyon College
Ms. Lisette Cervantes, Student President, Santa Ana College

2.5 Report from Classified Representative

Mr. Miguel Luna, Student Services Coordinator, Transfer Center, Santiago Canyon College, provided a report to the board on behalf of the classified staff, which included a report on the Transfer Center at SCC.

2.6 Reports from Academic Senate Presidents

The following academic senate representatives provided reports to the board:

Mr. Michael DeCarbo, Academic Senate President, Santiago Canyon College
Dr. Elliott Jones, Academic Senate President, Santa Ana College

Ms. Mendoza arrived during the Academic Senate presidents' reports.

2.7 Informational Presentation on the Budget

Mr. Hardash provided a presentation on the budget to the board. Board members received clarification on items related to the budget from Mr. Hardash.

2.8 Reports from Board Committee Chairpersons

The March 23, 2017, Board Facilities Committee meeting was cancelled; therefore, there was no report.

Mr. Hernandez provided a report on the March 16, 2017, Orange County Community College Legislative Task Force meeting.

3.0 INSTRUCTION

All items were approved as part of Item 1.6 (Consent Calendar).

4.0 BUSINESS OPERATIONS/FISCAL SERVICES

Items 4.1, 4.2, and 4.4 through 4.10 were approved as part of Item 1.6 (Consent Calendar).

4.3 Approval of 2017-2018 Tentative Budget Assumptions

It was moved by Ms. Barrios and seconded by Ms. Alvarez to approve the 2017-2018 Tentative Budget Assumptions as presented. Discussion ensued. Mr. Hernandez asked that the motion be amended to include having staff present a plan to the board within 60 days in order for the board to evaluate and provide suggestions for a balanced budget. Mr. Yarbrough asked that the answers to the questions he asked be attached to the minutes. The amended motion to approve the 2017-2018 Tentative Budget Assumptions as presented and have staff present a plan to the board within 60 days in order for the board to evaluate and provide suggestions for a balanced budget carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Hernandez, Mr. Labrado, and Ms. Mendoza, with a nay vote from Mr. Yarbrough. Student Trustee Chian's advisory vote was aye.

5.0 **GENERAL**

Items 5.1, 5.2, and 5.3 were approved as part of Item 1.6 (Consent Calendar).

5.4 Board Member Comments

In reference to a speaker during public comments, Ms. Alvarez indicated that the trustees should be shown respect during public comments and inappropriate language has no place in a public venue, especially for a faculty member who is expected to be held to a higher standard. In reference to the speaker's comments regarding the board preferring one bargaining group to another, Ms. Alvarez stated that the board takes pride in treating people equally. She expressed thanks to Mr. Luna who explained in his report (Item 2.5) various ways that classified staff have assisted students.

Mr. Hernandez congratulated staff on the following events that he recently attended: SAC KinderCaminata, SCC Community Science Night, and SAC/SCC Spring Spectacular!

Mr. Hernandez reported that while in Washington, D.C., he extended an invitation to Ms. Betsy DeVos, the United States Secretary of Education, to visit SAC. Since he was unsure of the protocol, he asked the board if the invitation to Ms. DeVos should be discussed at a future board meeting or if the chancellor is able to explore the possibility of a visit by Ms. DeVos. Mr. Hanna spoke in favor of a visit by Ms. DeVos.

Mr. Hernandez indicated that the California Board of Governors plans to hold a meeting at SAC in September and he and Mr. Hanna asked staff to begin preparations for its visit.

Ms. Mendoza and Ms. Barrios reported that they attended Community Science Night at SCC on March 24 and thanked staff for hosting such a successful event.

Mr. Yarbrough asked the chancellor for a report on the projections of income and expenses for the next five or ten years in order for the board to prepare for upcoming budget issues.

Mr. Yarbrough reported that while he was in Washington, D.C, he met with Mr. Lee Bakari, Chair, Board of Directors, Association of Community College Trustees (ACCT), and other members of the ACCT Board of Directors who commended Mr. Yarbrough on his support for the Deferred Action for Childhood Arrivals (DACA) students. Mr. Yarbrough indicated that Mr. Bakai invited him to join the ACCT Public Policy Committee; therefore, Mr. Yarbrough asked the board for a letter of nomination for this committee.

5.4 Board Member Comments (contd.)

Since Women's History Month celebrates women during the month of March, Mr. Yarbrough commended women for all they do and indicated that they should be honored all year long.

Mr. Hanna commended Ms. Teresa Mercado-Cota on assisting students and staff on receiving information about air bag recalls.

Mr. Hanna asked that the district's general counsel provide a memorandum regarding board members' ability to respond to comments made during the public comments portion of the meeting.

Mr. Hanna expressed disappointment in the insulting comments and language that was displayed during public comments by one of the speakers. Although he indicated that those comments were not helpful to move the faculty's cause forward, Mr. Hanna stated that the board would always do what is best for the district. In reference to the speaker's comments regarding the board preferring one bargaining group to another, Mr. Hanna indicated that faculty are a critical component to students and he expressed thanks to Mr. Luna who explained in his report (Item 2.5) various ways that classified staff have assisted students. He clarified that it takes faculty and classified employees to assist students in their educational success.

Mr. Hanna asked that the college presidents not rush through their reports even if the meeting runs late since board members want to know what is occurring on campus.

RECESS TO CLOSED SESSION

The board convened into closed session at 8:19 p.m. to consider the following items:

1. Public Employment (pursuant to Government Code Section 54957[b][1])
 - a. Full-time Faculty
 - b. Part-time Faculty
 - c. Classified Staff
 - d. Student Workers
 - e. Professional Experts
2. Conference with Labor Negotiator (pursuant to Government Code Section 54957.6)
Agency Negotiator: Ms. Judy Chitlik, Interim Vice Chancellor of Human Resources
Employee Organizations: Faculty Association of Rancho Santiago Community College District (FARSCCD)
California School Employees Association (CSEA), Chapter 579
California School Employees Association, Chapter 888
3. Public Employee Performance Evaluation (pursuant to Government Code Section 54957)
 - a. Chancellor
4. Public Employee Discipline/Dismissal/Release (pursuant to Government Code Section 54957[b][1])

Ms. Chian left the meeting at this time.

RECONVENE

Issues discussed in Closed Session (Board Clerk)

The board reconvened at 9:03 p.m.

Public Comment

There were no public comments.

Closed Session Report

Ms. Barrios reported during closed session the board discussed public employment, labor negotiations, the chancellor's evaluation, and public employee discipline/dismissal/release. Ms. Barrios reported during closed session the board ratified a fifteen (15)-day suspension for a Child Development Teacher with the following vote: Aye - Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Hernandez, Mr. Labrado, Ms. Mendoza, and Mr. Yarbrough. In addition, Ms. Barrios reported that at a previous board meeting, the board took action during closed session to suspend a classified manager for thirty (30) days with the following vote: Aye - Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Hernandez, Mr. Labrado, Ms. Mendoza, and Mr. Yarbrough.

6.0 HUMAN RESOURCES

6.1 Management/Academic Personnel

It was moved by Mr. Yarbrough and seconded by Ms. Barrios to approve the following action on the management/academic personnel docket. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Hernandez, Mr. Labrado, Ms. Mendoza, and Mr. Yarbrough.

- Approve Employment Agreements
- Approve New Job Descriptions
- Approve Adjusted Effective Dates of Appointment
- Approve 2017-2018 Voluntary Workload Reduction Request Forms
- Approve 2016-2017 Contract Extension Days
- Approve Part-time Hourly New Hires/Rehires
- Approve Non-paid Instructors of Record

6.2 Classified Personnel

It was moved by Mr. Yarbrough and seconded by Ms. Barrios to approve the following action on the classified personnel docket. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Hernandez, Mr. Labrado, Ms. Mendoza, and Mr. Yarbrough.

- Approve New Appointments
- Approve Temporary to Contract Assignments
- Approve Professional Growth Increments
- Approve Changes in Position
- Approve Changes in Salary Placement
- Approve Leaves of Absence
- Ratify Resignations/Retirements
- Approve Temporary to Hourly Ongoing Assignments
- Approve Temporary Assignments
- Approve Additional Hours for Ongoing Assignments
- Approve Substitute Assignments
- Approve Miscellaneous Positions
- Approve Instructional Associates/Associate Assistants
- Approve Volunteers
- Approve Student Assistant Lists

6.3 Authorization for Board Travel/Conferences

It was moved by Mr. Yarbrough and seconded by Ms. Barrios to authorize the submitted conference and travel by a board member. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Hernandez, Mr. Labrado, Ms. Mendoza, and Mr. Yarbrough.

6.4 Adoption of Resolution No. 17-07 Authorizing Payment to a Trustee Absent from Board Meeting

It was moved by Mr. Yarbrough and seconded by Ms. Barrios to adopt Resolution No. 17-07 authorizing payment to Student Trustee Esther Chian who was absent from the March 13, 2017, board meeting. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Hernandez, Mr. Labrado, Ms. Mendoza, and Mr. Yarbrough.

7.0 ADJOURNMENT

The next regular meeting of the Board of Trustees will be held on Wednesday, April 12, 2017.

There being no further business, Mr. Hanna declared the meeting adjourned at 9:04 p.m.

Respectfully submitted,

Raúl Rodríguez, Ph.D.
Chancellor

Approved: _____
Clerk of the Board

Minutes approved: April 12, 2017

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
Office of the Vice Chancellor - Business Operations/Fiscal Services

2323 N. Broadway
Santa Ana, CA 92706
(714) 480-7340 – Office
(714) 796-3935 – Fax

Date: March 27, 2017
To: Dr. Raúl Rodríguez
From: Peter J. Hardash & Adam O'Connor
Subject: Responses to Board Requests

From Trustee Phillip Yarbrough

I would like the following questions answered for 4.3:

Given the information that we have today...

1. What does “borrow 2017 summer credit FTES to maintain the 2015-16 base apportionment revenue” actually mean.
 - a) Does it mean that you are saying that the summer 2017 credit FTES that you are anticipating will be \$5.65 million or more?
 - No
 - b) If so, what is this assumption based upon?
 - N/A
 - c) Is there a plan to expand Summer 2017 enough to capture \$5.65 million in additional state revenue? No.
 - At P1 reporting of the 320 Report to the State Chancellor’s Office, the district reported a decline of 2.17% in Full Time Equivalent Students (FTES). This would amount to an effective \$3.4 million loss in funding commencing in 2017-2018. The district has two options to maintain our earned 2015-16 funded base FTES and not decline in 2016-2017. The first option is to take the loss of FTES in the current 2016-2017 fiscal year by going into Stabilization, which means the state maintains the funding at last year’s FTES earned revenue amount. For 2017-2018, the district would be in Restoration, meaning the district would need to either grow back the loss of 2.17% or borrow FTES from the 2018 summer to maintain funding in 2017-2018.

The second option is to borrow in 2016-17 from summer 2017 to maintain base FTES funding at 2015-2016 levels in the current 2016-2017 year. These

options were discussed in an expanded Chancellor's Cabinet this morning involving the college Vice Presidents. After a lengthy discussion, it was agreed upon to maintain the current 2016-2017 year FTES base by borrowing from 2017 summer to the extent necessary to maintain base FTES in 2016-2017. We have capacity of approximately 1500-1600 credit FTES in the 2017 summer programs to utilize for this borrowing strategy.

2. What is the state paid revenue for one FTES - \$4,994.49?
 - a) What is the anticipated FTES increase or loss for 2017-18, and what is that assumption based upon?
 - The current per FTES rates are \$5,005.68 per credit and CDCP, and \$3,010.06 per noncredit. As mentioned in question #1, the reported loss of FTES in 2016-17 amounts to \$3.4 million. In 2017-18, the district would be in Stabilization and attempting to grow back (restore) out of the decline.
3. Budget Assumption I. c) Where is the EPA in the Tentative Budget Analysis? Is there a corresponding reduction in state aid and faculty salaries that is not shown?
 - The analysis page of the assumptions show new ongoing revenues and new ongoing costs. The EPA (Education Protection Account – Prop 30 revenues) funding isn't new and only represents a portion of the overall funding related to our total computational revenue along with property taxes, student fees, and state apportionment. One way to look at this is instead of the state supporting our revenue at a higher level, they are able to support at \$23 million less and backfill our funding with the collected taxes based specifically on the EPA.
4. Budget Assumption I. f) For the Categorical programs that require matching funds, are those matching funds expenditures reflected in the Tentative Budget Assumption Analysis?
 - a) Is the anticipated \$5.65 million deficit worsened if the state final COLA is less than 1.48%, or would reductions within the Categorical programs be made to maintain a deficit not in excess of \$5.65 million?
 - Our Budget Allocation Model requires the colleges to budget for all required expenses to support the programs and services they offer, including categorical matches. If the state-provided COLA goes up or down, there is not an immediate impact on the budget as any COLA is sequestered until collective bargaining has concluded. If settlements are greater than the amount received for COLA, this would have an impact on the budget and would require corresponding reductions in other costs to accommodate the negotiated increases.
5. Budget Assumption II. i) What is the \$325,000 increase based upon? If there is an increase in non-resident enrollment, what is that predicated upon? Is this increase revenue due to the increase in non-resident tuition that we recently approved? If so, how much of the \$325,000 is the result of this increase?
 - New anticipated tuition fee revenues. Yes, current year has had an increase in non-resident students. Both campuses anticipate a further increase in non-resident students and therefore, an increase in the fee collections, SAC

budgeted an increase of \$300,000 and SCC budgeted an increase of \$25,000.

6. In the Tentative Budget Assumption Analysis, footnote 1, what does it mean, “The district is in stabilization in 2016-17 based upon this reporting”?
 - a) Does it mean that since we are “stabilizing” by using \$5.67 million our \$13.7 million reserve funds?
 - b) If there is a deficit in the tentative budget for 2017-2018 in excess of \$8.03 million, will we be in “stabilization”?
 - No. The term stabilizing in this footnote is related to revenue. Please see question #1 for more details. In addition to the revenue stabilization of \$3.4 million, we also have expenses in excess of revenues of \$5.65 million.

7. Budget Assumption III. g) says the 2016/17 ARC increased \$3.3 million, the Tentative Budget Analysis says the 2017/18 increase is \$2.58, a \$774k *reduction*. If this is correct is this reduction due to the increase in payroll tax for ARC?
 - The total Annual Required Contribution (ARC) for the unfunded liability for retiree health benefits, increased last fiscal year by an additional \$3.3 million to a total annual ARC cost of \$11.7 million. The portion being charged to the Unrestricted General Fund is an increase of \$2.58 million of the \$3.3 million increase. The difference is the amount associated with employees funded by categorical and restricted funds.
 - a) How long have we charged payroll 1% for ARC?
 - Note that due to this increased ARC, we are now charging 3.63% of payroll rather than 1%. The 1% of payroll has been a budget assumption and charged since the district started contributing to the unfunded liability about twelve years ago.
 - b) Have the employees and employee groups been forewarned of this impending increase in payroll tax for ARC?
 - Yes. These assumptions have been discussed and reviewed in detail with both the Fiscal Resources Committee and District Council which has representation by the employee groups.
 - c) It’s the State of California who is imposing this payroll tax, isn’t that correct?
 - No, this is not imposed by the state. This cost is based on our biennial actuarial study required under GASB 43/45 which calculates the ARC for the unfunded liability for the RSCCD retiree health benefit plans.

ARC	\$2,576,106	45.56%	
CalSTRS	\$1,196,296	21.16%	
CalPERS	\$607,948	10.75%	77.46%
Step & Column	<u>\$1,200,000</u>	<u>21.22%</u>	
Total	\$5,580,350	98.68%	
Deficit	<u>(\$5,654,821)</u>	100.00%	
Total	(\$74,471)	-1.32%	

8. The increases in ARC, CalSTRS and CalPERS are 77.46% of the requested deficit that is being asked for 2017/18. Since these three expenses are outside of our budgetary control, meaning that we are subject to the increases by the State, what do we anticipate happening to these three expenses in the next five years?
 - a) What is our plan to meet these expenses?
 - As mentioned in question #7, the ARC is not an employee benefit cost imposed by the state. However, the increases to CalSTRS and CalPERS employer rates over the next four years will have a devastating effect on our district's unrestricted general fund budget. Absent any new unrestricted general fund revenues from the state to assist districts with these increasing pension rates, districts will need to make corresponding reductions in costs in other areas of the district's budget in order to accommodate these employer rate increases.

9. What is the plan to return our budget to an income and expense balance, and when do we anticipate a balanced budget?
 - The Chancellor's Cabinet and the two College Cabinets are fully aware of this issue and have been working on fiscal strategies to bring the budget into alignment. Each college and the District Office have been given budget reduction targets that would erase the imbalance in the budget. The budget may not be fully aligned until the adopted budget that will be forwarded to the Board next September.

10. What plans were made to avoid this \$5.67 million deficit and how did these plans fail?
 - The Budget Stabilization Fund was put into place to help smooth out unexpected budget shortfalls until they could be dealt with in a more permanent manner. There was no failure involved in this process. The budget is a fluid and changing document that can and does fluctuate. Adding to the problem, our enrollment results have been much less than anticipated. This downturn in enrollment has affected our revenue at the same time as other fixed costs are rising at a faster pace than our revenue. It doesn't take long to develop a budget imbalance, but it typically takes many months to correct for such imbalances. We are in the process of making those corrections.