

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

2323 N. Broadway, Santa Ana, California 92706

Office: (714) 480-7321 Fax: (714) 796-3935

Budget Allocation and Planning Review Committee

District Office – Executive Conference Room #114

1:30 – 3:00

Meeting Minutes for March 19, 2008

Members Present: Morrie Barembaum, John Didion, Norman Fujimoto, Raul Gonzalez del Rio, Peter Hardash, Noemi Kanouse, Steve Kawa, Erlinda Martinez, Marti Reiter, John Smith, Sergio Sotelo, Jose Vargas.

Members Absent: John Hernandez, Julie Slark, George Troxcil and Juan Vazquez.

Guest Present: John Grindel, Raymond Hicks, Gina Huegli, Carl Jaeger, Thao Nguyen and Elliott Roca.

Ms. Kanouse called the meeting to order at 1:35 p.m.

Approval of Minutes from January 23, 2008

Ms. Kanouse called for a motion to approve the minutes of the January 23, 2008 BAPR Committee meeting. Mr. Kawa asked for a correction. Page two, under “Expenditures” fourth bullet should read: “Effective immediately purchase order cut off date is January 22, 2008. All purchase orders will go through President’s Cabinet at each college, including categoricals.” Mr. Kawa moved and Mr. Vargas seconded the motion to approve the minutes with revisions. The motion carried unanimously.

State Budget Update:

Mr. Hardash informed the committee that in this morning’s Orange County Register there is an article that says that the Orange County Treasurer’s Office investments in several Structured Investment Vehicles (SIV) have come under additional scrutiny. Specifically, the Whistlejacket Capital investment of \$80 million from the county pool has fallen into receivership and a British court has ruled that senior creditors are to be paid first. It appears that this action drastically lowers the probability of the county recouping any or some portion of the original investment. We were reassured several times by the Treasurer’s Office that their “buy and hold” strategy of this investment would be beneficial to the pool. We have sent in an inquiry to the Orange County Department of Education (OCDE) on how this loss of funds, if it does materialize, will affect RSCCD.

RSCCD: BAPRC, Minutes for March 19, 2008, page 2 of 3

2008-09 Budget Assumptions

Mr. Hardash reviewed the Budget Assumptions and Historical Budget Assumptions handouts. Under *General Assumptions #5* is a new assumption this year. It states: "The district will minimize impact to Students & Employees." Mr. Hardash explained, this assumption means that we are not guaranteeing anything. Our plan for the coming fiscal year is to keep cuts as far away from the classroom as possible. A hiring freeze will mostly likely be put into effect. Another consideration will be to cut back on all discretionary accounts, most likely starting with conference and travel, supplies and equipment. Discussion on how to save will take place in Chancellor's Cabinet followed by discussion with the BAPR Work Group and the full BAPR committee.

Discussion ensued on *Revenue Assumptions #7* which states: "The proposed state budget includes a 1.05% increase for statewide enrollment growth in the form of general apportionment. The RSCCD enrollment growth cap is ?, as determined by the System Office. The target growth rate recommendation will be determined through consultation with campus and district committees."

As of today, March 19, 2008 we have not received our growth cap number for the district. Mr. Hardash the district's trend is somewhere between 1.5-2% but the number is still unknown. The Legislative Analyst is proposing that the student per unit cost be increased from \$20 to \$26 per unit in order to stabilize.

Mr. Hardash asked the committee for a motion to recommend the 2008-09 Budget Assumptions to the Chancellor as presented to this committee. A motion was made by Mr. Kawa, seconded by Mr. Fujimoto and approved by the committee with one opposed, Mr. John Smith. Mr. Hardash asked Mr. Smith if he would like to make a comment. Mr. Smith said he did not feel comfortable taking the assumptions back to the Academic Senate with missing information, the question mark on number seven.

2008-09 Budget Calendar

Ms. Kanouse reviewed the RSCCD Tentative Budget Calendar for fiscal year 2008-09. The calendar is the standard calendar the district has used for many years and shows the dates and items which lead up to the adoption of the tentative budget by the Board of Trustees. This year a few of the dates have changed pending information from the System Office. Mr. Hardash added that the tentative budget must be approved prior to July 1st, therefore allowing us to pay our bills, make payroll, etc. Mr. Kawa asked for a correction. There should be an "X" in the 2008-09 Assumptions – "District to Match Grant Revenue."

Mr. Hardash asked for a motion to approve the RSCCD Tentative Budget Calendar for the fiscal year 2008-09 dated March 18, 2008 as presented. The motion was moved by Dr. Martinez, seconded by Mr. Didion. The motion carried unanimously.

RSCCD: BAPRC, Minutes for March 19, 2008, page 3 of 3

Enrollment Update

The P1 recalculated apportionment has been reissued to correct for the overstated property tax (ERAF) estimates. An apportionment deficit of 1.5% has been applied to all community college state apportionments (except for basic aid districts). This apportionment deficit amounts to an immediate mid year reduction of funding of \$2,132,611 for RSCCD.

Other

The proposed meeting dates for fiscal year 2008-09 were distributed. Mr. Hardash asked the committee to review the dates and provide us with feedback. This document will be listed as an action item on our next full committee agenda. Please note: the October 24, 2008 is a tentative date.

Next Work Group meeting: May 14, 2008; 2:30 – 4:00; (Garden Grove Room)

Next BAPR meeting: May 28, 2008; 1:30-3:30; in the Executive Conference Room #114.

Mr. Hardash adjourned the meeting at 2:35 p.m.