

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

2323 N. Broadway, Santa Ana, California 92706

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Budget Allocation and Planning Review Committee

District Office – Executive Conference Room #114

2:00 – 3:30

Meeting Minutes for February 23, 2011

Members Present: Erlinda Martinez, Norm Fujimoto, Paul Foster, Esmeralda Abejar, Ray Hicks, Jeff McMillan, Bonnie Jaros, Juan Vazquez, Steve Kawa, Jose Vargas, Raul Gonzalez del Rio, Morrie Barembaum, Jared Kubicka-Miller, Peter Hardash, Nga Pham, and Marti Reiter

Members Absent: John Didion, John Smith, and Steve Eastmond

Guests Present: Thao Nguyen, John Zarske, and Gina Huegli

The meeting was called to order by Mr. Hardash at 2:00 p.m.

State Budget Update

- CCCLC Budget Advocacy Action Center-District Budget Impact for Rancho Santiago
 - 3 Scenarios
 1. June Tax Package is Approved (best case scenario)
 - RSCCD's net reduction (\$7,097,000)
 2. June Tax Package Fails & Prop.98 is Funded at minimum
 - RSCCD's net reduction (\$12,480,000)
 3. June Tax Package Fails & Prop.98 is suspended minimum (*LAO Option*)
 - RSCCD's net reduction (\$19,699,000)
- On February 18th the budget committees for both the Assembly and Senate met to take action concerning the 2011-2012 budget proposed in January by Governor Brown
- Conference Committee will then met and present a budget bill
- While a 2/3rds vote is no longer required to pass the budget, a 2/3rds vote is necessary to put the Governor's revenue package on the ballot in June
- Actions taken by both houses
 - Approved--Statewide community colleges will face a \$400 million reduction
 - Approved --Student Fees will increase from \$26 to \$36 per unit
 - Shifted the increase in new fee revenues, estimated at \$110 million, to base apportionments to mitigate the \$400M base reduction (so, the effective cut is approximately \$290M)
 - Rejected Governor's proposal to allocate funding reductions through reform of the census date process. Both houses agreed reductions should be allocated through a proportionate workload reduction
- On March 15 the Governor expects a vote from the Legislature
 - 88 days before the June ballot
- LAO Weighs In on All Budget Reduction (Cut \$685 million from community colleges)
 - Increase student fees from \$26 to \$66 per unit (estimated savings of \$170 million)
 - Eliminate the state subsidy for intercollegiate athletics (estimated savings of \$55 million). Mr. Vazquez would like clarification on how the elimination of intercollegiate athletics would be done by the system office. Mr. Hardash explained the system office would look at MIS data reports submitted by each college in the state, and reduce the

FTES funding. Mr. Hardash recommends the colleges begin to prepare by looking at course and staff in those programs

- A CAP on state funded credits of 90 units per students (estimated savings of \$250 million)
- Reduce basic skills funding to the non-credit rate (estimated savings of \$125 million)
- Eliminate state funding for repeat physical education and fine arts activity classes (estimated savings of \$55 million)
- Eliminate state funding entirely for non-credit physical education and fine arts classes (estimated savings of \$30 million)

RSCCD for 2011-12

- Mr. Hardash predicts between \$7-\$13 million reduction in state funding for RSCCD
- \$3 million in additional district cost
 - Initial proposal was a 12% net increase in health and welfare benefits. Might be negotiated down to 9%, at a cost between \$1.9 - \$2.0 million
 - Increase in utilities cost
- Included in 2010-2011 budget is a workload and apportionment deficit reduction of \$7,514,795
- 2010-2011 First Principal Apportionment (P1)
 - Base FTES 29,961.80
 - Deficit to apportionment (\$1,075,863)
 - Statewide Average Replacement Cost \$60,289
- Projected Ending Balance
 - \$45,759,149
 - \$7,514,795 workload and apportionment deficit
 - \$1,107,182 OEC center 2009-2010
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 - \$3,079,583 2.21% growth
 - \$759,531 Projected net increase to EFB
 - \$32,190,876 Beginning balance
 - Healthy EFB will be needed for the next 3-5 years
- Cashflow
 - \$25 million needed at June 30 due to continued state deferrals
- Chancellor Budget Forums
 - SAC -TBA
 - SCC- March 7
 - CEC/OEC Centers-TBA
 - D.O.-TBA
- Mr. Kawa asked if a decision has been made regarding the additional 675 FTES. Mr. Hardash has not received any direction from the State Chancellor's Office. Dr. Martinez recommends the increase in sections should be done this year to take advantage of the available growth funds. Mr. Hardash also recommends the additional sections to generate the additional FTES and grow 2.21% on our base. Mr. Fujimoto recommends borrowing from the summer period to get the additional FTES. Chancellor's Cabinet will further discuss.

Accreditation Committee Updates

- BAPR Work group
 - Continue to work on the SB361 allocation model
- Human Resource Committee
- District Facility Planning Committee
 - Meet on February 10, 2011

Measure E Update as of February 1, 2011

- Project % of completion
 - Santa Ana College 77%
 - Santiago Canyon College 88%
 - District Office 95%
 - All Sites 83%
- Project Summary report will be available once a month

FTES

- FTES report as of 2-22-2011

Approval of the January 19, 2011 BAPRC Minutes

Mr. Hardash called for a motion to approve the minutes of the January 19, 2011 BAPRC Committee meeting. Mr. Fujimoto moved and Mr. Hicks seconded the motion to approve the Minutes. The motion carried unanimously.

Adjournment

Mr. Hardash adjourned the meeting at 3:05 p.m.

Meeting Schedule

BAPRC Workgroup meeting – Santa Ana College/F-126 (Locker Room Facility) 2:30 – 4:00
Wednesday, February 9, 2011

BAPRC Committee meeting – SAC Foundation Board Room (S-215) 1:30 – 3:00
Wednesday, February 23, 2011