

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT**

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**Budget Allocation and Planning Review Committee**

District Office – Executive Conference Room #114

1:30 –3:30

**Meeting Minutes for May 23, 2007**

**Members Present:** Morrie Barembaum, John Didion, Norman Fujimoto, Ann-Marie Gabel, Raul Gonzalez del Rio, Peter Hardash, John Hernandez, Noemi Kanouse, Steve Kawa, Erlinda Martinez, Marti Reiter, John Smith, George Troxcil, and Paul Foster.

**Members Absent:** Peter Paolino, Julie Slark, Sergio Sotelo and Juan Vazquez

**Guests Present:** Thao Nguyen and Jose Vargas.

Mr. Hardash called the meeting to order at 1:35 with a welcome.

**Approval of Minutes from March 28, 2007**

Mr. Hardash asked for a motion to approve the minutes of March 28, 2007. Mr. Kawa moved and Mr. Troxcil seconded the motion to approve the minutes. The motion carried unanimously.

**2006-07 Enrollment Update:**

Mr. Hardash reviewed the latest spring enrollment numbers, which reflect a reduction for course repetition.

**2007-08 Budget Update:**

The following topics were discussed.

**State Budget Updates: #3, #4, #5, and #6:**

The 2007-08 COLA factor for Community Colleges is 4.53%, up from the initial 4.04% proposed in January.

Community College numbers from Governor's May Revise were reviewed. These numbers will change before the final budget is signed by the Governor on July 1.

The proposed ongoing and one-time funds were highlighted on update #5.

**FTES Targets for 2007-08:**

The committee reviewed the targets submitted by the Joint Cabinets. The Cabinets have recommended that we borrow up to 150 FTES from summer 2007.

**Fixed Cost Reconciliation:**

Ms. Gabel reviewed the reconciliation of fixed costs used in determining the 2007-08 tentative budget. Mr. Hardash explained the \$2.1 million in fixed software costs. Some of these were in different objects, some are overlapping contracts for GLink and Datatel, but most of these are new contracts. The district used one-time bond money to purchase software, hardware, and

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first-year service contracts. Now these initial service contracts are coming up for renewal. Software costs are typically the responsibility of ITS. Mr. Troxcil distributed a handout describing the impact that moving these software costs to fixed costs would have on the colleges. Mr. Hardash provided a handout showing the cost of annual license fees. Discussion followed. Peter will take the concerns to Cabinet for future discussion.

**Preliminary Estimated Revenues and Estimated Expenditures:**

Ms. Gabel highlighted the estimated revenue and expenses, stating that we will have more cost than revenue in 2007-08. There will be no more discretionary dollars for the campuses next year due to the 12 new full-time faculty positions plus 16 new classified positions and one new management position. It was suggested at the May 10<sup>th</sup> Work Group that the discretionary percentage for the district be reduced from the 16.48%. Mr. Hardash brought this topic up in Cabinet, and reducing the district percentage is not an option.

The budget model needs to be re-evaluated and fixed costs defined. There should be rewards for site efficiency. Mr. Didion stated that the reason discretionary dollars are shrinking is due to the increase in fixed salary and benefit costs.

Other handouts provided include Interfund Transfers and Lottery.

Emergency planning & preparedness has become a priority since the tragedy at Virginia Tech in April. Addition security-related expenses are likely to appear in our final 2007-08 budget.

Mr. Hardash mentioned proposed changes in Title 5 funding that are described in detail in a handout provided to the committee. Hopefully this will not go through.

**Projected Balances as of April 30, 2007:**

Ms. Gabel presented highlights from the 2006-07 projections updated through April 30<sup>th</sup>. The estimated ending general fund balance is \$16,392,454. This number will be built into our 2007-08 tentative budget. This includes an estimated \$3 million to be received from non-credit enhancement. Interest income has been increased and operating expenses have been adjusted.

**Bond Budget Update:**

Mr. Hardash highlighted the bond budget update, which shows that 54% of the projects have been completed as of May 2, 2007. The projects highlighted in gray have been or are about complete.

**BAPR Work Group Notes:**

Notes from the January 17, 2007 Work Group were distributed. Historically, notes have not been distributed to the full committee until after the Work Group has reviewed them. However, it was suggested that Work Group notes be reviewed by members via e-mail and brought to the full committee in a draft format.

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**Other:**

It was suggested that students be reminded again that they should be represented on this committee.

**Next Work Group meeting**

The next BAPR Work Group will be August 15, 2007; 2:30 – 4:00 in the Garden Grove Room.

**Next BAPR meeting:** June 6, 2007; 1:30-3:00; in the Executive Conference Room #114.

Mr. Hardash adjourned the meeting at 3:40.