

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 June 6, 2007

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

Members Absent: Morrie Barembaum, John Smith, Peter Paolino and Juan Vazquez

Guests Present: Carl Jaeger, Jose Vargas and Rennie Velasquez.

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

Approval of Minutes from May 23, 2007

Mr. Hardash asked for a motion to approve the minutes of May 23, 2007. Mr. Didion moved and Mr. Troxcil seconded the motion to approve the minutes, with one date correction. The motion carried unanimously.

2006-07 Enrollment Update:

Mr. Jaeger reviewed the latest spring enrollment numbers, which reflect a reduction for course repetition. Spring credit and noncredit positive attendance numbers appear to be on target. The final 2006-07 FTES will be submitted on July 12th and could be 300 FTES below the original target.

2007-08 State Budget Updates: #7:

Mr. Hardash reviewed the State Budget Update #7 from the Community College League of California. Overall, the adopted numbers should not change much. The Conference Committee began strategizing on how to maximize the resources proposed by each house and will distribute talking points this week.

The Education Revenue Augmentation Fund (ERAF) portion of local property taxes is dramatically lower in some districts. We will not know the final numbers for a couple of weeks. There is no provision to backfill a shortfall, so we could take a hit.

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2007-08 Tentative Budget:

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 this year, 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 first-year service contracts. Now these initial service contracts are coming up for renewal and can no longer be charged to the bond fund. Software costs are typically the responsibility of ITS; however, most of these software costs are actually for products used on the two campuses and we have no choice in providing them.

Mr. Troxcil distributed a handout describing the impact that moving these software costs to fixed costs would have on the colleges. He stated that SAC's Academic Senate does not agree with the decision to move these software costs to fixed expenses, the overall feeling of the Academic Senate is that once this money is moved, the colleges will not get it back.

Mr. Hardash provided a handout showing the cost of annual license fees. Discussion followed. The Work Group will be looking at defining fixed costs for the budget model.

Dr. Martinez asked that future budget model discussions include defining fixed costs, providing for campuses flexibility to meet needs, and that software costs be evaluated by the Technology Advisory Committee. Mr. Hardash said he will take the concerns to Cabinet for further discussion.

The fixed payroll and related benefit costs are the significant factor limiting discretionary funds. If we had fewer full-time positions, there would be more discretionary dollars remaining for the campuses.

The ending general fund balance for June 30, 2007 is estimated to be \$16,392,454. The discretionary allocations for each site appear in the budget model.

Recommendation to the Chancellor:

Mr. Hardash called for a motion to recommend the tentative budget to the Chancellor for Board approval. Dr. Martinez made the motion with an amendment to continue the budget model fixed-cost discussion. The motion was seconded by Mr. Didion. The motion carried, with Mr. Troxcil opposing the recommendation.

Datatel Backfill Requests:

Mr. Hardash has received requests to move money to cover Datatel implementation costs. The requests include money for outside consultants, internal release time to work specifically for the project, overtime, and a part-time purchasing clerk. This money will be needed primarily in 2007-08 for the implementation of the student services module. It was moved by Mr. Troxcil and seconded by Dr. Hernandez to approve the Datatel backfill requests totaling \$423,945. The motion carried unanimously.

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Work Group Update:

Draft notes from the May 10th Work Group meeting were distributed. The Work Group will discuss fixed costs at the next scheduled meeting. Campus safety is likely to be another topic of discussion.

Next Work Group meeting

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

Next BAPR meeting:

The next BAPR meeting will be August 22, 2007; 1:30-3:00; in the Executive Conference Room #114.

Mr. Hardash adjourned the meeting at 3:00.