

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 November 19, 2008

Members Present: Esmeralda Abejar, Morrie Barembaum, Paul Foster, Norman Fujimoto, Raul Gonzalez del Rio, Peter Hardash, John Hernandez, Ray Hicks, Noemi Kanouse, Steve Kawa, Sylvia LeTourneau, Jeff McMillan, Ed Ripley, Marti Reiter and Juan Vazquez.

Members Absent: John Didion, Erlinda Martinez and Jared Kubica-Miller.

Guests Present: Gina Huegli, Thao Nguyen, Jose Vargas, Randy Scott and Sergio Sotelo.

Mr. Hardash called the meeting to order at 1:35 p.m.

Welcome & Introductions

Mr. Hardash welcomed the committee.

2008-09 and 2009-10 Budget

The 2008-2009 Special Session Update to the Board of Trustees meeting on November 17, 2008 was distributed. Mr. Hardash wanted to bring the committee up to date on mid-year cuts and what we are doing to prepare. Included in this handout Mr. Hardash discussed the state budget indicating the Governor called for a special session of the Legislature on November 6, 2008 and announced an \$11.2 billion shortfall in the current fiscal year. A possible \$13 billion shortfall is expected for 2009-2010. There is a recommendation from the Governor to combine tax increases and expenditure reductions; \$4.4 billion in tax increases effective January 1, 2009 and \$4.5 billion in current year cuts. The recommended solutions total only \$8.9 billion compared to the \$11.2 billion shortfall, the timing of increases/decreases is critical.

We are doing the following: Gathering best information from as many sources as possible; Chancellor's Cabinet strategy planning meetings are taking place; Gathering ideas from employees; communicating with employee groups on how to implement and process mid-year cuts. The BAPR Committee and the BAPR Work Group will discuss how to proceed with further reductions.

Included in the packet of materials distributed are the campus listings of all classes cancelled and the CCLC's estimated impact of proposed special session cuts which shows RSCCD with a projected impact of \$8.3 million.

The Legislative Analyst's Office (LAO) does not know what our cuts will be. The \$4 million in cuts the district made in anticipation of a mid-year reduction clearly wasn't enough.

The Governor's cuts are better than the suggested cuts made by LAO. LAO's proposal makes 2009-10 horrific.

The Board of Trustees passed a resolution on October 27, 2008 to not raise student fees for obvious reasons. However, beginning January 1, 2009 tuition has been increased for the CC system. The new

amount is \$26 per unit and on July 1, 2009 the amount will be increased to \$30 per unit. The CSU's are cutting over 10,000 students and are considering a 10% increase in their fees.

Mr. Hardash reviewed an email from Erik Skinner, Vice Chancellor for Fiscal Policy at the state's Chancellor's Office dated November 18, 2008. Some key points the Chancellor's Office is making are: The California Community Colleges are the key to California's economic recovery; the proposed \$332.2 million in reductions would force the community colleges to turn away over 260,000 students and the California Community Colleges generate an enormous benefit to the state's economy. Mr. Skinner stated "It is unclear whether any deal will take hold in time for Sunday's session. The conventional wisdom in the Capitol has been that a deal will not materialize and that the whole problem will be pushed forward to the next session – perhaps another Special Session in December. However, in recent days there has been an increased buzz about a potential deal that would include equal parts tax increases and spending cuts. We have received no clear indication that such a deal has been finalized."

All budget information which we receive is now available on our Employee Intranet.

2008-09 State Budget Updates

The Community College League of California Update #19 (October 8, 2008); Update #20 (October 10, 2008); Update #21 (October 28, 2008); Update #22 (November 7, 2008) and Update #23 (November 11, 2008) were distributed as information.

FTES Update as of October 9, 2008

Mr. Hardash reviewed the Target Comparison with Actuals dated November 13, 2008. Mr. Hardash added that these numbers are not solid. We need to avoid going below our base, we do not want to fall into stability this year.

Ms. Kanouse said the reduction of classes is not meeting the number of dollars saved.

Mr. Hicks asked where are we going next?

We need to identify non-producing FTES costs.

Other

Mr. Hardash said 19 hour a week employees and 0-19 hour employees total over 400 part-time positions who are on-going per Human Resources.

The Chancellor will not recommend a reduction in full-time employees but would take a recommendation from others to the Board of Trustees if necessary. Before any reductions in full-time employees, we'd reduce/eliminate most of the part-time short term, part-time hourly and cut other items such as over-time.

Suggestions from the committee were made identifying some possible areas to cut costs such as: faculty release time; part-time faculty; classified staffing; over-time; supplies and travel. Mr. Hicks suggested the BAPR Work Group start discussion on identifying costs, establishing priorities and the willingness of employees to temporarily pick up some of the workload from positions vacant in their areas.

Ms. Reiter suggested breaking out classified positions by department and would like to see scenarios on salary savings based on percentage cuts.

Mr. Barembaum suggested the BAPR Work Group come up with a plan for discussion with this committee.

Mr. Hardash referred to page 17 of the Special Session Update to the Board of Trustees on “What are we doing?”

Dr. Hernandez said we rely on 19-hour positions because we do not pay benefits. The impact needs to be analyzed, how does this affect our district?

Dr. McMillan said we need to be proactive in what needs to be done. Define ideas – how do we make the cuts?

BAPR Work Group Meeting

The notes from the November 12, 2008 meeting were distributed as information.

Mr. Hardash adjourned the meeting at 3:15 p.m.

Next BAPR meeting:

- January 14, 2009 1:30-3:30 (Executive Conference Room #114, DO)