



RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT BUDGET ALLOCATION AND PLANNING REVIEW COMMITTEE – WORKGROUP

Meeting Notes – February 10, 2010

Members Present: Peter Hardash, Noemi Kanouse, Steve Kawa, Jeff McMillan, Nga Pham, Jose Vargas, Paul Foster, Gina Huegli and Thao Nguyen

Guests Present: Morrie Barembaum, Jared Kubicka-Miller

Members Absent: Ed Ripley

Mr. Hardash opened the meeting at 2:30 pm.

Topics Discussed:

Mr. Hardash distributed a report “Budget Considerations A Primer for Senate Leaders” from the Academic Senate for California Community Colleges and suggested that it is 95% accurate and Senate leadership and all leadership should be looking at it to understand what we do here in this institution. Also suggests to read the enrollment management report published from the same source.

Enrollment Report

- Report of February 8 enrollment report was distributed. Mr. Vargas pointed out that there are discrepancies between the enrollment number in the CI Solution and the RG540 Datatel report. Mrs. Kanouse said that the CI Solution tracks every attendance but only transfers certain qualified enrollment attendance over to RG540 Datatel report. We are using the RG540 Datatel report to report enrollment. We are still auditing the two attendance tracking software to validate the number and resolve any discrepancies.
- Per Mr. Hardash, the District does not expect to fall below target. The below target in Non-credit does not mean that we are adding back non-credit classes. The above target in Credit does not mean that we are not going to get funded. We have until November 1, 2010 to change our mix and choose the blend between Credit and Non-credit. We will have more detail discussion at DEMC.

RSCCD Budget Allocation Model

Mr. Hardash distributed a working draft of the budget allocation model with objective comments throughout the document in **BOLD**. Mr. Hardash suggests the members to edit by committee.

Mr. Kawa asked Mr. Hardash “Does the fixed cost belong to the District or the Colleges? Mr. Hardash replied that we have a revenue distribution model. Fixed costs are decided at campus and program levels and district office. Those are both the strength and weaknesses of the model. Fixed cost has always been treated as a black hole and have not have given a lot of thought or deliberation into it. We really do need to define fixed cost. Some district deals with fixed cost by formula but formula are restrictive but fair. BAPR Workgroup needs to define fixed cost and make recommendations of the fixed cost needs to the BAPR Committee. We need to review the model and tie in the planning process to how we allocate our resources. Mr. Hardash said the Chancellor has not received any recommendation; even if he does receive it, he will take it into consideration but he may or may not endorse it.

Page 1-Goal

- Goal #8 needs to be added “linking budget planning to institutional goal”

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
BUDGET ALLOCATION AND PLANNING REVIEW COMMITTEE – WORKGROUP

Page 2-Budget Analysis-Revenue

- Revenue #8 – needs to be added (matching funds must be identified and included) (source of matching funds must be specifically identified) Partnership for Excellence does not apply anymore and needs to be removed

Page 2-Budget Analysis-Expense

- Expense #2 - 19 hour ongoing classified – is 15 hr considered ongoing?
- Only 19 hr would be consider ongoing and a fixed cost but may not receive benefits? 0-19 hr would be considered as discretionary cost with no benefits? Need to clarify with Human Resources.

Page 3-General Model Guidelines

- #1 – (BAPR) needs to be added and (Statement for accreditation purposes to link institutional planning process with budget process?)
- #6 – (This item needs to be better defined and clarified taking into consideration fixed costs and discretionary costs. Also, district office operations versus district wide services centralized and charged to the district office costs center.) the original 16.48% of district allocation only represents the discretionary cost
- #7 – (This item assumes a productivity standard that has not been identified for use.)
- #8 – Delete “small college equalization and” add “(ie. Nursing)” after cost of programs
- #9 – (This item needs clarification that FTES is currently used to distribute discretionary funds, not fixed costs.) (Formula driven portion of this statement has not occurred with the BAM. Need to discuss and clarify.) Our targets have become our budget for the entire year.
- #10 – “19-hour” depending on HR clarification on expense #2 above.
- #11 – (This should include categorical programs and grants) If health and welfare costs go up, the categorical programs and grants should be picking up those costs.
- #12 – (We currently do not track ongoing revenues with ongoing costs and one-time revenues with one-time costs.) We need to further define what is an ongoing cost and revenue. Carryover budget will not be used for hiring ongoing part-time or full-time employees
- #13 – (Discussion needed to clarify and define cost center’s “savings”, “cost overruns”, and the interaction of fixed costs with discretionary cost. Also, the direct matches and overmatches to categorical and grant programs within each cost center.) If the Colleges are intentionally overmatching on certain program, they need to be aware of it and that they are taking other site’s discretionary funds that could be available. These decisions would have a negative affect on the 50% law?

Page 4-Allocation Process

- #1 – (Currently all revenue flows through the model for distribution and allocation of fixed and discretionary costs. Identifying ongoing revenues tied to ongoing expenditures means that one-time revenues need to be sheltered through the model for one-time cost allocations only.) We will need to change our accounting and tracking system.
- #2 – (Need better clarifying language for this entire section. Need references to definitions of fixed costs and discretionary costs.)

Page 5-7-Budget Model Assumptions

- #2 – (This should be updated to reflect annual board assumption approvals.) The model guidelines were approved on 1/25/1999. There was discussion and handouts but no action taken. When we review the planning and budget process annually, if we have changes or recommendations, we will take it to the Board for Action.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
BUDGET ALLOCATION AND PLANNING REVIEW COMMITTEE – WORKGROUP

- #5 – (Formula for calculation have never been used to our knowledge) (these need to be reviewed and updated if we wish to utilize) (“Efficiency” and “class size” standards need to be clearly defined.) Dr. McMillan does not believe the Full-time equivalent calculations should be here in the budget model assumptions. Mr. Hardash replied that this is the definition of FTES, it is a tool/data used by senate, curriculum and instruction and hiring committee in order to make recommendations. Mr. Vargas commented that the non credit FTEF should be 25 hours instead of 20 hours.
- #6 – (Broad. Needs clarity)
- #7 – Rents and Leases need better clarifications of reasoning behind each rent and lease agreement subject to this definition.
- #9 – (This assumes on cost of credit and non-credit programs. What about CDCP and tracking revenue generated separately. Non-credit has been heavily subsidizing credit programs.
- #10 – (Better definition and clarity on district operations. District office, district wide support services, fixed costs, discretionary costs, retirement benefit costs, reserves, etc.)
- #11 – (What does this mean, Need clarity)
- #12 – (This section needs major improvement in definitions and should reference a more detailed Datatel report showing all fixed cost accounts and all discretionary accounts) A list of object codes for fixed cost and discretionary cost needs to be defined and presented.
- #13 – Does the parity clause still apply? Faculty obligations and the balance of Full-time and Part-time faculty discussion need to be take place at the fixed cost discussion session and need to be addressed in this section.
- #14 – Needs more discussion and clarity
- #15 – (This section should acknowledge the DEMC and briefly describe the process) FTES goals are established by the District Enrollment Management Committee (DEMC)

Page 8-12-Graphs/Charts/Calendar

- Flow chart needs updating, remove PFE, better define ongoing revenues and one-time revenues for distribution, also need to include categorical programs and grants.
- Growth chart needs updating
- State budget cycle graph needs updating
- District budget calendar needs updating and include institutional planning process

Page 13-14-Issues for Future Study and Refinement

- (These are items we need to discuss and either address or eliminate for “future study and refinement.” These types of issues should be reviewed annually.) If we do annual review of the model, there shouldn’t be any issues or concerns.
- #6 – Cost of growth beyond faculty salaries. (This has never been done. If appropriate should be discussed and clarified and implemented)
- #7 – Cost Center. (These are activities that should be done at the site level as budget decisions relative to fixed and discretionary costs are discussed.)

Page 15-Glossary

(Acronyms changes all the time. This section should be improved or abolished)

Mr. Hardash request the workgroup review the current model with all the comments and send him any changes or comments via email. We will be discussing what are fixed cost and discretionary cost in our next meeting before we presented to BAPR Committee.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
BUDGET ALLOCATION AND PLANNING REVIEW COMMITTEE – WORKGROUP

Dr. McMillan suggest that we shouldn't be looking at numbers yet and only look at what is defined in the system as fixed costs and discretionary costs.

Mr. Hardash commented that over the next 10 years, SAC will naturally lose money with everything being equal because SCC is growing. As a percentage of the District, SCC will be taking money away from the District and SAC. This raises the issue of productivity. The College maybe bigger but not necessary productive; whoever is most productive earns more money if we base it on FTES.

Dr. McMillan asked that the workgroup notes be published on the intranet.

The meeting was adjourned at 3:55 p.m

Upcoming BAPRC Meetings: Executive Conference Room, DO #114, Wednesday; 1:30 – 3:00: February 24, 2010

Upcoming Work Group Meetings: Garden Grove Room, DO, Wednesdays; 2:30 – 4:00: March 10, 2010

.