



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



Meeting Notes – December 1, 2010

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

Guest Present: Raymond Hicks

Members Absent: Nga Pham

Mr. Hardash opened the meeting at 2:45 pm.

Topics Discussed:

Budget Allocation Model and Other

- Mr. Hardash handed out the SB 361 Revenue Allocation Simulation for Rancho Santiago Community College District that was based on 2009-10 P-2 apportionment and P-2 attendance data originally presented at the Chancellor's Retreat to cabinet members on October 7, 2010. He walked through where the data originated from on the Exhibit C of the apportionment report. It is a model that allocates funding on specific base revenue and on FTES production.
 - Multi-college district campus > 20,000 FTES = \$4,428,727
 - Multi-college district campus < 10,000 FTES = \$3,321,545
 - Approved Center funding = \$1,107,182
 - FTES calculation based on credit rate, CDCP rate and non-credit rate
 - Deficit factor and workload measure reduction was built in
 - Some other State and Local income is based on the budget affecting the individual colleges
 - This model shows that SAC/CEC is entitled to an estimated of \$2 million more, SCC/OEC is entitled to \$1 million less and District Office gets \$142,071 more
 - If we didn't have the deficit factor and workload measure reduction, no colleges would be in the red
 - When we are able to grow again, we need to have a strategic plan in place to build SCC to over 10,000 FTES to gain \$553,591 more
 - The District and District-wide cost is comparable with other multi-college district
 - There are many issues we still need to consider
- Mr. Hardash also handed out the 2010/11 SB 361 Revenue Allocation Model Simulation of Contra Costa Community College and walked through the PowerPoint presentation given by the CBO of Contra Costa Community College at the ACBO Fall 2010 conference.
 - The result of their new allocation model was a product of the accreditation finding
 - Moving to a new funding model required accountability, transparency and more local control
 - Developed principles need to be perceived to be fair, easily understood, provide proper performance incentives, work in good and bad times, and be financially stable
 - Implementation strategies used: shifting FTES from one college to another, use international student tuition to provide transitional dollars or provide permanent revenue to reduce apportionment deficits, consolidate Cosmetology Program under one Contra Costa College (CCC) which would increase the base FTEs, and equalize base funding
 - Implementation issues were state regulatory requirements (50% law, full-time faculty obligation, and goal of 75/25%), requirements of collective bargaining agreements, public investment of physical plan and maintaining facilities, and support services staffing levels.

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- Some challenges were budget reductions while trying to implement a new model, shifting of resources between colleges and training and tools provided to colleges to execute their new responsibilities (budget development process and communication)
 - Others are Implementation Issues which includes District Office and District-wide Services assessments, reserves and deficits – accountability, allocation of new revenues and long-term planning
 - Review of model annually to make sure it works
- Los Angeles Community College District and other multi-college district are considering the adoption of the SB 361 Revenue Allocation model due to its simplicity.
 - The BAPR workgroup agreed to move the recommendation to the full BAPR Committee to change the district budget allocation model to the new SB 361 Revenue Allocation model.
 - There will need to be a transition plan to have the mechanics and intermediaries steps build in to avoid colleges being hurt once this SB 361 model is adopted. Other factors that need to be considered
 - Retiree benefits
 - Health insurance and statutory benefits increases
 - Banked leave

The meeting was adjourned at 4:00 p.m.

Upcoming BAPRC Meeting: Board Room, DO #107, December 8, 2010, 1:30 – 3:30 p.m.

Upcoming Work Group Meeting: Executive Conference Room, DO #114, January 5, 2011, 2:30 – 4:00 p.m.