



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



Meeting Notes – June 1, 2011

Members Present: Peter Hardash, Paul Foster, Norm Fujimoto, Steve Kawa, Jeff McMillan, Nga Pham, Thao Nguyen and Gina Huegli

Guest Present: Steve Eastmond and Raymond Hicks

Members Absent: Jose Vargas

Peter Hardash opened the meeting at 2:44 p.m.

Topics Discussed:

Continue on Revenue discussion of the Budget Allocation Model and Other

- Mr. Hardash attended a budget briefing, State Senate left everything almost the same, State Assembly had different scenario about deferral and program reinstatement. The Assembly added another \$25 million in fee collection. We are short on fee collections this year, and we will share a deficit to our apportionment. With fee increases from \$26 to \$36, more students will qualify for the BOGG Waiver. The fee collection should be dropped to a lower amount, but it didn't so they could use property tax excess to backfill it, but it's not a done deal yet because the State Senate has not agree to it.
- With the simulation coming out from the League, the System Office suggests we need to build about a \$7.8 million cut in our tentative budget, that's the plan A scenario. If we need to go to Plan B scenario, that will erode our ending fund balance. We have a 5-year simulation showing the effects of our increase cost every year, keeping revenue constant to show how long our ending fund balance will last. The restricted side expenditures keep on going up. There are no reinstatement of those cuts and there are no new revenues so there will be more encroachment into the unrestricted general fund.
- The tentative budget is being prepared under the plan A scenario which will cause the ending balance to last longer. If we need to go to plan B, due to lose of extension of the taxes, we will go back down to the minimum Prop 98 guaranteed and we would be closer to \$13 million deficit. The structural budget has not been identified. We need to start working on identifying ongoing revenues/ongoing expenses and one-time revenue/one-time expenses. We built our Tentative Budget under the old budget allocation model. Whether we built it under the old model or the new model the effect will be the same. We have no new revenue but we have increases in fixed cost and less discretionary cost. Mr. Hardash shared information regarding people taken off of special projects going into the general fund in the last meeting. These are some examples of fixed cost increases. We build the tentative budget base on the current year \$32 million ending fund balance not the estimated \$44 million ending fund balance.
- Dr. McMillan asked to clarify the discussion between Mr. Hardash and Mr. Didion. Mr. Didion basically said although the project the position is currently charged to expires June 30, the state does not have a budget yet. Eventually once the State has an approved budget, the position will be moved to another special project. Mr. Hardash's point is that absent anything else, if Mr. Didion did not give a 45 day notice to the individual, the general fund has to pick the person up for the new fiscal year.
- Mr. Fujimoto pointed out that many individuals were district employees and were put on a grant to help our ending fund balance. They need to be moved back once the grant is over. That shouldn't be a problem. Others were hired on the specific grant and needs to be monitored. Once the grant is over, they should be given a 45-day notice, but they are subject to CSEA and FARSCCD contract for their seniority.

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- Mr. Foster would like to be able to track all the special projects and where the movement is, but doesn't have adequate staff to do it.
- When applying for grants, the college needs to be aware of the match requirement (whether it is a hard match or in-kind) and be aware of the multi-year contract. For example the Title V grant, the college will have to pick up 100% of the cost 5 years down the road. If we continue to use our current allocation model, the college should be aware that they are paying for a certain percentage of the cost to run the program at the other college therefore reducing their discretionary cost.
- The Board Members requested to add a line item of \$500,000 to contribute to the retiree fund on the budget assumption.
- Dr. McMillan and Mr. Hicks will be assisting in writing the SB361 model documentation and will incorporate Mr. Didion's questions in the Q & A section of the documentation.
- Instructional Equipment and Scheduled Maintenance – the match will be controlled district-wide as a charge back. The fair way would be split a 70/30, but we have the flexibility to use more by college for one-year depending on the needs of the college for the year.
- Indirect Cost – goes to general fund to help defray the district and district-wide cost. The college/program/project is not allowed to use the indirect cost. Mr. Hardash will survey other districts with multi-college set up as to how they handle Indirect Cost.
- With the Workload Reduction, when restoration happens, it will take more to restore back than what they'd reduced. It will probably take 4-5 years of growth and restoration to backfill the 10% workload reduction. We need to posture ourselves in the following year for about 1-2% unfunded over-cap. This year has the highest high school graduation rate.
- The governor wants to buy back all deferrals before he gives out any COLA or Growth.
- Lottery unrestricted is used to offset utilities cost. The restricted lottery portion is split by FTES.
- Part-time Faculty Compensation Funding has shrunk and is subject to collective bargaining. We have to collectively bargain to build it into our salary schedule. It should be treated as district-wide.
- State Mandated Cost – we probably will see some money properly funded such as fingerprinting, collective bargaining, waste management, open meeting act and health fee.
- Local monies generated by cost center will get the direct benefits.
- Health Services Fees and Enrollment Fee are district-wide.
- Parking Fees are restricted general fund.
- Student ID and ASB Fees needs to be better tracked. Right now SAC gets a lot more of the ASB Fees than SCC.

The meeting was adjourned at 4:10 p.m.

Upcoming BAPRC Meeting:

June 8, 2011, 1:30 – 3:00 p.m. Executive Conference Room, DO #114

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Upcoming Work Group Meeting:

TBD, 2:30 – 4:00 p.m.