



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

Meeting Notes – September 7, 2011

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

Members Absent: Adam O’Connor

Guests Present: Steve Eastmond, Ray Hicks and James Kennedy

Mr. Hardash opened the meeting at 3:17 pm.

Topics Discussed:

1. RSCCD Current Allocation Model

Cabinet agreed several years ago to not follow the current model on the discretionary portion and allow full credit for each site when reductions occur due to various factors such as:

- More layoffs and retirees at SAC
- Adjunct account adjustments
- SAC made more fixed cost reductions
- SCC made more discretionary cost reductions
- Other

Last fiscal year, a \$500,000 one-time allocation was given to SCC out of the ending fund balance to help with the discretionary cost but the spread has been increasing to \$1.4 million and is a concern that needs to be addressed. The colleges need to have discussions to find a solution.

We have not honored the discretionary portion of the current model for the past 2-3 years and we’ve never honored any unspent funds to be carryover into the next year.

2. Ending Fund Balance Reconciliation

Started FY 2010-11 Beginning Fund Balance	\$32.19 million
Built into the budget of 5% deficit for potential midyear reduction (2% workload reduction, 3% deficit apportionment)	7.51 million
OEC center for FY 2010-11	1.11 million
OEC center for FY 2009-10	1.11 million
2.21% growth	3.08 million
Expenditure savings/Vacant positions savings	2.81 million
2010-11 Apportionment at P2 Deficit (due to last year student fee collection)	<u>(0.73) million</u>
Ending Balance	\$47.08 million

We probably have ongoing structural deficit spending at about \$8-9 million every year.

The colleges asked about the \$47 million in ending fund balance, with \$25 million in cash flow and the required reserves of \$9 million, what will we do with the rest of the ending fund balance?

Mr. Hardash has done multi-year projections about 2 months ago. It didn’t look good about 1.5 years out with the built in projection increases in health benefits. Mr. Hardash does not believe the State will be in a position to give out COLAs for another 5 years.

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The ending fund balance grew primarily not because we've over cut, it's because we received one- time revenue that we didn't bet on it coming.

The fund balance should be spent on one-time expenses.

3. SB361 Model

We will be running several scenarios of the SB361 model for next time. The draft of the SB361 model is currently being written.

The meeting was adjourned at 4:12 p.m.

Upcoming BAPRC Meeting: District Office Board Room, October 19, 2011, 1:30 – 3:30 p.m.

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