



SAC BUDGET MEETING
MINUTES – APRIL 1, 2008
SAC FOUNDATION BOARD ROOM
1:30P.M. – 3:00P.M.

Approved 5/6/08

The mission of Santa Ana College is to be a leader and partner in meeting the intellectual, cultural, technological, workforce and economic development needs of our diverse community. Santa Ana College prepares students for transfer, employment, careers and lifelong intellectual pursuit in a dynamic learning environment.

Administrators	Academic Senate	CSEA	Guests	Student Representation
Norm Fujimoto	Dan Goldmann(a)	Tom Andrews	Paul Foster	Elliott Roca
John Grindel, Co chair	Andy Gonis	Judy Arroyo (a)	Pete Paolino	
Sara Lundquist	Ray Hicks		Lithia Williams	
Sergio Sotelo (a)	Jeff McMillan			

1. WELCOME		Meeting called to order – 1:36 p.m.
2. MINUTES	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
Approval of Minutes – 3/4/08		Motion to approve minutes as presented (McMillan/Wright)
3. BUDGET UPDATES	DISCUSSION/ COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
John Grindel	<p>Large property tax shortfall has impacted the Community College budget for this year with an additional cut.</p> <ul style="list-style-type: none"> • 84.4 million cut for Community College Budget • 2.1 million cut for RSCCD • 1.2 million cut (est.) for Santa Ana College <p>There is an 8 million deficit projected for 08/09 by the district.</p> <p>Factors that contributed to the deficit were identified, over inflated Governor’s budget, slow housing market and its effects, along with the lack of tax dollars being paid.</p> <p>Although the district had planned their budget according to the Governor’s projection, they were cautious in preparing for some additional impacts by intentionally increasing the reserve beyond the 5%.</p> <p>The impact will be strongly felt next year. Possibility of not enough monies to build the 5% reserve.</p> <p>The May Revise due mid May expected to present a clearer picture.</p>	
4. COST SAVING STRATEGIES	DISCUSSION/ COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
John Grindel	<p>Members reviewed an outline of Cost Saving Strategies. Possibility for a significant amount of savings within some of the strategies identified.</p> <ul style="list-style-type: none"> • Hiring Freeze is now in effect. • Positions that are already in process will continue to move forward. 	<p>Cost Saving Strategies Suggestions</p> <ul style="list-style-type: none"> • All district employees and Continuing Education sites pay fees comparable to the cost of parking fees to offset the Security costs.

COST SAVING STRATEGIES (cont.)	DISCUSSION/ COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<ul style="list-style-type: none"> • Positions that have not been flown, they will not move forward but will be reviewed and evaluated every 3 months. • Vacated positions will not be back filled with short-term. <p>With 85% of the district's budget in salaries and benefits, this strategy will provide additional funds.</p> <p>There has been a push to save this year, however the district did not achieve the level of savings they had anticipated. The level of savings achieved this year will impact next year's picture.</p> <p>Members invited to send ideas for cost saving strategies to John Grindel which will be forwarded onto Peter Hardash.</p> <p>Adjunct faculty has had a history of not being loaded correctly reflecting in a large deficit for that account.</p> <ul style="list-style-type: none"> • Clarified at District Management Council that the Adjunct faculty line items will be loaded correctly - resulting in less discretionary monies. • SAC has focused on scheduling efficiently in meeting the demand and cutting LHE when it is evident that there are excess sections. <ul style="list-style-type: none"> ▪ Class times, days and serving students are factors strategically considered in cutting sections. ▪ Classes are averaging 35 students per class. <p>This practice has been long overdue and will allow for transparency, integrity and clarity in the decision making process.</p>	<ul style="list-style-type: none"> • Reduce the RSCCD Board meetings to once per month. • Unpaid days offered as an option for employees.
5. BUDGET ASSUMPTIONS	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
2008/09 Budget Assumptions (3/12/08)	A strong emphasis was placed on the minimizing impact to Students & Employees. The BAPRC is involved in thoughtful discussion on finding ways to insure minimal impact.	
6. FTE UPDATE	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<p>FTE report reflected strong growth.</p> <ul style="list-style-type: none"> • Deans were commended for their work in scheduling efficiently. • Important to continue focus in those efforts. • Possibility of growth monies but at this time unknown. 	
7. BUDGET ALLOCATION MODEL	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
John Grindel	Members presented with the RSCCD Budget Allocation Model. The committee has been asked to carefully review the document and to be prepared to discuss at the May 6 meeting. Committee recommendations will be presented at the upcoming BAPR Workgroup meeting on May 14.	Action – Budget Allocation Model - May 6 Agenda item.

7. BUDGET ALLOCATION MODEL (cont.)	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<p>In preparing for the structure of the discussion, suggestions were made for consideration:</p> <ul style="list-style-type: none"> • Identify the areas most compelling and most important for change. • Consider deficiencies in the model. • Deficiencies in the following the model. <p>In addition, Mr. Grindel highlighted parts of the document for further consideration:</p> <p>Purpose and Goal (page 1) Revenue (page 2) Budget Analysis (page 2)</p> <p>General Model Guidelines - Have they been followed? He highlighted Guideline #1 as an example. 1. The Budget Allocation Model will be reviewed on an annual basis by the Budget Allocation and Planning Review Committee, and the chancellor may authorize adjustments as necessary.</p>	<p>Action – Committee members to review the Budget Allocation Model and be prepared for discussion and to make recommendations that will be taken to the May 14 BAPR workgroup.</p>
	<p>Fixed Costs - Fixed costs are expenditures that must be met independent of revenue production in any fiscal year. The model's definition of fixed cost was noted and discussed. Members were asked to consider if the definition is sufficient in meeting today's needs. He noted the impact of ITS on district's monies with the increased size of the department and their related expenditures.</p> <p>Issues for Future Study and Refinement (page 13) noting the issues that were identified when the model was developed are more significant today than they were 10 years ago and are a strong basis for discussion.</p> <p>Members were also asked to review the <i>RESPONSE TO THE TEAM RECOMMENDATION #4 FROM THE 2001 ACCREDITATION VISIT</i> (Revised 3/24/08). The response was composed by Mr. Grindel as part of Standard IIID Accreditation work. He provided with a brief overview of the document's development and how it linked to the goals outlined in the Budget Allocation Model. The response also addressed the additional fixed costs outlined in the <i>Current Fixed and Discretionary Expenses Used in the 2007-08 Budget Allocation Model</i> and the evolution of the document today.</p>	
<p>8. Allocation of Safety Officers Jeff McMillan</p>	<p>DISCUSSION/COMMENTS</p> <p>A brief summary regarding the allocation of Security Officers for SAC and SCC was presented.</p>	<p>ACTIONS/OUTCOME/FOLLOW UPS</p>

8. Allocation of Safety Officers (cont.)	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<p>Santa Ana College produces more revenue to pay for Security costs through parking fees due to due larger number of faculty, staff and students. The crime statistics for the two colleges indicates that Santa Ana College along with their off campus sites are victim to more crime and has greater safety concerns than SCC and it's off campus sites.</p> <p>Members discussed:</p> <ul style="list-style-type: none"> • The ineffectiveness of the Security Officers allocation between colleges. • Funding not proportional to the # of students. • The district's process for hiring full time staff unclear. • Clarity of the process, when decisions are made that impact the Model. • Model is dysfunctional and not working <p>The common thread of discussion was "the disconnect" between decisions affecting "fixed costs" and the Budget Allocation Model.</p>	
9. Academic Senate Res. #F07.01	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<p>The Academic Senate Res. #F07.01 – Faculty Hiring was presented. Concerns were shared regarding the inconsistency with the faculty hiring process:</p> <ul style="list-style-type: none"> • College and students not well served • SCC faculty numbers up • SAC faculty numbers down • Difficult in getting a reliable data regarding the number of faculty both at SCC and SAC. • Model is dysfunctional and not working <p>Resolution has been taken to the Board. The Board is requesting information regarding the process used in other districts.</p> <p>Brief comments were noted regarded the possibility of College based position control where full-time employee slots will be assigned to the college. Currently the only site bound positions are those funded through Categorical monies. This item has been discussed and would greatly impact the process for a new position and how the resources are assigned</p>	<p>Action – Faculty data to be included in outlining deficiencies in the model.</p>
10. SAC Tentative Budget Schedule	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<p>Managers were advised to begin prioritizing discretionary spending now. Two week window to prepare numbers.</p>	
11. Evaluation of SAC Budget Priorities for 2007/08	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<p>Without discounting the importance of evaluating the 2007/08 budget priorities, the committee decided to focus on the development of the 08/09 budget priorities.</p>	

12. Development and Prioritization of 2008/09 SAC Budget Priorities	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<ul style="list-style-type: none"> • Priorities will continue to be established regardless of the predicted forecast. • Priorities will not be ranked by importance. • Minimal impact to students will be the guiding principle. • Student voice key for identifying their priorities. • Priorities will be discussed for recommendation at the May 6 meeting. <p>Update on 07/08 priority of Student Job Placement:</p> <ul style="list-style-type: none"> • Through Basic Skills monies, \$28, 000 - \$30,000 were added for 06/07, 07/08 as well as in place for 08/09. • Minimum wage also increased. • Substantial growth in program <p>Academic Senate acknowledged for their support of Student Tutoring and Job Placement Programs noting both programs had been cut dramatically during the last recession to avoid staff layoffs.</p>	<p>Action – Members were asked to be prepared to present their constituents priority items at the May meeting.</p> <p>Action – Mr. Roca will meet Loy Nashua to discuss student priorities.</p>
13. Plan and purchase of removable safety lights - Library	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<ul style="list-style-type: none"> • Concern brought forward by library staff regarding safety in unlit areas of campus when there is a loss of power. • Proposing purchasing of plug-in devices @ approxitemately \$10 per unit. • Survey will be initiated to determine how many units are needed. <p>Proposing 3 year window to complete the work in an effort to lessen the budgetary impact.</p>	<p>Action – Mr. Troxcil will request that the Safety & Security Committee process a survey to determine how many units would be needed.</p>
14. Process for requesting meeting agenda items	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
George Troxcil	<ul style="list-style-type: none"> • All items must be submitted to one of the committee co-chairs ten days prior to the meeting date in order to be considered. • As future agenda items are discussed within the meeting, the item must be confirmed by one of the co-chairs in order for it to be placed on the following agenda. 	
OTHER	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<p>Members were provided with an Analysis of compliance with the 50 Percent Law</p> <p>The Fifty Percent Law requires each community college district to spend at least half of its "current expense of education" each fiscal year for salaries and benefits of classroom instructors.</p>	

OTHER (cont.)	DISCUSSION/COMMENTS	ACTIONS/OUTCOME/FOLLOW UPS
	<ul style="list-style-type: none"> • Analysis clarified qualifying and non-qualifying positions. • District that are not in compliance with the law are fined. • Critical issue to consider when freezing or unfreezing positions. • Term "OHS" represents full time equivalent instructors • Possible to apply for exemption. 	
	<p>A concern was noted regarding the possibility of across the board percentage cuts should the budget situation require such action.</p> <p>Motion made by George Troxcil– We submit a letter to Dr. Martinez and asked that it be taken forward to Chancellor’s Cabinet that we would ask that before any proposed across the board cuts are made that there be dialogue with the involved parties, i.e. Academic Senate and Classified Employees.</p>	<p>Motion seconded by George Wright and unanimously approved by the committee.</p>
	<p>Note of concern regarding looking at the bigger picture in the decision making process as well importance of showing austerity across the board in budget crisis times was noted.</p>	
<p>Future Agenda Items</p>		

Adjourned – 3:30 p.m.
Next Meeting – May 6, 2008
SAC Foundation Board Room