



SAC PLANNING & BUDGET MEETING
MINUTES – November 7, 2023
1:30PM – 3:00PM
Zoom Meeting

Santa Ana College Mission Statement: *Santa Ana College inspires, transforms, and empowers a diverse community of learners.*

Administrators	Academic Senate		Classified	Guests	
Bart Hoffman, co-chair	Jorge Lopez, co-chair	Monica Zarske	Omelina Garcia	Mark Reynoso	Mark DeAsis
Jim Kennedy	Claire Coyne	Jenny Beltran	Mark Ou	Bill Reardon	
Jeffrey Lamb	John Zarske	Kelly Nguyen	Jimmy Nguyen	Annebelle Nery	
Vaniethia Hubbard	Merari Weber	Reza Mirbeik			
Robert Manson	Luis Pedroza	Kelvin Leeds	Student Representatives		
	Brandon Rocke		Julia Guerrero		
				Bold = present	
1. WELCOME and INTRODUCTIONS					Meeting called to order 1:35 pm Meeting adjourned at 3:03 pm
	Welcome and introductions were made.				
2. PUBLIC COMMENTS	DISCUSSION/COMMENTS				ACTIONS/FOLLOW UPS
	None				
3. APPROVAL OF MINUTES	DISCUSSION/COMMENTS				ACTIONS/FOLLOW UPS
	Approval of October 3, 2023				Motion moved to approve the October 3, 2023 minutes by Claire Coyne and 2 nd by Reza Mirbeik. Luis Pedroza abstained.
4. UPDATES/REPORTS	DISCUSSION/COMMENTS				ACTIONS/FOLLOW UPS
	<p>Budget Update Mark Reynoso reported on FY23-24 Budget Performance Report-Fund 11, 1st Quarter, as of September 30, 2023 with a starting budget of about \$118M and as of September 30, 2023 expenditures are roughly \$24M. This is about 21% of the budget spent. Some highlights from this report are:</p> <ul style="list-style-type: none"> • Holding Account (SRP/Growth \$) – starting balance: \$7.3M, ending balance: \$2.5M <p style="text-align: center;"><i>Some items reported in this Holding Account</i></p>				

	<ul style="list-style-type: none"> ○ Added \$650,000 to Instructional Service Agreement expenses ○ On-going line item added to Fund 11: Computer and Mediation Replacement Plan - \$500,000 ○ Budget for 15 new positions this fiscal year - \$1.6M ● Instructional Hourly Accounts (highlighted in yellow) shows an overbudget of about \$1.1M. An increase to adjunct budget were made. These accounts started at about \$12.9M and \$2M was added to bring the balance up to \$14M. There is still an estimated overrun of about \$4.5M in this account. <p>Mark also shared the SAC & CEC LHE Summary report as of Oct 27, 2023. Comparison of Summer/Fall FY22.23 to Summer/Fall 23.24, there is an increase of about 1,200 LHE which is about a 13% increase. He added that the rates for full time faculty versus part time faculty is that the cost is a bit less to run intersession classes with part time faculty.</p> <p>There will be an adjustment needed of about \$1M to cover the increasing electricity and gas costs. At the end of Q1, we estimate a year-end balance of about \$1.9M for Fund 11.</p> <p>Kelvin Leeds asked if there is more revenue coming in from adding more classes to help the \$4.5M overrun caused by adjunct salaries. Mark Reynoso explained that it costs money when classes are added due to additional salaries that need to be paid out. However, additional revenue was received from the FTES at the beginning of the fiscal year that will help offset the cost. More revenue will be received from the FY22-23 restoration dollars which will show up in February or March 2024. Dr. Nery further explained that it takes about 18 months to receive growth dollars, therefore causing a negative balance.</p> <p>Mark shared Fund 13 FY23.24 Budget Performance Report. The report shows a budget of about \$7.3M as of September 30, 2023. The estimated ending balance will be about \$3.5M.</p> <p>Resource Allocation Request (RAR) Summary Mark Reynoso shared the FY23.24 Resource Allocation Request Summary which depicted a total of \$6.3.M in submitted requests. The total funded requests totaled \$2.6M. There was a total of 303 requests submitted and 157 were approved.</p> <p>COVID 19/Block Grant Update – no report</p>	
5. SCFF REPORTS	DISCUSSION/COMMENTS	
	No report	
6. OLD BUSINESS	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	Goal Setting Template 2nd Read – it was recommended that a workgroup be formed to complete the template.	Workgroup to be created.
7. NEW BUSINESS	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS

FON/Retirement/Growth

Dr. Nery reported that this year there will be an effort in integrated planning. We will attempt for this committee to make recommendations to College Council. The first thing that will be funded will be faculty positions. This committee will make a recommendation on how many faculty to hire. After the recommendation is made, Institutional Effectiveness and Assessment Committee (IEA) will evaluate the recommendations. The second item is a recommendation on the additional monies that are left and available FY24.25. This committee will make a recommendation on how much money is spent on staffing positions. Lastly, a permanent budget augmentation prioritized through the submission of program review will be reviewed. This committee will be experts on the current and next year's budget and the Fiscal Resource Committee (FRC) District Office budgets. Any inconsistencies will be reconciled. However, today only the faculty funding will be discussed.

Dr. Nery explained that growth in a budget takes about 18 months to receive. The reason for this is that during a fiscal year, state apportionment reports need to be filed. The first one is called P1 in January, the second is P2 in April and P3 in July. Growths or deficits are not known until November. In FY21.22 we were out of hold harmless. Once out of hold harmless we were eligible for growth, restoration, and COLA. In FY22.23, with our double-digit growth, it brought about \$7M to SAC, based on the budget allocation model. At the beginning of this year, we received \$4M from SRP and \$3M from growth. The remaining FY2.23 growth will come to us in Spring 2024 which will be about \$4M, because it's the end of the fiscal year, it will go into a Fund 13 and will come back to us in FY24.25. We are eligible for growth, which is .5%, remaining restoration and large college status allocation. That is on top of the \$4M from FY22.23, that will be ongoing for 2024 and 2025. Right now, the definitive on the books is \$4M from FY22.23. The restoration that we could get from the district is between \$10M - \$12M.

The first recommendation from this committee is how many faculty to hire. The faculty obligation number (FON) is a required number of faculty that need to be hired. Dr. Nery added that FON for Fall 2023 was estimated to be 348 according to the FRC. In Fall 2022 it was recorded that the district had 17.8 faculty under the FON. If it's under the FON, it means a penalty was paid. The current cost for a new position is budgeted at Class VI, Step 12 at approximately \$175K. Penalties for not meeting FON obligation was about \$87K per FTE not filled. The state helps a bit when we hire full time faculty. Last year we hired 28 full time faculty (SAC 18 and SCC 10). For the 18 hires we received 12.5 for unrestricted general fund and for the 10 hires we received 2.5 for restricted general fund. The remainder were replacements or retirements and three non-credit faculty. This was adopted by FRC in September 2023.

Dr. Nery added that part of this committee's role is to recommend how many of the district FONs should be for SAC.

John Zarske reported that he sat on Human Resource Committee (HRC) for a long time, and they would take the FON, see if SAC and SCC had any separations and get those positions

Dr. Nery will follow up with the HRC and FRC chairs regarding the

	<p>replaced. Any new positions would be divided in accordance with the budget allocation model. SAC would roughly generate 70%. But it sounds like this has changed. He added that this charge was removed from HRC and given to FRC.</p> <p>Dr. Nery reported that she will create a FON workgroup to start pulling the FON data. Only the people closest to the work would know if it meets the FON or not. She added that she has the FON certification and asked permission to share the link with this committee. She shared the Fall 2023 Compliance Form showing total Full Time FTEF at 358. According to FRC, they reported 348 as our compliance FON. She emphasized that in a multi-college district, it is critical to know the 320 reports, exhibits Cs and Es. They are the fiscal reports of our payment cycle. If we do not report what we are really going to earn in an earlier state apportionment report, it could look like we are in decline or under reported and it takes 18 months to two years to get that back. She added that we should not be governed by a compliance FON. We should be governed by what students need and what our growth is. One of the reasons most of the colleges in our system are not growing out of their enrollment decline is because they were dealing with the floor when they should be dealing with the ceiling of what is best for the students. The only way to get out of an enrollment decline is to hire the faculty we need to meet the students demands. She added that she does not believe in paying penalties for being under the FON.</p> <p>Luis Pedroza stated that we would need to know how many hires we need two years in advance. Dr. Nery agreed and stated that multi-year reviews should be conducted. Dr. Kennedy added that he would like this committee to also consider the non-credit faculty, in terms of the number of faculty to hire.</p> <p>Dr. Nery reported that she and Dr. Daniel Martinez will hold a retreat with non-credit faculty early summer 2024 to create a non-credit fact book to be published every year.</p> <p>Dr. Nery shared a report showing a list of retired/resigned positions. The report showed four faculty retirements for FY23.24. Because there is no automatic replacement policy, the funds go back into the pool. There are also three Long-Term Subs whose funds will be released at the end of FY24, which will become available in FY24.25. That is a total of at least 7 positions and potentially more. Monies have been allocated for an additional four positions from FY21.22. Dr. Nery added that faculty prioritization sits in the Senate. The Senate goes through their process and submits a ranked prioritized list to the President. The President can either go through the list as presented or go out of order. The recommendations from this committee go to the President and she will take those recommendations to College Council. Each division will submit their program reviews that will also request new positions to be hired.</p> <p>Budget Priorities for RAR Process 1st Read - Mark Reynoso shared the Budget Priorities for 2024-2025.</p>	<p>FON allocation. She will also review the language in the District's Planning Design Manual.</p> <p>Dr. Nery will create a FON workgroup by next Summer or Spring.</p> <p>The committee should review the Budget Priorities for recommendations or edits.</p>
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8. STUDENT UPDATE	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	None	
9. SACTAC	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	None	
10. ACCREDITATION	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	None	
11. FUTURE AGENDA ITEMS		
	<ul style="list-style-type: none"> • Assess Tasks on Committee Calendar • FTES 101 PowerPoint – Dr. Nery, Presenter • Discrepancies between SCFF Metrics and MIS Data – Dr. Martinez 	
GENERAL INFORMATION		
	Physical Resources Committee (rscdd.edu)	
NEXT MEETING	December 5, 2023	

Submitted by Maria Cardona