



SAC PLANNING & BUDGET MEETING
 MINUTES - JUNE 3, 2014
 F-126
 1:30P.M. - 3:00P.M.

Approved 9/2/2014

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

Administrators	Academic Senate		CLASSIFIED	GUESTS	
Mike Collins, co-chair	Chris Cannon(a)	Monica Porter	Tom Andrews	Esmeralda Abejar	Brenda Serratos
Jim Kennedy	Ray Hicks co-chair	George Wright	Denise Hatakeyama	Carl Jaeger	Maria Taylor
Linda Rose(a)		John Zarske	Jimmy Nguyen	Rhonda Langston	Kathy White
Lilia Tanakeyowma(a)	Student Rep.		Leslie Wood-Rogers		
	Jorge Sandoval(a)				
1. WELCOME				Meeting called to order 1:31p.m.	
				Self introductions were made.	
2. PUBLIC COMMENTS		DISCUSSION/COMMENTS		ACTIONS/ FOLLOW UPS	
				No Public Comments	
3. MINUTES		DISCUSSION/COMMENTS		ACTIONS/ FOLLOW UPS	
		The May 6, 2014 Planning and Budget minutes were presented for approval.		<u>ACTION</u> Motion was moved by J. Zarske approve the May 6, 2014 Planning & Budget Committee minutes. 2 nd - J. Kennedy Minutes were approved as presented with 1 abstention.	
4. BUDGET UPDATE		DISCUSSION/ COMMENTS		ACTIONS/ FOLLOW UPS	
		<u>STATE</u> Senate Budget and Fiscal Review Subcommittee made recommendations last week. Differ from the Gov.'s May Revise: <ul style="list-style-type: none"> • Growth 2.75% • Pay down all deferrals to CCCs • Many other recommendations related to increasing spending due to increased revenue, such as COLA increases, more for sch. Main...and allowing for flexibility in funding IE. • Still unclear on the SSSP match requirements as well as the match guidelines- looks like 2:1 match at this point for FY 14/15 SSSP funds. \$2.5 million eligible to the Dist, colleges must come up with \$5 million in new match. Scrubbing budgets in the Student Services areas to look for potential eligible match....need in excess \$2 million in additional match in 14/15. <ul style="list-style-type: none"> o Match is all on the non-instructional side of the 50% law calculation We expect the Assembly to use the LAO's higher revenue projections to take			

BUDGET UPDATE (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>similar actions to these, which will place pressure on the Governor to augment his revenue assumptions and agree to a higher spending plan. Stay tuned.</p> <ul style="list-style-type: none"> • CalSTRS alternative proposal, which will be recommended to the Senate and Assembly Budget Committees, will fully fund CalSTRS over 30 years, but has some significant changes. Compared to the May Revision proposal, the alternative proposal reduces the employer contribution rate increases for the first three years, then increases the rate to the same final rate reflected in the May Revision proposal <ul style="list-style-type: none"> ○ Current May revise has CalSTRS employer contribution at 9.5% 14-15 (8.88%), from 8.25% in 13/14- \$687,500 in District contributions rate for 14/15. <ul style="list-style-type: none"> ▪ 15/16 11.81% (9.81%) • Proposed increase to CDCP rates in FY 2015/16 to the credit rate/FTES <ul style="list-style-type: none"> ○ Current CDCP rate= \$3,232 ○ Current credit rate= \$4,564 ○ Difference of \$1,332 ○ Could generate an additional \$8.6 million in 15/16 • Legislature has a June 15th deadline to enact a state budget, forward to Gov. by July 1 <p><u>DISTRICT</u></p> <ul style="list-style-type: none"> • Tentative budget assumptions were recommended by FRC for 14/15 and sent to this Committee for review. The Tent. budget will be presented to the BOT on June 9. Placeholder budget to allow for Dist to pay bills, salaries. Tent. Budget is posted on the P&B website for all to review. • Potentially \$3.6 million if the Dist can earn it....\$2.5 million for SAC if we can grow 2.75%. • COLA increase at .85%, about \$1.2 million if it stays at .85, segregated and put in a holding account pending CBA outcomes. No COLA for categorical programs. • Sch. Maint. as it stands today= \$3.9 million Dist, no match, one time funding- NO IE at this point in the budget • \$740,000 for DIST related to State Mandated Cost reimbursement block grant • In essence, District's expenses in the Tent. budget far outpace increase in revenues (\$4.6 new revenue, \$7.4 in new expenses) \$2.8 million deficit in Tent. budget, covered by budget stabilization fund. Starting to impact the budget stabilization fund. • FY 14/15 Adopted Budget will go to BOT for approval at the Sept. 8th meeting- includes actual enacted state budget act funding. 	

BUDGET UPDATE (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p><u>SAC</u></p> <ul style="list-style-type: none"> • Cash Flow Report- At April month end, 3.3% under budget, about \$2.53 million under budget. Could potentially increase due to actuals at year end close. • 14/15 Tent. Budget at SAC shows \$2.35 million increase in budget, but also shows a \$2.1 million increase in employee benefits due to step & column. • We are seeing a shift of FTES revenue from SAC to SCC due to FTES estimated annual accounting at P2. FY 13/14 FTES split was SAC = 70.80% and SCC= 29.20%, and it appears that we may not make the SAC target, landing at P2 reporting at 70.19%. SCC did grow more than their target to 29.81%, about a .61 basis point change. <ul style="list-style-type: none"> ○ According to the model, the P2 split becomes the FY 14/15 split. It really means that a few more bucks will go to SCC due to their ability to grow more than SAC. Both colleges met their base target, but SCC grew more than SAC. ○ Still a work in progress, as the final numbers for much of our positive attendance and non-credit have yet to be firmed up. ○ Tentative budget only! <p><u>Cash Flow Report ending April 2014</u></p> <ul style="list-style-type: none"> • College is under budget with 80% being spent so far. • Still working with departments/divisions to cover negative balances. • In order to budget properly more information is needed from the departments and divisions in the area of beyond contract scheduling. • It was noted that banked leave is posted by the district twice a year. <p>Members were updated the college is in discussions with SCE regarding sub-metering the campus buildings in an effort to better track utilities costs.</p> <p>Appreciation was given to the membership their work on the committee and their diligence in working with the departments and divisions.</p>	
5. STUDENT UPDATE		
	<p>There was no formal student update presented, however the following student news was shared with the committee:</p> <ul style="list-style-type: none"> • SAC Student Representation fee was approved which is one dollar per student that registers at SAC. • SCC and SAC students collectively proposed to raise the student activities fee and that proposal will be presented at the next BOT meeting. <p>This was good news for the students as it will allow for funding of projects that the ASG has been interested in moving forward with.</p>	
6. SACTAC	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>The committee has formed a subcommittee to prioritize all the technology requests that were received from the 14/15 RARs process. The prioritized list will be brought to the Planning and Budget committee for review. As funds are available, SACTAC will move through the list.</p>	

SACTAC (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>It was clarified that SACTAC is a participatory governance committee whose mission is to oversee the academic technology needs of the college. Members were reminded that the structure and overall charge differs from a department or division. It was noted that this new reporting structure where all budget items/recommendations come to Planning and Budget was a change that was reviewed by the Academic Senate and College Council. A concern was shared regarding requests made in past years. No feedback was provided as to the outcome of their requests. Discussion ensued:</p> <ul style="list-style-type: none"> • Prioritization process is based on the budgeting criteria, Strategic Plan, college mission. • Process is only for budget augmentation. • The college-wide RARs requests, the “prioritized” requests and the funded requests are posted on the Planning and Budget website. <ul style="list-style-type: none"> ○ This allows for faculty and staff to track their request within the process. • The RARs process allows for transparency. • If there is a question regarding a request, this process allows for open communication. <p>The membership was reminded about the importance of sharing the information from the Planning and Budget meetings with their constituencies. In addition, letting their constituencies know where the information is located.</p>	
7. OLD BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	No old business to report.	
8. NEW BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
50% Law Update	<p>Members were reminded that the law requires that community college districts spend half of its “current expense of education” each fiscal year for salaries of classroom instructors. The law limits how much districts can spend on non-instructional costs.</p> <p>An update on the work of the 50% law task force was provided.</p> <ul style="list-style-type: none"> • The group met, analyzed and identified the gap between instructional expenses and non-instructional expense. <ul style="list-style-type: none"> • The gap was noted as 61.3% for SAC and 53.65% for SCC. • The task force discussed an equitable distribution between SAC and SCC. <p>Discussion ensued.</p> <ul style="list-style-type: none"> • The following was proposed. SAC will not go above 62% and SCC will increase theirs to 59.9%. • SCC will work with their campus constituencies will develop a formal plan to increase instructional expenses and decrease non-instructional expenses by adding 1mil annually to the beneficial side of the calculation. • With the new faculty hiring, SAC will solely carry the district for 14/15. • Members were reminded that with the increased FTEs at SCC in 14/15, SCC’s FON will increase which will in turn increase their instructional costs. • Not meeting the 50% Law could result in a penalty action that SCC would be 	

NEW BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>responsible for if they were not able to meet their agreed share.</p> <ul style="list-style-type: none"> • District must play a strong role by controlling expenses. <p>The committee continues to work on this with more recommendations and discussions at FRC. Members will be kept updated accordingly. It was noted that no language has been added to the Budget Allocation Model Allocation Implementation document.</p>	
Budget Stabilization Fund	<p>Members were updated that the committee's concern regarding the monies taken from the Budget Stabilization fund to cover the expenses of the OEC project and a plan for those funds to be replenished was brought to the attention of the Chancellor. The concern was shared and heard and no further feedback on the matter was provided.</p>	
District Budget Augmentation requests update from POE	<p>It was reported that the district budget augmentations that are moving forward at this time are:</p> <p>Elections - \$400,000 Legal fees - \$250,000 International Student recruitment - \$18,000.00</p> <p>It was not clear as to the status of the \$250,000 request for Marketing costs. The importance of having a well thought out marketing plan was noted.</p>	
FTEs Generation FY14/15	<p>Earlier in the meeting, a concern was shared regarding the college's FTE generation for 14/15 and how the impact of closing Dunlap Hall would affect that. It was noted that the college is committed to meeting their base target and then moving toward their growth target.</p> <p>Maria Taylor, Facilities Coordinator provided an overview to the membership regarding the status of the relocation of classes as a result of Dunlap's closing.</p> <ul style="list-style-type: none"> • 300 classes are normally scheduled in Dunlap Hall. • Every class was relocated to a regular classroom on campus with the exception of four classes that will be utilizing computer classrooms. • The process for adding additional classes was outlined. <ul style="list-style-type: none"> ○ Once the Schedule goes to print, an Open Space Report is provided to the deans. ○ The deans build their additional classes based off of the Open Space Report. <p>It was also mentioned that in order to air condition one classroom in Dunlap Hall, the entire four-story building has to be air conditioned, hence the entire building had been air-conditioned to accommodate three Saturday classes.</p> <ul style="list-style-type: none"> • The Village classrooms are all individually programmed which will be a cost savings to the college. <p>Discussion ensued.</p> <ul style="list-style-type: none"> • The new schedule is a roll over from the previous schedule which had growth built into it. <ul style="list-style-type: none"> ○ Strategies to grow on top of that is a goal of the college. 	

NEW BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> ▪ After the drop date, there will be a review of classes with high fill rates. ▪ A review of what specific classes are needed related to our pathway core programs is also planned. ▪ Friday/Saturday pathway classes in the Village and I building are being discussed. ▪ Academic Affairs is looking at ways to maximize efficiency of our physical plant. <p>The membership thanked Mrs. Taylor for her efforts in this area.</p>	
9. FUTURE AGENDA ITEMS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
10. OTHER ITEMS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p><u>Continuing Education Consortium</u></p> <ul style="list-style-type: none"> • The governor is working to build a consortium of non-credit providers between K-12 and community colleges in an effort to have a more organized non-credit program throughout the state. An update was reported on the local region. • The regional consortium meets regularly. • Independent program area meetings will begin soon. They will be discussing how to deliver adult education throughout the region. • The region consists of SCC and SAC who are the major providers of non-credit services. • This is has great potential for the district for new revenue and opportunities to expand services. • The program will allow expanding services in other areas of Santa Ana. <p>It was reported that 49% of Santa Ana residents ages 25 and over do not have a high school diploma. With this potential outreach, it will possible for continuing education students to transfer to Santa Ana College making them the number #1 feeder institution into the college.</p>	

Adjourned - 3:04p.m.
 Next Meeting
 Tuesday, August 5, 2014 if needed
 1:30p.m. - 3:00p.m.
 S-215
 Submitted by G. Lusk 6/25/14