



SANTA ANA
COLLEGE

Santa Ana College

Planning & Budget Meeting

March 5, 2013



SAC Planning and Budget Committee

March 5, 2013

1:30 p.m. - 3:00 p.m.

S-215

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.

Agenda

1. Welcome and Introductions
2. Public Comments
3. Approval of Minutes for Feb. 5, 2013
4. Budget Update
5. Student Update – no report
6. Old Business
 - Vacant Position list
7. New Business
 - FON – Faculty Obligation Number
 - Resource Allocation Request process
 - District Tentative Budget Assumptions
 - SB361 Budget Allocation Model Review
8. Future Agenda Items
 - SAC Tentative Budget Assumptions
 - Resource Allocation Requests
9. Other Business

Next Meeting – April 16, 2013



SAC PLANNING & BUDGET MEETING
 MINUTES - FEBRUARY 5, 2013
 SAC FOUNDATION BOARD ROOM
 1:30P.M. - 3:00P.M.

Draft for Approval

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	Student Rep.	
Mike Collins, co-chair	Chris Cannon(a)	Michael Kelcher	Jeff McMillan, co-chair	Tom Andrews	Michael Burriss
Jim Kennedy	Ray Hicks		Monica Porter	Angela Guevara(a)	Guests
Sara Lundquist	Elliot Jones		George Wright	Denise Hatakeyama	Esmeralda Abejar
Linda Rose			John Zarske	Leslie Wood-Rogers	Bart Hoffman
					Rhonda Langston
					Becky Miller
1. WELCOME				Meeting called to order 1:40p.m.	
Self introductions were made.					
2. PUBLIC COMMENTS		DISCUSSION/COMMENTS		ACTIONS/ FOLLOW UPS	
		No public comments			
3. MINUTES		DISCUSSION/COMMENTS		ACTIONS/ FOLLOW UPS	
		Approval of the December 4, 2012 minutes The December 4 minutes were presented for approval.		ACTION Motion was moved by J. Kennedy to approve the December 4, 2012 Planning & Budget Committee minutes. 2 nd – L. Rose Motion unanimously carried.	
4. BUDGET UPDATES		DISCUSSION/ COMMENTS		ACTIONS/ FOLLOW UPS	
		State Budget <ul style="list-style-type: none"> • Governor has introduced his budget proposal for 13/14. <ul style="list-style-type: none"> ○ More specifics of the proposal will be outlined on February 14. ○ There is a focus on meeting the needs of the students with an emphasis on improving overall completion rate. ○ Governor is looking to education as a main priority to drive economy and restore economic stability. • There is a possibility of a current year deficit due to lower revenue at state level. • Initial good news for higher education but we need to take 13/14 with a conservative view. • No real increase in funds for 13/14 for the district • No increase on student fees. • The district will be receiving about 5 million from the \$197 million apportionment increase however it is not known how these monies will be provided to the district. <ul style="list-style-type: none"> ○ It is anticipated that the Board of Governors will determine how the increase will be divided up. • There is a deferral buy down that will help buy down what the state owes the district. It's a paper buy down/no new monies. 			

BUDGET UPDATES (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
<p>Budget Update</p>	<ul style="list-style-type: none"> • For more detailed information on the Governor’s proposal, the members were provided with a handout provided at the January 18 ACCCA/ACBO Budget Workshop. <p>Campus Budget Update Administrative Services has completed a current budget performance report as of 12/31/12.</p> <p>The department is also working with the Vice Presidents to cover deficits now. This will provide a better understanding of where we are at the end of the year.</p> <p>It was noted that the college budget has performed well but members were reminded of the one-time funds (carry over) that were infused to meet unfunded instructional and facilities needs.</p> <ul style="list-style-type: none"> • To better forecast, the department is working with the district to gain access to the SAC cash flow reports. <ul style="list-style-type: none"> ◦ There was an inquiry regarding the possibility of having the cash flow reports being broken down by division/department. ◦ Having the cash flow reports available to the divisions/departments would be a great tool in maintaining budgets. <ul style="list-style-type: none"> • Division/department cash flow reports are a goal Administrative Services would like to work toward. <p>The department is working with the district to identify funds for scheduled maintenance and emergency repairs.</p> <ul style="list-style-type: none"> ◦ Members were updated that the campus has experienced some major water leaks to the domestic water and fire water lines within the last 3 weeks. <p>Administrative Services is also working on developing a budget process.</p> <ul style="list-style-type: none"> • Members were reminded about the importance of tying planning to budget as they move forward in the process. The mechanism to begin this process will be the Program Review process. • The process will be developed in collaboration between Administrative Services, and the Planning & Budget committee. • The importance of establishing a process and working through it was noted. <p>Members were updated on the status of the new budget allocation model document.</p> <ul style="list-style-type: none"> • The document hasn’t been presented back to BAPR. • Some of the language in the document is being clarified by Peter Hardash and Adam O’Connor. • Timeline when the document will be ready to be presented to the Planning & Budget committee is not known at this time. <p>Cabinet will be reviewing SAC vacant positions and the cost for SAC to make progress towards their faculty obligation number. Members were reminded that these costs estimation are made on the high end of the scale.</p>	

BUDGET UPDATES (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> • A discussion ensued regarding the faculty vacancies to be replaced and the importance of working towards the FON. <p>For clarification and better understanding, the vacant position list will be presented at the March meeting.</p> <p>It was clarified that some of the ending balance was put into the budget to fund unbudgeted instructional and facilities needs.</p> <p>FTEs The college is meeting and exceeding FTEs target. Carryover funds were used to ensure that the college's FTE target was met.</p>	<p>FOLLOW UP The vacant position list will be presented at the March meeting.</p>
5. STUDENT UPDATE	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>New ASG representative, Michael Burris introduced himself to the membership. A meeting will be arranged with the committee co-chairs and Michael to familiarize him with the committee and the processes.</p>	
6. OLD BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
<p>Committee Priorities Update</p>	<p>Members were presented with a draft of the committee priorities for 13/14 for discussion.</p> <ul style="list-style-type: none"> • The draft document was developed in consultation with SAC Cabinet, and Jeff McMillan. • The proposed new priorities stayed close to the committee priorities established in 2009 and reaffirmed in 2010. Members were reminded that the 2009/10 priorities were developed at a time when cuts were being made. • An effort was made to stay close to what had been adopted, however the proposed draft focuses on where the college is today. • Members were reminded that the intent of the committee's work is not to look at detailed line items but to provide general guidelines when decisions are being made. • The document would serve as a guide on how the committee prioritizes and work through the budget development. <p>Discussion ensued.</p> <ul style="list-style-type: none"> • There was clarification provided for the priority of Student Success Initiative. <ul style="list-style-type: none"> ◦ The intent of the priority is to be intentional in allocating resources to maximize student success. <p>The importance of being aware of the policies that are being considered at the state and how those policies could affect the resources that come to SAC was noted.</p>	<p>ACTION Motion was moved by J. Zarske to move forward with the revised 13/14 Budget Priorities as presented. 2nd – R. Hicks Motion unanimously carried.</p>
<p>Tying planning to budget goal</p>	<p>Dr. Rose presented the members with a diagram that outlined what the Accreditation teams will be focusing on during a site visit.</p> <p>Discussion ensued.</p> <ul style="list-style-type: none"> • The team will be looking at how the allocation of our resources ties into each area on the diagram. • How does the institutional mission aligned to the district mission. • How do our resources and budget tie into SLOs? 	

OLD BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> • Important to align budget requests to the outcomes we are trying to achieve. <p>Members were also updated on additional mandates/requirements – where will the additional funds come for the additional mandates?</p>	
7. NEW BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
SAC Budget Calendar	<p>The committee was provided a draft of the 13/14 SAC Budget Calendar. The calendar is in alignment with the district's tentative budget as well as adopted budget. A brief overview of the calendar process was shared.</p> <ul style="list-style-type: none"> • The departments are updating/developing their program reviews. • Administrative Services is developing a form/process for budget requests that are tied directly to their program reviews. <ul style="list-style-type: none"> ○ The goal is to identify what the intended outcomes for the areas are and attach our resources to them. ○ Departments will be responsible for prioritizing their requests before they are forwarded to Administrative Services. <p>The committee discussed the importance of having enough time to review the budget before it is sent to the district.</p> <ul style="list-style-type: none"> • It was requested that a SAC tentative budget be available for the committee's review at the April meeting. 	ACTION Motion was moved by M. Kelcher to approve the 13/14 SAC Budget Calendar as presented. 2 nd – M. Porter Motion unanimously carried.
8. FUTURE AGENDA ITEMS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	Vacant funded faculty positions.	
9. OTHER BUSINES	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS

Adjourned – 3:00p.m.
Next Meeting –Tuesday, March 5, 2013
1:30 – 3:00p.m.
S-215
Submitted by G. Lusk 2/14/2013

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2013-14 Tentative Budget Assumptions
February 14, 2013**

I. State Revenue

A. Budgeting will continue to utilize the District's Budget Allocation Model Based on SB 361, modified using carryover resources to balance the budget.

B. FTES Workload Measure Assumptions:

Year	Base	Actual	Funded	Actual Growth
2010/11	29,961.80	30,515.15	30,515.15	1.85%
2011/12	28,585.12 a	27,711.41	27,711.41 (Est.)	-9.81%
2012/13	28,000.00 (Est.)	28,494.66 b	TBD	

a - based on Chancellor's Office 2011-12 "Blue Book" (August 2011)

b - based on RSCCD reporting at P1 on 1/15/2013

No 2011/12 Recal or 2012/13 P1 reports available yet from state Chancellor's Office.

Estimated funded FTES in 2011/12 of 27,711.41 and 2012/13 of 28,000.

The Governor's budget proposal includes 2.6% additional funding without specifics. For tentative budget we will assume it will be allocated between Cost of Living Adjustment (COLA) and Restoration/Growth:

Projected COLA of 1.65% (Est.)	2,300,000
Projected Restoration/Growth 1.95% (Est.)	2,700,000
Projected Deficit	-
Base for 2013/14	<u>5,000,000</u>

2013/14 Est. 1.95% Restoration/Growth for target FTES: 28,546

D. Unrestricted lottery is projected at \$124.25 per FTES (\$3,593,558). Restricted lottery at \$30 per FTES (\$867,660). (2012/13 P1 of resident & nonresident factored FTES, 28,922 x 124.25 = \$3,593,558 unrestricted lottery; 28,922 x 30 = \$867,660)

E. Estimated reimbursement for part-time faculty compensation is estimated at \$691,661 (2012/13 budgeted amount).

F. Categorical programs will continue to be budgeted separately; self-supporting, matching revenues and expenditures. No COLA has been proposed by the Governor for categorical programs. However, if the district were to settle with employees for a COLA, this will increase expenditures without increased revenues for these programs. Other categorical reductions would therefore be required to remain in balance with state funding.

G. BOG fee waivers administration total funding estimated at \$100,000.

II. Local Revenue

H. Non-Resident Tuition budgeted at \$1,600,000.

I. Interest earnings estimated at \$150,000.

J. Other miscellaneous income is estimated at \$581,499 (2012/13 budgeted amount).

K. Mandated Block Grant reduced based on systemwide FTES growth, estimated at a total budget of \$750,000.

L. Apprenticeship revenue estimated at \$1,389,973 (2012/13 budgeted amount).

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND
2013-14 Tentative Budget Assumptions
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III. Appropriations and Expenditures

- A. The Tentative Base Budget for 2013/14 will begin with a rollover in total budget by site from 2012/13. The 2013/14 Tentative Budget will be balanced by using a material portion of the 2012/13 unrestricted ending balance in excess of the 5% Restricted Reserve (Budget Stabilization Fund).
- B. The COLA revenue (estimated at \$2.3 million) will be set aside in districtwide expenditure accounts subject to collective bargaining.
- C. Step and column movement is budgeted at an additional cost of approximately \$1.1 million and benefits of approximately \$220,000.
- D. Health and Welfare benefit premium cost increase estimated at 5% is an additional cost of approximately \$700,000 for active employees and an additional cost of \$300,000 for retirees.
State Unemployment Insurance local experience charges are estimated at \$250,000 (2012/13 budgeted amount).
CalPERS employer contribution rate estimated to remain the same in 2013/14 at 11.417%.
The cost of each 1% increase in the PERS rate is approximately \$300,000.
There is currently no proposed increase in the STRS rate although projections indicate large increases beginning 2014/15.
The cost of each 1% increase in the STRS rate is approximately \$550,000.
- E. The full-time faculty obligation (FON) for Fall 2013 is estimated at 329.80 but district have not been required to comply with this requirement for several years due to the budget crisis. It is expected that the requirement to comply with the FON will be reinstated in 2014-15. The District is currently recruiting 13 faculty positions (two of which do not count toward the FON) for an estimated total of 11 positions counting toward the obligation. Therefore, the District expects to be 14.80 positions below the obligation in 2014-15 if additional hiring does not occur prior to July 1, 2014. This could result in a penalty of approximately \$904k if they aren't filled. ($15 \times 60,289 = \$904,335$)

The additional cost of new faculty being hired for Fall 2013 is estimated at \$847,381. SAC is filling four vacancies and adding seven new positions. SCC is filling two vacancies. (The cost of the seven new positions is budgeted at Class VI, Step 10 $\$84,041.19 \times 7 = \$588,288.33 + \$37,013.3 \times 7 = \$259,093.10$, for a total of \$847,381.43).
- F. The current rate per Lecture Hour Equivalent (LHE) for hourly faculty is \$1,100 effective Spring 2013. This represents a 2% increase from 2012.
- G. Retiree Health Benefit Fund - The District will continue to contribute 1% of total salaries plus an additional \$500,000 toward the Annual Required Contribution (ARC).
- H. Capital Outlay Fund - The District will continue to contribute \$1,500,000 for various Scheduled Maintenance and Capital Projects.
- I. Other Districtwide expenses:
 - Property and Liability Insurance cost, estimated at \$1,700,000
 - Trustee Election Expense -0- in 2013/14 as there is no election.
- J. Utilities cost increases including 5% overall estimated at \$200,000 plus \$250,000 due to opening of SCC Humanities, Pool and Gym complex, should be budgeted.
- K. Information Technology licensing contract escalation of 7%, estimated at \$125,000.