



SAC PLANNING & BUDGET MEETING
MINUTES – NOVEMBER 1, 2011
SAC FOUNDATION BOARD ROOM
1:30P.M. – 3:00P.M.

Approved 12/6/2011

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			CLASSIFIED	Student Rep.
Paul Foster, co-chair	Steve Bautista	Elliot Jones	Monica Porter	Tom Andrews	*Fernando Antunez(a)
Jim Kennedy	Matt Beyersdorf	Michael Kelcher	George Wright (a)	Judy Arroyo	Guests
Sara Lundquist(a)	Ray Hicks	Jeff McMillan, co-chair	John Zarske	Vacant (2)	*alternate - Minhchan Chan
*Linda Rose(a)					*alternate – Bart Hoffman
1. WELCOME					Meeting called to order 1:35p.m.
		The committee welcomed Minhchan Chan as the ASG representative standing in for Fernando Antunez who was unable to attend. Self-introductions were made.			
2. PUBLIC COMMENTS		DISCUSSION/COMMENTS			ACTIONS/ FOLLOW UPS
		No public comments.			
3. MINUTES		DISCUSSION/COMMENTS			ACTIONS/ FOLLOW UPS
		The September 6, 2011 minutes were presented for approval.			ACTION Motion was moved by M. Kelcher to approve the Sept. 6, 2011 Planning & Budget Committee minutes. 2 nd – S. Bautista Discussion ensued. Motion carried with 1 abstention.
		The October 4, 2011 minutes were presented for approval.			ACTION Motion was moved by S. Bautista to approve the Oct. 4, 2011 Planning & Budget Committee minutes. 2 nd – M. Kelcher Discussion ensued. Motion carried with 1 abstention.
4. BUDGET UPDATES		DISCUSSION/ COMMENTS			ACTIONS/ FOLLOW UPS
Paul Foster		Paul reported that there continues to be bad news coming out of Sacramento. <ul style="list-style-type: none"> District is waiting for the state to pull Trigger #2. This could mean additional cuts, but probably for 2012-13. The committee was reminded of the upcoming Budget Forums: <ul style="list-style-type: none"> Tuesday, November 15 at 3:30 p.m. at CEC – B-109 Wednesday, November 16 at 3:00 p.m. at SAC – D-106 <ul style="list-style-type: none"> Due to the inquiries regarding the ending fund balance, it is expected that there will be discussion on this item. The Budget Forums is a means by which the district communicates current budget information with faculty and staff 			

BUDGET UPDATES (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>The following topics were proposed by the committee to be brought forward as items that the committee would like addressed at the SAC Budget Forums:</p> <ul style="list-style-type: none"> • More extensive explanation of deferrals • Cost of borrowing to cover the deferrals • Borrowing from other district funds to cover deferrals • Explanation of growing ending fund balance over the last 3 – 4 yrs. <p>Members were encouraged to attend the Budget Forum on November 16th.</p> <p>The committee discussed briefly the future agenda items:</p> <ul style="list-style-type: none"> • Recommendations for deferral offset options • Recommendations that the district office budget be adjusted to reflect actual expenditures before the colleges are asked to make additional cuts. 	<p>FOLLOW UP Jeff will present the committee's Budget Forum discussion items to Peter Hardash at the BAPR workgroup meeting on Wednesday, Nov. 2.</p>
5. OLD BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>Mechanism for potential future budget reductions.</p> <ul style="list-style-type: none"> • Dr. Rose was not able to make her presentation to the committee. The intent was to have some perspective for a strategy for future Academic Affairs budget reductions. • This budget climate has presented challenges in planning. • What is our process to plan for future cut backs? • How do we get input from the bottom up? • Important to consider outside forces that could have an impact on our budget planning. <ul style="list-style-type: none"> ○ The Student Success Task force is a group under the direction of the Board of Governors. They are making recommendations to improve student completion that will impact our operation. ○ The majority of the recommendations are unfunded and if they are passed into law could have significant budget ramifications. ○ Timeline for feedback is very short – November 8. Input can be given at the respective town hall meeting or via the website. ○ Measures will reduce local control. ○ The importance of getting the word out was stressed. The ASG rep was asked to bring this item back to students for action. 	<p>FOLLOW UP Mechanism for potential future budget reductions. This item was tabled for the December 6 meeting.</p>
	<p>Motion on Excess District Reserve Status</p> <p>Paul reported that the recommendation made on October 4th to operationalize 40% of the \$14mil of "Excess District Reserve" for SAC, SCC and the District Office according to the percent distribution in the Adopted Budget, was not forwarded because College Council was cancelled. The recommendation will be presented at the next College Council meeting in November.</p>	
NEW BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>Hiring Freeze</p> <p>Paul provided the committee with detailed spreadsheet showing General Fund Site reductions across the district over the last four years. Vacant positions have been incorporated into these reductions. A history of the General Fund by object summary was provided to members for their review. Discussion ensued.</p>	<p>FOLLOW UP Paul will ask at the next BAPR meeting if the district can identify the amount of savings realized through vacant positions.</p>

NEW BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>GL 10 Review The committee reviewed a department summary showing District Office unrestricted budget vs. actual expenditures for 2010/11 and the adopted budget for 2011/12.</p> <ul style="list-style-type: none"> • In many departments, the adopted budget for 2011-12 is significantly higher than 2010/2011 actual expenses. Also, 2010/2011 actual expenditures were significantly less than the 2010/2011 adopted budget. • Discussion ensued. • It was noted that the purpose in maintaining an ending balance is to have a reserve for the variances that may occur within the budget. <ul style="list-style-type: none"> ◦ There was concern regarding the cuts that have been taken that have affected students, faculty and staff when there is a surplus of monies within the budget at the district. ◦ Before more cuts are made these budget issues need to be addressed. • More transparent budgeting strategies are needed. <p>An overview of excess funds within the budget was provided for members.</p>	
	<p>Cost of borrowing from other district funds Members reviewed the beginning fund balance for other funds within the district which may or may not be available for borrowing. This information was taken from the 2011-12 RSCCD Adopted Budget book.</p> <p>Paul presented information on the following document: <u>TRANS: Tax Revenue and Anticipation Note.</u> This is a program that allowed Community College districts to borrow monies at a very reasonable rate. Paul was not sure if this program had expired or is still available.</p>	
OTHER	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>Paul shared concerns regarding the current status of the budget and concerns for the coming 2012/2013 fiscal year. Part-time Instruction, Mandated program requirements, and Instructional Agreements are discretionary costs in the current funding model. There was discussion on the term "fixed costs" vs. discretionary and its interpretation within the current budget model. No definitive action has been taken on the proposed transition to SB361 budget allocation model. The current draft of the SB361 Budget Allocation Model will be sent to members. Members were asked to review and send feedback to Paul. Discussion ensued. The committee recommends approval of the SB361 Budget Allocation Model. The inquiry was made regarding CSEA representation on the BAPR workgroup committee. The issue will be addressed with Marti Reiter.</p>	<p>ACTION The following motion was moved by M. Kelcher The Santa Ana College Planning and Budget committee recommends that the district move to an SB361 Budget Allocation Model. 2nd – M. Porter Discussion ensued. Motion carried unanimously.</p>

Adjourned – 3:04p.m.
Next Meeting –Tuesday, December 6, 2011
1:30 – 3:00p.m.
SAC Foundation Board Room