



SAC PLANNING & BUDGET MEETING

MINUTES – November 5, 2024

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	Tommy Strong, co-chair		Mark Ou	Kelvin Leeds	Daniel Martinez
Jim Kennedy	Claire Coyne	Marty Rudd	Jimmy Nguyen	Mark Reynoso	Kristi Blackburn
Jeffrey Lamb	John Zarske	Kelly Nguyen	Liliana Oropeza	Mark DeAsis	John Steffens
Vaniethia Hubbard	Merari Weber	Reza Mirbeik	Student Representatives	Ron Gonzalez	Ernie Gomez
Robert Manson	Luis Pedroza	David Sauber	Lexi Burnett	Bill Reardon	Craig Ursuy
			Tukwot Gollette		
				Bold = present	
1. WELCOME and INTRODUCTIONS				Meeting called to order 1:30 pm Meeting adjourned at 2:45 pm	
	Welcome and introductions were made.				
2. PUBLIC COMMENTS	DISCUSSION/COMMENTS			ACTIONS/FOLLOW UPS	
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3. APPROVAL OF MINUTES	DISCUSSION/COMMENTS			ACTIONS/FOLLOW UPS	
	Approval of October 1, 2024			Motion moved to approve minutes by Claire Coyne, 2 nd by Reza Mirbeik	
4. UPDATES/REPORTS	DISCUSSION/COMMENTS			ACTIONS/FOLLOW UPS	
	<p>First Quarter Budget Performance Report & Current Financial Status and Projections Overview (Mark Reynoso):</p> <ul style="list-style-type: none"> • General Fund Overview (Fund 11): <ul style="list-style-type: none"> ○ The total budget of Fund 11 stand at approximately \$129 million. ○ Year-to-date spending has reached \$28.7 million, which is 22% of the budget. This is comparable to the 21% expenditure rate from the same period last year, indicating spending is on track. • Hourly Instructional Accounts: <ul style="list-style-type: none"> ○ There has been an increase in spending within the hourly instructional accounts, which are slightly above last year’s figures by \$1.4 million. Specifically: <ol style="list-style-type: none"> 1. Part-time adjunct costs are up by \$401,000. 				

2. Intersession and summer part-time instructional costs are higher by approximately \$825,000.

- If trends continue, the projections indicate a possible \$6 million overage in these accounts by the end of the fiscal year.

- Offsetting Overages:

- Mark mentioned that available budgets in classified salaries, benefits, and non-salary account could help to offset these projected overages.
- After accounting for these offsets, the fiscal year is estimated to end with a positive balance of around \$2.1 million.

- Growth Funding Allocation:

- A holding account was set up specifically for growth funding, starting the fiscal year with \$5.9 million.
- Funds have been used throughout the year for adjunct staffing and utility costs, leaving a current balance of \$1.3 million.

- Revenue and Expense Tracking:

- Tommy Strong highlighted that the budget document being reviewed captures only expenses, which may not show the full picture since revenue increases parallel to these expenses are documented elsewhere.
- Expenses are higher this year compared to the previous year due to increased part-time faculty costs driven by student demand, which aligns with the increase in revenue from added sections.

- Timing of Revenue Allocation:

- Tommy noted that there is often a delay in receiving the allocated funds from the district to cover new expenses, with a possible one-year lag, particularly when using Fund 13, typically reserved for one-time expenses.
- This delay can result in Fund 13 temporarily covering recurring expenses, such as adjunct faculty costs, which raises concerns over sustainable budgeting practices.
- Bart Hoffman confirmed the 12- to 18-month delay in receiving funds for current-year growth.
- He explained challenges with filling positions in Administrative Services due to vacancies and heavy hiring committee loads.
- Bart also added that he, along with Shannon Kaveney, is helping on hiring committees to address these vacancies.
- Jim Kennedy also confirmed the previous statement was accurate.
- He noted that comparing the current budget of \$129 million to last year's \$117 million actual expenses shows a \$12 million increase due to growth, as the COLA was only slightly above 1%.
- Jim explained that there is a delay in receiving growth funding, so growth this year won't be funded until the following year.
- Jim also clarified that the growth factor would be determined by FRC based on state provisions, which this year is likely around 0.5%.

- He stated that if growth exceeds this funded level, they could reach unfunded FTS territory, where they won't be reimbursed for excess growth.
- Mark Reynoso confirmed the COLA was slightly above 1%.
- He explained that the \$2 million classified balance is due to several unfilled classified positions, including about 10 in Maintenance and Operations, which should be filled later in the year.
- He also outlined the budget estimation process, which considers current encumbrances, historical data, and hourly expenses.
- Mark clarified that current budget estimations do not include any specific growth factor adjustments.
- Mark Ou sought clarification on the \$2 million classified balance and its source.
- He expressed concerns that vacant positions may impact student services, advocating for prioritizing the filling of these roles.
- Reza Mirbeik asked about the factors contributing to budget estimations, including if they involve a growth factor or are solely based on historical data.
- He confirmed that there was no explicit growth factor in the current expenditure estimates.

Fund 13 Overview:

- Mark Reynoso mentioned the total Fund 13 budget: \$20 million, with \$4 million reserved for institutional contingency.
 - He explained that the expenditure budget is around \$16 million after excluding the contingency fund.
 - He also noted that, as of the meeting, 6% of the budget had been spent, which is in line with last year's spending rate.
- Key Expenses:
 - Detailed the high academic salaries, including funding for long-term substitutes and interim associate deans.
 - Mark explained the large operating budget is mainly due to facilities costs (about \$2-\$3 million) and adjunct overruns, particularly under account 5,000.
- Adjunct Faculty Costs:
 - Mark clarified that Fund 13 covers adjunct overrun costs if Fund 11 (the regular budget for adjuncts) runs out.
 - He described how Fund 13 money is used primarily for intercession and summer adjunct overruns, which are currently trending toward \$2.2 million.
 - He also explained that if the Fund 11 budget is depleted, Fund 13 will be tapped to cover these expenses.
- Strategic Budgeting:
 - Mark mentioned how the part-time faculty budget has increased over the past two years, from \$13 million to \$17 million, as part of an effort to reduce the frequency of budget overruns.

- He stated that SRP dollars have been strategically reallocated to help fund part-time faculty costs.
- Fund 13 Usage:
 - Tommy Strong asked about adjunct budget pools and inquired if the district is pulling from both Fund 11 and Fund 13 simultaneously to cover part-time faculty costs, or if Fund 13 is used later.
 - Tommy clarified whether the two funds are pooled together or used separately for different aspects of the adjunct salary expenses.
 - Mark explained that, if necessary, Fund 13 will be used to cover part-time adjunct costs if Fund 11 runs out, but they work hard to avoid doing so.
 - Bart confirmed that the district would work with the district office on the potential use of Fund 13, emphasizing the importance of being strategic in fund allocation.

RAR (Resource Allocation Request) Summary:

- Mark Reynoso provided an informational overview of the RAR process.
 - He shared that the total RAR requests for the fiscal year were approximately \$16.2 million.
- Breakdown of the requests:
 - Academic Affairs: \$7.6 million
 - Student Services: \$491,000
 - Continuing Education (CEC): \$6.3 million
 - President's Office: \$1.2 million
 - Administrative Services: \$500,000
- Funded RARs:
 - Academic Affairs: \$1.2 million
 - Student Services: \$425,000
 - Continuing Education (CEC): \$5 million
 - President's Office: \$800,000
 - Administrative Services: \$181,000
 - Total funded RARs: \$7.7 million for fiscal year 2024-2025.
- Other approval processes:
 - Career Educational Workforce Development: \$3.2 million funded.
 - Equity: \$814,000 funded.
 - Total approved funds for 2024-2025: \$11.8 million.
- Continuing Education (CEC) Allocations
 - Jim Kennedy acknowledged the high allocation for Continuing Education (CEC) but wanted to point out discrepancies in reporting.
 - He mentioned that large expenses, such as the \$1.8 million for facility improvements at the Centennial Education Center, may not be fully represented in Fund 11 or Fund 13 as shown in the RAR summary.

- Jim also noted that some large facility improvement expenses (such as new turf and other improvements) might be coming from Fund 41, not Fund 11 or Fund 13.
- Bart confirmed that the \$1.8 million for facility improvements is not coming from Fund 11 or Fund 13 but from Fund 41.
- He addressed long-standing projects and commented that the facility improvements have been in the works for some time.
- Mark Reynoso agreed with Jim and confirmed that certain facility projects are funded through Fund 41 and not through the general RAR process.
- SCE Instructional Personnel
 - Tommy Strong raised questions about the \$882,000 allocation for instructional personnel in SCE and its connection to RARs versus other processes.
 - He suggested the committee reflect on whether RARs should be more comprehensive and provided an overview of the draft budget priorities for 2025-26 and explained key edits, such as updating "restore" to "maintain" large college status.
 - Tommy emphasized the need for committee feedback and further review at future meetings.
 - Mark Reynoso clarified that SCE included all positions and facilities improvements in RARs, unlike other areas where specific processes were separate.
 - Bart highlighted restrictions on Fund 41, particularly regarding Redevelopment Act residual funds, and shared his challenges in advocating for more flexibility in their use and agreed with Tommy Strong that the RAR process should be examined further and supported future discussion on its scope.
- Reevaluating Priority Order
 - Tommy questioned whether "legal mandates and compliance" should be the first priority and suggested reordering to align more with the college's educational mission, such as guided pathways.
 - He proposed adding clarity to the document by outlining its goals and purpose explicitly, possibly including a framework for prioritization during financial challenges versus periods of growth.
 - Bart emphasized that the document is in its first reading and encouraged collaboration for revisions.
 - He agreed with the idea of reevaluating the priority order, particularly moving guided pathways to the top.
 - Bart supported the suggestion to align budget priorities with the college's comprehensive educational plan.
 - He acknowledged the historical context of the document's creation during severe budget cuts, affirming its relevance.
 - Claire Coyne supported the idea of emphasizing student success and guided pathways in the document's priorities.

	<ul style="list-style-type: none"> ○ She highlighted the importance of aligning priorities with the college's comprehensive educational plan for consistency and focus. ○ Lexi A. Burnett advocated for making guided pathways the top priority, citing its importance in ensuring student success and completion. ○ She suggested being more detailed about what "completion initiatives" encompass. ○ David Sauber asked clarifying questions about the purpose of the document and its intended audience, prompting a discussion on its integration into program review and resource allocation requests (RARS). ○ Mark Reynoso clarified the document's role in embedding budget priorities into program review and RAR processes. ○ He explained its function as a reference for aligning college priorities with budgetary decisions. ○ John Zarske provided historical context for the document, explaining its origins during significant budget cuts and its initial focus on legal mandates and compliance as top priorities for necessity and safety. 	
5. SCFF REPORTS	DISCUSSION/COMMENTS	
	<ul style="list-style-type: none"> • None to report at this time. 	
6. OLD BUSINESS	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	<p>College Council Update on Fund 13 Expenditure Plan (Bart Hoffman):</p> <ul style="list-style-type: none"> • Dr. Nery supported presenting the Fund 13 Expenditure Plan to College Council based on this committee's recommendation. • No comments or objections were raised during College Council, and no changes were made. <p>Goals Workgroup Status (Bart Hoffman):</p> <ul style="list-style-type: none"> • Norma worked with Claire Coyne to confirm committee members, including sending emails and setting up doodle polls to schedule meetings. • Workgroup members have received a new template for documenting goals. • Members are encouraged to bring prepared thoughts on activities to include in the template. • The finalized draft will eventually be brought back to the committee for review. 	
7. NEW BUSINESS	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	<ul style="list-style-type: none"> • Bart explains that no topics from the future agenda items list were moved to the "New Business" section for discussion during this meeting. • He has begun working on determining which item from the future goals list will be moved up for discussion. 	
8. STUDENT UPDATE	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS

	<p>Tukwot Gollette & Lexi Burnett:</p> <p>Halloween Event:</p> <ul style="list-style-type: none"> • ASG organized an ICC Halloween event on October 28 in the Central Plaza. • Partnered with the Child Development Center, hosting 160 children who participated in activities like trick-or-treating, pumpkin painting (which quickly ran out of supplies), and cookie decorating. • Despite rain and wind, volunteers from the Future Health Leaders Club and Puente Club helped ensure the event's success. • Crafted "spider lollipops" as creative treats. <p>Native American Heritage Month:</p> <ul style="list-style-type: none"> • ASG collaborated with the SAC Native Community to provide pizza during the Native American Heritage Month Fair. • Tukwot delivered a land acknowledgment on behalf of the Acjachemen Nation. • Event brought together leaders from various tribal groups, highlighting unity and community building after years of division. • Featured speeches by tribal leaders and SAC representatives. <p>Pledge to Vote Event:</p> <ul style="list-style-type: none"> • Hosted an event promoting voter registration and awareness: <ul style="list-style-type: none"> ○ Two tables for election information (local and national elections). ○ Two tables for voter registration, including paper forms and city-specific drop-off locations. • Provided free treats, including Italian ice in various flavors. • Follow-up activity included broadcasting live election results in the student center. <p>President's Town Hall:</p> <ul style="list-style-type: none"> • Scheduled for November 19, 1–2 PM, at "The Spot." • Features ASG President Jessica Velez, ICC President, and Dr. Nery. • Opportunity drawings include AirPods as a prize. <p>International Education Festival:</p> <ul style="list-style-type: none"> • Takes place tomorrow, 11 AM–2 PM, at the Central Plaza. • ASG's table will represent El Salvador, offering traditional pupusas. <p>Mesoamerican Knowledge Event:</p> <ul style="list-style-type: none"> • Scheduled for November 12, 11:30 AM, at the amphitheater. • Promotes cultural learning and is featured on the Canvas platform. <p>Parking Permit Update:</p> <ul style="list-style-type: none"> • The proposed parking permit fee increase was voted down by the Board of Trustees. • Many ASG members spoke during public comments, encouraging student advocacy. <p>Transparency in Committee Communication:</p> <ul style="list-style-type: none"> • Lexi emphasized the importance of updating agendas, minutes, and meeting details on websites to enhance student engagement and involvement in shared governance. 	
9. SACTAC	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS

	<ul style="list-style-type: none"> • None to report at this time. 	
10. ACCREDITATION	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	<ul style="list-style-type: none"> • None to report at this time. 	
11. FUTURE AGENDA ITEMS		
	<p>Agenda and Goals Work Group:</p> <ul style="list-style-type: none"> • The committee discussed upcoming tasks, including reviewing the template developed by the Institutional Effectiveness Committee and finalizing the goals work group's template. <p>Student-Centered Funding Formula (SCFF):</p> <ul style="list-style-type: none"> • Dr. Daniel Martinez will present on SCFF metrics. <p>Exhibit C:</p> <ul style="list-style-type: none"> • Additionally, Dr. Nery will address Exhibit C, which appears to provide key information relevant to the committee's work. <p>Recommendations for New Business Items:</p> <ul style="list-style-type: none"> • Faculty Priorities: <ul style="list-style-type: none"> ○ Claire Coyne brought up the need to revisit faculty hiring priorities. This will likely be added as a new business item on the agenda for the committee to recommend how many hires the budget can afford. • Unfunded FTES: <ul style="list-style-type: none"> ○ Kelvin Leeds raised concern about the balance between growing the student population and managing the resources required to serve them effectively. ○ His point reflects the tension between two priorities: <ul style="list-style-type: none"> ▪ Expanding access to education (serving more students) ▪ Ensuring quality for the students already enrolled ○ Jim Kennedy provided valuable historical context of unfunded FTES: <ul style="list-style-type: none"> ▪ The last time unfunded FTES occurred was in the 2010-2011 academic year, which was a rare instance historically. However, it appears that the institution may face similar challenges in the 2023-2024 year, depending on final recount numbers. ▪ The concern is that, while unfunded FTES is uncommon, it's becoming a more significant issue again, with a potential for continued challenges in the 2024-2025 academic year. ▪ In 2010-2011, the institution faced mandated cuts due to unfunded FTES, and these cuts were severe enough that the school never fully recovered the lost funding or capacity. ▪ This experience highlighted the long-term consequences of unfunded FTES, which can hinder the institution's ability to expand and recover. 	

	<ul style="list-style-type: none"> ▪ Jim stressed the importance of carefully managing both growth and the financial resources to support it. While it's essential to serve as many students as possible, it's also crucial to ensure that those students are served effectively. ▪ The philosophical question he mentioned—whether it's better to accept some unfunded FTES to increase access or to restrict growth to ensure quality—is central to the committee's discussions moving forward. ▪ Jim emphasized that the committee will play a critical role in guiding the institution through these challenges, weighing the need for growth against the practical limitations imposed by the funding model. <p>Fiscal Resources Committee:</p> <ul style="list-style-type: none"> • Bart mentioned a fiscal resources committee report that could provide further insights into district-level budgeting. 	
GENERAL INFORMATION		
	<ul style="list-style-type: none"> • Fiscal Resources Committee (rscdd.edu) 	
NEXT MEETING	December 3, 2024	

Submitted by Norma Castillo