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

Approved 12/3/2013

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)	Monica Porter	John Zarske	Tom Andrews	Minhchau Chau	
Jim Kennedy	Ray Hicks co-chair	George Wright		Angela Guevara(a)	GUESTS	
Linda Rose(a)				Denise Hatakeyama	Esmeralda Abejar	Bart Hoffman
Lilia Tanakeyowma				Leslie Wood-Rogers	Tom Bonetati	Rhonda Langston

1. WELCOME		Meeting called to order 1:34p.m.
	Committee was welcomed and self introductions were made.	

2. PUBLIC COMMENTS	DISCUSSION/COMMENTS	ACTIONS/ FOLLOW UPS
	No public comments	

3. MINUTES	DISCUSSION/COMMENTS	ACTIONS/ FOLLOW UPS
	The October 1, 2013 Planning and Budget minutes were presented for approval.	ACTION Motion was moved by J. Kennedy to approve the September 3, 2013 Planning & Budget Committee minutes. 2nd – J. Zarske Minutes were unanimously approved as amended.

4. BUDGET UPDATES	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	STATE • Tax revenues were up in September, better than expected. Tax collections for September 2013 came in $392 million above the forecast level, or about 5% higher. This gain more than offset weak collections in August, bringing year-to-date General Fund revenues essentially on target at $136 million. • Fiscal outlook from the Legislative Analyst's office out on Nov. 15th • State collected $1.6 billion more than expected last year, of which our District's share is about $5-$5.5 million • There should be some positive adjustments, but we won't know for sure until the Gov. releases his budget in January. • Just to refresh everyone's memory on Proposition 30 is a short term fix! It raised the state sales tax by one-fourth of a cent from 6.25% to 6.5%, and increased the top bracket income tax by 3% to 12.3% (there were also increases of 1% and 2% for the other high brackets). The sales tax increase lasts for four years, through 2016, and the income tax lasts for six years, through 2018. On an annual basis, Proposition 30 raises about $6 billion. Under Proposition 98, K-14 education receives about 45% of these funds. • I want to point out that the significance of this loss will be either compounded or mitigated by the overall condition of the state economy at that time. With a growing economy, the loss of Proposition 30 revenues could be more than offset by growth in	

BUDGET UPDATES (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	• Proposition 98, and thus the loss may not be that painful. On the other hand, an economic slowdown coupled with the expiration of Proposition 30 could result in cuts to education funding similar to what we just went through during the Great Recession. In any event, we know that Proposition 30 is a temporary tax and that its termination will lead to a natural drop in funding for education in the near future. DISTRICT • RDA shortfall- the District is working with the DOF to deal with a potential $3.3-$3.5 million shortfall in RDA revenue. Adopted budget for 13-14 included a 1% apportionment deficit for general statewide apportionment, no deficit factor for the potential RDA shortfall. • There was a legal settlement recently related to an OC local tax issue that will potentially help fill the hole of the RDA shortfall for our District (about $2 million), but most likely will be realized in 14-15 budget. • FON discussions continue- it looks like SAC will need to fill potentially up to 28 faculty positions- costing it out now, bring budget analysis to Dec. P and B meeting. • Intercession is planned and moving forward- costs of the additional sections and student services associated with the sections will be delivered to Chancellor ($340k- course sections, ## student services) and paid for out of the Budget Stabilization Fund. SAC • Budget manual work completed- outlines our processes and procedures for budget development, with timelines. It will be presented today for approval, then presented to College Council and Management Council for information. The manual will also be posted on our P and B website, along with hard copies being provided to departments/divisions. • We have created a Cash Flow report to allow the college, and our depts./divisions to track their own expenditures, as well as the college's revenue and expenditures as a whole. This tool will be used to develop our quarterly budget performance report, which will be presented today in P and B. • Funded RARs from 13-14 posted on the P and B website for campus community to review • 14-15 RARs have been sent out to the SAC Management team to begin work on resource allocations for next year. It is critical to tie program review goals and objectives, intended outcomes to your allocation requests. What is the expected return on investment for our students? Be thinking that way! • Student Success and Support Program (formally matriculation) funding was provided by the State and for CREDIT, it is an additional $610k. Good news. Non-credit, in excess of $200k increase. • Accreditation Self Study- is underway. First draft has been produced, very rough, but I want to thank the constituent-based group that is undertaking the work. How do we meet the standard, and WHERE IS THE EVIDENCE! Proposition 98, and thus the loss may not be that painful. On the other hand, an economic slowdown coupled with the expiration of Proposition 30 could result in cuts to education funding similar to what we just went through during the Great Recession. In any event, we know that Proposition 30 is a temporary tax and that its termination will	

BUDGET UPDATES (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	lead to a natural drop in funding for education in the near future. •	
5. STUDENT UPDATE	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	No update	
6. OLD BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<u>13/14 Committee Goals</u> The revision of the committee goals will be tabled to the December meeting. Dr. Collins and Ray Hicks will meet to develop a draft. The draft will be sent out to the members before the December meeting for their review. Members were invited to send any recommendations for committee goals to Geni.	FOLLOW UP Dr. Collins and Ray Hicks will meet to develop a 13/14 committee goal draft. The draft will be sent to the membership before the December meeting.
OLD BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<u>UPDATE ON USE OF STABILIZATION FUNDS FOR OEC</u> There was no update on the use of the Stabilization fund for the OEC project. An update will be provided at the December meeting. Discussion ensued: • It was clarified that the monies are being used for structural changes at OEC. • The fund was created with monies made by the colleges. • Intent of the fund was to be used as a rainy day fund to carry the colleges through the budget model transition. • The fund balance is quickly dwindling. Important to establish a policy for this type of situation and address it now. This use was never part of the new budget model. The monies for the project as noted below were approved by the Chancellor, and the Board of Trustees. • 7mil from the Stabilization fund • 5mil from Measure E • 4mil from SCC's RDA funds. Any excess expenses will come from the Stabilization fund. With excess expenses being taken from the Stabilization fund, a concern regarding length of project and rising construction costs was noted. There was a inquiry regarding the difference between the stabilization fund paying for SAC intercession and the OEC renovation project. • It was clarified that both campus are having intercession and that both intercessions are being funded through the stabilization fund. • The OEC renovation project it completely separate. Dr. Collins informed members that he is a member of the RSCCD Physical Resources Committee and is tracking the activity very closely. He will report back to the Planning and Budget committee as well as the SAC Facilities committee.	

	SB361 Evaluation Process	
	Members were advised that a workgroup has been developed with representation from SCC, SAC and the district. SAC's representation is Ray Hicks, Jim Kennedy, and Michael Collins	
	The overall process for the evaluation was outlined for the members. • List of all services and functions will be established at the District site. Program Reviews will be assessed from each of those functions. • Work with POE to comparing what we pay along with what other colleges pay for like services. • Determine a benchmark.	
	It was noted that the 1st year of review will be focused on developing a list all services and functions along with associated costs and benchmark for future years.	
	Planning and Budget members will be able to review the types of services and cost related that service. In addition, other needs that are not being addressed can be discussed.	
OLD BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	The need to have a separate panel to review the information at the college level was also brought forward.	
	More information at the December meeting.	
7. NEW BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	BUDGET PERFORMANCE QUARTERLY REPORT Members were provided with an overview of the Budget Performance Quarterly Report for the months of July, August and September. The report outlined the following: • An overview of the Actuals from 12/13 by Object code • The 12/13 Allocated budget by Object code • Actuals for the months of July, August and September. • YTD totals spent • Percentage of the budget used • Ending balance	ACTION Motion was moved by J. Kennedy to accept and file the Budget Performance Quarterly Report as presented 2nd – L. Tanakeyowma Motion was unanimously approved as presented.
	Encumbrances are not available as part of the report as the Position Control Project is still pending completion at the district level.	
	This report provided a review of all the Object codes and allows the college to track the progress of the budget.	
	It was noted that the college is doing well and has spent 20% of the total budget. However, members were reminded that during the month of July the college does not pay for faculty salaries or benefits.	
	Members were informed that the CF0030 (report shown) will be available on the Online Report Repository for divisions and departments.	
	Once a list of end users complete, training will be scheduled. In addition, a written protocol will also be developed.	

	It was clarified that the #7910 – Unrestricted Contingency fund (Fund 13) is 20% of the ending balance set aside for emergency. • If it is not spent it will be rolled over for the following year as the base for the contingency fund at SAC. • It's an opportunity for the college to have available resources in an emergency. There was also an inquiry about last year's carryover of $3,619, 914. A brief overview of the allocation was provided noting that 20% of those carryover monies were used to build the Unrestricted Contingency fund (Fund 13).	
	<u>SAC PLANNING AND BUDGET MANUAL PRESENTATION</u> The SAC Planning and Budget Manual was reviewed by Dr. Collins for the members. The following items were highlighted. Discussion ensued: <u>Comprehensive Planning and Budget Cycle FY 13/14</u> This document is an annualized view of how the budget is developed and planned.	<u>ACTION</u> Motion was moved by J. Zarske to approve the Planning and Budget Manual for 13/14. 2nd – M. Porter The Planning and Budget Manual for 13/14 was unanimously approved with the changes as prescribed.
NEW BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS

	• SAC Vice Presidents provided critical components and insight for each of their areas related to planning and budget.
	• The areas are color coded:
	  o Blue – Administrative Services
	  o Green – Academic Affairs
	  o Purple – Student Services
	• Timelines that guide the process are identified.
	• Process tied to instructional planning, student support, administrative support.
	
	<u>SAC Resource Allocation Request (RAR) Procedures</u>
	The SAC Resource Allocation Request (RAR) Procedures were presented to the members for review.
	• Document clearly outlines the RAR process.
	• Outlines the mission and budget priorities of the college.
	• Shows how college allocates resources.
	• Provides evidence of our process and what we are doing.
	Has been reviewed by the Cabinet.
	
	<u>SAC Resource Allocation Request FY 13/14</u>
	• This request form served as the source document for the RAR process for 13/14.
	• No software is available for integrating resource allocation requests and intended outcomes, the information is inputted manually.
	• Upon review some minimal changes were made to the 14/15 form based on feedback.
	• Overall everyone was pleased with the process.
	
	<u>Sound Fiscal Management Self-Assessment Checklist</u>
	It was noted that this is a source document used in accreditation.
	Important that the college is following the practices outlined.
	
	Changes to the Planning and Budget Manual for 13/14 were recommended, specifically	

	to change appropriate areas from Budget to Planning and Budget. The committee acknowledged Dr. Collins and Esmeralda Abejar for their work in developing the SAC Planning and Budget Manual 13/14.	
8. FUTURE AGENDA ITEMS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	• 13/14 Committee Goals • Stabilization fund/OEC update • SB361 Evaluation Process	
9. OTHER BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<u>SAC BUDGET DEVELOPMENT CALENDAR FY 2014/2015</u> Members were presented with the "draft" SAC Budget Development Calendar for 2014/2015. • In the 2014/2015 the calendar begins in October. • A brief review of each month was provided. • The calendar in the past began in January and ended in June. • It was noted that it is important to identify the planning and budget work that occurs in July through December.	<u>ACTION</u> Motion was moved by L. Tanakeyowma to approve the SAC Budget Development Calendar for 14/15 as presented. 2nd – M. Porter SAC Budget Development Calendar for 14/15 was unanimously approved.
OTHER BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	The calendar ties monthly to the planning and budget process. The calendar also ties into the District Budget calendar. At the recommendation of the Planning and Budget committee the Resource Allocation Process will begin two months prior to last year. The charge of the committee was reviewed per the Shared Governance Handbook (May 8, 2013) clarifying that the committee serves as a recommending body to the College President.	
	<u>PRINTING COSTS</u> There was a concern regarding the cost of printing the schedules. • Majority of students go online for the schedule. • Currently there are approximately 5,000 "outdated" schedules in the bookstore. There was an inquiry regarding the need to print the catalogs. • It needs to be more interactive to be effective online • The catalog is difficult to view online – no search engine. It was also noted that the SAC mobile app was not updated. Fall and Intercession are not loaded.	<u>FOLLOW UPS</u> Lilia T. will look into the Mobile App updates.
	<u>NEW DISTRICT IT POSITIONS</u> There was an inquiry as to the funding of the new positions, specifically the new district IT positions recently advertised. Discussion ensued. An update on how the positions will be funded will be provided to the members at the December meeting	<u>FOLLOW UPS</u> An update on the funding process for the advertised new district IT hires will be provided.

	NEW COMPUTERS FOR THE COMPUTER LAB There was an inquiry regarding monies for new computers for the computer lab. Discussion ensued. • The college has set aside $75,000 for IT needs. • IT inquiries are best directed to SACTAC. • Requests for equipment should be address through the Resource Allocation Request process for the department/division that oversees the computer lab. **FON** The importance of clarifying the process regarding the Faculty Obligatory Number FON within the budget model was noted.	
11/18/13		Adjourned – 3:05p.m. Next Meeting Tuesday, Dec. 3, 2013 1:30p.m. – 3:00p.m. S-215 Submitted by G. Lusk 11/18/13