



SAC PLANNING & BUDGET MEETING  
 MINUTES - APRIL 15, 2014  
 SAC FOUNDATION BOARD ROOM  
 1:30P.M. - 3:00P.M.

APPROVED 5/6/2014

*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            | Student Rep.      |   |  |
|------------------------|--------------------|--|-------------|-----------------------|-------------------|---|--|
| Mike Collins, co-chair | Chris Cannon(a)    | Monica Porter  | John Zarske | Tom Andrews (a)       | Jorge Sandoval(a) |   |  |
| Jim Kennedy            | Ray Hicks co-chair | George Wright(a)   |             | Angela Guevara        | GUESTS            |   |  |
| Linda Rose(a)          |                    |  |             | Denise Hatakeyama     | Esmeralda Abejar  | Rhonda Langston   |  |
| Lilia Tanakeyowma      |                    |  |             | Leslie Wood-Rogers(a) | Carl Jaeger       | Jimmy Nguyen  |  |
|                        |                    |  |             |                       | Tom Bonetati      |   |  |
| 1. WELCOME             |                    |  |             |                       |                   | Meeting called to order 1:33p.m.  |  |
|                        |                    | Self introductions were made.  |             |                       |                   |   |  |
| 2. PUBLIC COMMENTS     |                    | DISCUSSION/COMMENTS  |             |                       |                   | ACTIONS/ FOLLOW UPS   |  |
|                        |                    | There was an amendment to the agenda to include SACTAC as a standing item for the SAC Planning and Budget monthly committee meetings.  |             |                       |                   | <u>ACTION</u><br>Motion was moved by M. Porter to approve the amendment to the SAC Planning & Budget Committee meetings agenda of including SACTAC as a standing item.<br>2 <sup>nd</sup> - J. Zarske<br>The motion was unanimously approved. |  |
| 3. MINUTES             |                    | DISCUSSION/COMMENTS  |             |                       |                   | ACTIONS/ FOLLOW UPS   |  |
|                        |                    | The March 4, 2014 Planning and Budget minutes were presented for approval.   |             |                       |                   | <u>ACTION</u><br>Motion was moved by J. Zarske to approve the March 4, 2014 Planning & Budget Committee minutes.<br>2 <sup>nd</sup> - M. Porter<br>Minutes were unanimously approved as presented.  |  |
| 4. BUDGET UPDATE       |                    | DISCUSSION/ COMMENTS   |             |                       |                   | ACTIONS/ FOLLOW UPS   |  |
|                        |                    | <u>STATE</u> <ul style="list-style-type: none"> <li>State tax revenue was up in March \$471 million (7.9%), and Y-T-D general fund revenue exceed Gov's forecast by \$2.1 million- with employment recovering well through Feb, but unemployment rate is still at 8% for the State, gains are diminished by the struggling central valley.</li> <li>Good news as we head to the May Revise and a reset of the Prop 98 numbers -April 2nd, the first significant hearing took place with the</li> </ul> |             |                       |                   |   |  |

| BUDGET UPDATE(cont.) | DISCUSSION/ COMMENTS  | ACTIONS/ FOLLOW UPS |
|----------------------|---|---------------------|
|                      | <p>Assembly Budget Subcommittee meeting.</p> <ul style="list-style-type: none"> <li>o Reviewed major points of the Gov's proposal/Growth rate and formula/categorical funding increases and flexibility, COLA, etc.</li> <li>o Sch. maintenance and instructional equipment discussions were had, with the LAO pushing for a higher level of instructional equipment funding than that of Sch. Maintenance - SAC needs both and is funding both for 14/15. Big investments in 13/14.</li> <li>o Subcommittee is interested in a higher COLA than Gov. proposed (.86%)</li> <li>o Almost all community college items will be held open until the May revise updates the state revenue numbers in mid-May.</li> </ul> <ul style="list-style-type: none"> <li>• Don't forget about the huge CalSTRS unfunded liability that looms over the State, where the Gov. may dedicate surplus resources to.</li> <li>• On April 9th, the Assembly Education Committee heard testimony on behalf of AB 2235, the Public Education Facilities Bond Act of 2014. - Great for Facilities, in particular our Health Science bldg, which is SAC's FPP for 14/15.</li> </ul> <p><u>DISTRICT</u></p> <ul style="list-style-type: none"> <li>• Currently is working on developing the Dist Tent budget in accordance with approved budget assumptions -As of PI, the District is looking at a \$4.4 million deficit- should be erased by the end of the year, as revenues come in strong</li> <li>• The working draft budget has been rolled from 13/14. Our office will begin to tune and make specific changes to the rolled budget in accordance with our budget assumptions and any personnel changes.</li> <li>• A task force from both colleges will be meeting to set an appropriate and equitable level for each college to maintain the 50% Law compliance.</li> <li>• A task force has been reviewing the BAM, making changes and revisions where needed</li> </ul> <p><u>SAC</u></p> <ul style="list-style-type: none"> <li>• Budget development is happening- using budget assumptions as the building blocks -Currently cleaning up negative balances in accounts -District funded intersession expenses (\$603k) and COLA (\$926k) for 13/14 have been transferred, which is helping supplement our ending balance.</li> <li>• We will be funding 29 new faculty in the tentative budget, at a cost of \$3.5 million/year.</li> </ul> |                     |

| BUDGET UPDATE(cont.)                    | DISCUSSION/ COMMENTS   | ACTIONS/ FOLLOW UPS |
|---|--|---------------------|
|   | <ul style="list-style-type: none"> <li>• We have 9 funded vacancies that will start paying for the new faculty (\$1.2 million). We anticipate realizing \$800k in PT savings that will help pay for it, but we will most definitely deficit spend to meet the FON requirement.</li> <li>• RAR have been prioritized at all three levels (dept./division, dean, VP area) RARs have been posted and Admin Services has established the potential funding sources for the budget augmentations should funds become available. PLANNING PROCESS!!</li> <li>• We are looking into the College's ability to actually fund the SSSP match, which would be significant.</li> <li>• As a result of collegial work by College Council related to review and revision of our SAC Strategic Plan, SAC TAC will now report directly to the Planning and Budget Committee in order to have a better connection between the college's technology needs and it fiscal resources.</li> </ul> <p>Accreditation draft document has been completed for 3D, Financial Resources. I want to thank our entire team that worked on the draft, as it is an accurate and verified account of our current financial processes and information</p> |                     |
| 5. STUDENT UPDATE                       |  |                     |
|   | No Student Update.   |                     |
| 6. OLD BUSINESS                         | DISCUSSION/ COMMENTS   | ACTIONS/ FOLLOW UPS |
| Cost of Intersession                    | <p>The membership was presented with an overview of the cost of Intersession.</p> <ul style="list-style-type: none"> <li>• SAC has been reimbursed by the district for the cost of Intersession with the exception of the Student Services. Student Services costs were offset by grant monies.</li> <li>• Target FTEs were noted as 316. Actual FTEs were 436</li> <li>• Cost per FTE was \$1538.65</li> <li>• The college made \$4600.00 per FTE which does not include any related costs.</li> </ul> <p>It was noted that Intersession proved to be a good investment. Members were reminded that the benefit of the investment will not be realized until the college is paid by the state. Intersession will also benefit the enrollment numbers for the college.</p>   |                     |
| SAC Budget Allocation by area (3 years) | <p>Members were presented with an overview of the SAC Budget Allocation by area for the past 3 years. A brief review of the allocations was provided. The following was noted:</p> <ul style="list-style-type: none"> <li>• Student Services reflected a 13% allocation for salaries and benefits, however, Fund 12 monies were not reflected.</li> </ul>  |                     |

| OLD BUSINESS (cont.)  | DISCUSSION/ COMMENTS   | ACTIONS/ FOLLOW UPS  |
|---|--|--|
|   | <ul style="list-style-type: none"> <li>FY 2011/2012 the President's office allocation was significantly high, it was reported that the allocation reflected the Foundation, Auxiliary Services as well as institutional memberships and subscriptions.</li> </ul> <p>It was noted that the allocations reflected in the report were consistent and appropriate as it relates to the mission of the college.</p> <p>This information has been imbedded into the Financial Resources III.D Accreditation report.</p>   |  |
| RSCCD SB361 Revenue Allocation FY 12/13 and 13/14             | <p>A report outlining how revenues are allocated to the Santa Ana College under the new budget allocation model was provided for 12/13 and 13/14.</p> <ul style="list-style-type: none"> <li>It was noted that the June 30 ending balances for both years reflected a negative balance.</li> <li>Expenditures are showing higher than revenues.</li> </ul> <p>A discussion ensued regarding the way the information was presented. The formats were not consistent between the two years, specifically the district revenue. There was a request to see the DO percentage reflected similarly to SCC and SAC.</p> <p>It was noted that this information was taken directly from the Adopted Budget Book.</p>   |  |
| District Budget (by site) Unrest/Rest GF 11, 12, 13 (5 years) | <p>Members were provided with an overview of the District Budget (by site) Unrest/Rest GF 11, 12, 13 (5 years). Attention was called to the beginning balance between 2009/10 and 2013/14 noting the difference was attributed to vacancies and the hiring freeze.</p> <p>The fluctuation in the state revenue was also noted. The report also showed how the expenses were allocated by site.</p>   |  |
| Quarterly Budget Performance Report (Jan., Feb., March)       | <p>The quarterly budget performance report (Jan., Feb., March) was presented to members for review and action.</p> <ul style="list-style-type: none"> <li>The budget is performing well, currently under budget by 4%.</li> <li>The infusion of the 1.5mil helped in the overall budget performance (\$926, 000 for COLA and \$603, 000 Intersession reimbursement)</li> <li>The SAC Budget office working on the negative balances with the departments and divisions.</li> <li>Electric and gas utilities are doing well, however there is a \$3000.00 deficit in water utilities. <ul style="list-style-type: none"> <li>There was discussion if the overage in water utilities was due to a budgeting issue or to the excess water usage. It was noted that the college has experienced water leaks with the new construction.</li> </ul> </li> <li>Funding of fuel for all district vehicles has ceased. District vehicles continued to be fueled however the college is being paid for the fuel usage in alignment with budget model.</li> </ul> | <p><u>ACTION</u></p> <p>Motion was moved by L. Tanakeyowma to receive and file the Quarterly Budget Performance Report (Jan., Feb., March).<br/>2<sup>nd</sup> - M. Porter</p> <p>The motion was unanimously approved.</p> |

| OLD BUSINESS (cont.)                            | DISCUSSION/ COMMENTS  | ACTIONS/ FOLLOW UPS |
|---|---|---------------------|
|   | <ul style="list-style-type: none"> <li>• The capability for each department/division to run internal cash flow reports has been developed by Esmeralda Abejar. Departments/divisions have been trained on this process. <ul style="list-style-type: none"> <li>○ This is a vital tool for the deans and department chairs.</li> </ul> </li> <li>• The report can be found on the Planning and Budget website.</li> </ul> <p>Members were reminded that it is everyone’s responsibility to manage monies and resources they have.</p>  |                     |
| <p>Prioritized Resource Allocation Requests</p> | <ul style="list-style-type: none"> <li>• RAR’s have been prioritized and are posted on the website.</li> <li>• Members were reminded that these are for budget augmentation purposes should revenue materialize, the college has a prioritized of the campus’s needs by area.</li> <li>• “Potential” sources of funding has been identified, while unsure where the funds will be, this is part of the planning process.</li> <li>• Instructional equipment funds have been utilized to serve the needs for new equipment.</li> <li>• The process for development and prioritization was noted, specifically, <ul style="list-style-type: none"> <li>○ Requests are aligned with the college mission as well as department/division goals.</li> <li>○ Requests are prioritized internally in the departments/divisions.</li> <li>○ Deans work with the area Vice Presidents.</li> <li>○ Vice Presidents prioritize the requests in alignment with the college mission and budgeting priorities to develop the lists.</li> </ul> </li> </ul> <p>Once the budget is funded and the college resources are realized, the prioritized list will be reviewed and triaged by the area VP to address the needs of their area and requests will be funded accordingly.</p> <ul style="list-style-type: none"> <li>• The members were shown “funded” RARs from FY13/14 as an example of how the RAR process finalizes.</li> </ul> <p>It was noted that a lot has been accomplished through the RAR process as evidenced by facility, equipment and personnel expenditures.</p> <p>Members were advised the college purchased the TRACDAT software that will automate the RAR process which is currently entered by hand. While the thought process of tying the planning component to budget will remain the same as will the practical application, the administrative approach will change as the TRACDAT software will allow for a direct connect in the reporting structure. This purchase of this software was supported by the Administration and the Academic Senate.</p> <p>The committee expressed their appreciation to Dr. Collins and Esmeralda Abejar for the tremendous effort in developing a transparent, planning process that ties to the vision of the college. It was noted that a process such as the RAR process has long been the desire of the committee.</p> |                     |

| OLD BUSINESS (cont.)                       | DISCUSSION/ COMMENTS  | ACTIONS/ FOLLOW UPS  |
|--|---|--|
|  | Dr. Collins recognized Esmeralda Abejar for her work on this project.   |  |
| 14/15 Planning and Budget meeting schedule | <p>The 14/15 Planning and Budget meeting schedule was presented to the membership.</p> <p>Dr. Collins extended his appreciation to the committee members for their commitment in attending the meetings as well as for the work that they do.</p>   |  |
| The 14/15 Tentative Budget Planning        | <p>Members were briefed on the tentative budget planning:</p> <ul style="list-style-type: none"> <li>• District has rolled over the budget.</li> <li>• SAC Budget office is working with the departments/divisions regarding any changes needed to the general fund.</li> <li>• SAC budget is being developed based on the district assumptions.</li> <li>• Estimated carryover of 3.4mil including the 1.5mil received.</li> <li>• Members will be provided with an overview of how the carryover monies will be spent.</li> <li>• Carryover monies may be considered to supplement of the hiring of the 29 vacancies.</li> <li>• Instructional equipment grant will be match in the amount of \$513,333.</li> <li>• Set aside 20% for the contingency fund.</li> </ul> <p>An inquiry was made regarding the impact of the possibility of utilizing carryover monies to fund the 29 new faculty.</p> <ul style="list-style-type: none"> <li>• It was noted that this is a concern of the college of using one time funds for ongoing costs. In addition, as costs continue to rise in the future, the importance of being of efficient scheduling as well as driving growth and revenue with the new faculty was noted.</li> </ul> <p>A full determination has not been made by the district on utilizing one time funds or accessing the stabilization fund in regards to the new faculty hiring.</p> |  |
| The 14/15 Tentative Budget Assumptions     | <p>The SAC 14/15 Tentative Budget Assumptions were presented as an action item and review for the committee.</p> <p>Discussion ensued regarding the language to assumption #6. The revision is as follows:<br/>SAC's portion of the 1.1mil district cost will be set aside for step and column movement.</p> <p>The committee approved unanimously approved the 14/15 SAC Budget Assumptions as revised.</p>  | <p><u>ACTION</u></p> <p>Motion was moved by J. Zarske to approve the 14/15 SAC Budget Assumptions as revised.<br/>2<sup>nd</sup> - L. Tanakeyowma<br/>The motion was unanimously approved.</p> |
|  | <p>An overview of SACTAC was provided for the membership:</p> <ul style="list-style-type: none"> <li>• Review of the committee's overall mission is in discussion.</li> <li>• Committee's primary focus will be on Academic Technology needs as it relates to Instruction.</li> <li>• There is an ongoing conversation regarding the alignment of the committee.</li> </ul>   |  |

| OLD BUSINESS (cont.) | DISCUSSION/ COMMENTS   | ACTIONS/ FOLLOW UPS  |
|----------------------|--|--|
| SACTAC               | <ul style="list-style-type: none"> <li>o Budgetary issues - Planning and Budget?</li> <li>o Policy issues - ?</li> <li>• Membership - looking to be more in line with the participatory governance structure. The membership may have a heavier faculty base due to the committee's primary focus, however will also welcome the classified constituency.</li> </ul> <p>Discussion ensued.</p> <ul style="list-style-type: none"> <li>• Policy changes should be brought to Planning and Budget as an informational item in an effort to continue to tie the planning piece to budget.</li> <li>o What is the process for recommendations from SACTAC?</li> <li>• What would be required of SACTAC to move forward with recommendations in terms of documentation?</li> <li>• Is there a possibility to utilize technology fund to address SACTAC priority needs?</li> </ul> <p>Jim Kennedy will update SACTAC on the discussion today as well as notified them that SACTAC will be placed on the Planning and Budget agenda as a standing item.</p> |  |
| Future Agenda Items  | <ul style="list-style-type: none"> <li>• SAC Budget Office website</li> <li>• SACTAC</li> </ul>  | <p style="text-align: right;">Adjourned - 3:03p.m.<br/> Next Meeting Tuesday, May 6, 2014<br/> 1:30p.m. - 3:00p.m.<br/> S-215<br/> Submitted by G. Lusk<br/> 4/25/14</p> |