SAC PLANNING & BUDGET MEETING
MINUTES – FEBRUARY 3, 2015
SAC FOUNDATION BOARD ROOM
1:30P.M. – 3:00P.M.

Approved 3/3/2015

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	GUESTS	
Mike Collins, co-chair	Ray Hicks co-chair	Monica Porter(a)	Tom Andrews	Esmeralda Abejar	Rhonda Langston
Jim Kennedy	Pat Mansfield	John Zarske(a)	Denise Hatakeyama(a)	Joseph Alonzo	
Lilia Tanakeyowma(a)			Jimmy Nguyen	Mike Colver	
Omar Torres	**Student Rep.**		Leslie Wood-Rogers	Carl Jaeger	
	Briana Brennan				

1. WELCOME		Meeting called to order 1:32p.m.
	Self introductions were made	
2. PUBLIC COMMENTS	**DISCUSSION/COMMENTS**	**ACTIONS/ FOLLOW UPS**
	There were no public comments.	
3. MINUTES	**DISCUSSION/COMMENTS**	**ACTIONS/ FOLLOW UPS**
	The December 2, 2014 Planning and Budget minutes were presented for approval.	ACTION Motion was moved by J. Nguyen to approve the December 2, 2014 Planning & Budget Committee minutes. 2nd – B. Brennan Minutes were unanimously approved.
4. BUDGET UPDATE	**DISCUSSION/ COMMENTS**	**ACTIONS/ FOLLOW UPS**
	State Update: **Proposed 2015-16 Augmentations for CCCs** • **$200M for student success** – These funds will be split evenly between Student Success and Support Program (SSSP) and Student Equity Plans. We are aware that districts will want to know what local match will be required for the budget year, and we're committed to informing you of that decision soon. This is split once again between SSSP and Student Equity. $100 million for each. Our share of SSSP should be about $2.5 million (there is a 1 to 1 match requirement at this time on this program for any new funds). Student Equity should provide $2.5 million in new funds with no match. • **$125M to increase base allocation funding** – This increase is intended to ease the constrained discretionary funding environment colleges have	

BUDGET UPDATE(cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	experienced since the economic downturn. These funds can help colleges address the scheduled increases in STRS and PERS contribution rates, for example. Our share of this allocation should be about $3.1 million in unrestricted base funds. Essentially, the SSSP augmentation current match requirements about will take away $2.5 million of these dollars. • **$106.9M for Increased Access** – This funding would increase access for approximately 45,000 students (headcount). This equates to a system wide 2.0% growth. The Governor's language states that the new growth allocation formula (that everyone hates) is to be used starting the 15/16 budget year. If we could earn 2.0%, that would equate to approximately $2.6 million, however, the new growth formula, if implemented, will constrain us to a lower growth number. • **$92.4M for COLA** – This would fund the statutory cost-of-living-adjustment of 1.58%. For us this equates to about $2.3 million for a COLA. • **$49M to fund CDCP rate equalization** – Legislation passed concurrently with the 2014 Budget Act equalized the CDCP rate to that of the resident credit rate commencing with the 2015-16 year. This augmentation would fund that increased cost. This is a biggie for Rancho. If allocated according to the League's analysis last year, we should be entitled to about $8 million of this $49 million allocation. There are no details on how this funding is to be spent in the programs. • **$48M for Career Technical Education** – These _one-time_ funds are proposed for support of the SB 1070 Career Technical Education Pathways Program. We will need to wait for detail on how they proposed to allocate these funds. • **$29.1M for Apprenticeship** - $14.1M of these funds would restore the rates and seats of current programs back to the 2007-08 levels and an additional $15M is proposed for innovative apprenticeship projects that focus on new and emerging industries with unmet labor market demand. The Governor's proposal appears to reinstate the apprenticeship funding to 07/08 levels. That would mean we could receive the $1.3 million in reduced funding that occurred back then. However, the language in the proposed budget document indicates it's to be used to grow existing programs and "create innovative demonstration projects." • **$39.6M for Proposition 39** – These funds support projects and workforce development related to energy sustainability, consistent with the provisions of Proposition 39.	

BUDGET UPDATE(cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	This is the third year of funding, out of the five year program, under Prop 39. About the same as this year's funding. Approximately $950,000 funding for energy efficient projects.	

In addition to these proposed funds for the budget year, the Department of Finance now estimates that Proposition 98 obligations for the current and prior year were significantly higher than budgeted. This results in the availability of significant *one-time* resources.

- **$94.5M to retire deferrals** - Legislation passed concurrently with the 2014 Budget Act identified deferrals as the first call on any new current year Proposition 98 expenditures. This funding would completely retire system deferrals, which had reached as high as $961M just prior to the passage of Proposition 30.
  State is paying off the remaining IOU. For us that's about $2.5 million. This is not new money. Only the buyback of the IOU.

- **$353.3M to pay down outstanding mandate claims** – These one-time funds would be allocated to districts on a per-FTES basis. They would retire outstanding mandate claims, to the extent districts have any such obligations on the books. While the majority of these funds are attributable to the current and prior years, approximately $125M counts against the 2015-16 minimum guarantee.
  This is potentially another biggie. If they truly allocate these funds on an FTES basis and these are unrestricted, we should be entitled to approximately $8.8 million in one-time unrestricted funds!

Major Policy Change for Adult Education
In an effort to address the decrease in adult education offerings that occurred largely due to the flexing and subsequent repeal of the K12 Adult Education categorical item, the legislature passed AB 86 in 2013. As you know, $25M was provided in the 2013 Budget Act for 2-year grants to local K12/CCC consortia to develop regional adult education service plans. K12 districts were required to maintain 2012-13 levels of spending on adult education programs during that time.

The Governor proposes a $500M Adult Education Block Grant to fund courses in elementary and secondary basic skills, citizenship, ESL, programs for adults with disabilities, short-term CTE programs, and programs for apprentices. The Governor emphasizes the need for course offerings to be linked with regional economic needs and provide clear pathways to in-demand jobs. The Chancellor and the Superintendent of Public Instruction will jointly approve allocation of funds to each consortium, with an emphasis on providing funds to regions with the greatest need for adult education. Funds provided to each consortium will be allocated by a local allocation board designated by consortium members. Each consortium will be required to annually report its progress toward fulfilling adult education plans. One important provision is that,

BUDGET UPDATE(cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	in order to ease the transition to the new program, funding will be provided to K12 districts in the amount of their maintenance of effort for adult education. Future funding would depend on consortium plans and reporting. It should be noted that this proposal does not restrict any community college adult education offerings, whether credit or noncredit, currently funded through the base apportionment. The $500M is proposed as funding in addition to existing CCC offerings. This is a very major policy change that will receive considerable attention and debate during the legislative process, and the Chancellor's Office will be highly engaged in that process and will endeavor to keep you apprised of events as they transpire. This could also be another biggie for us. We will need to wait for the details. However, the Governor proposes to have the local consortiums appoint a local defined membership committee that will decide how to allocate these funds within the consortiums. **District update:** • District overall budget is performing well, overall 48% total budget expended- SAC is at about 47% • Dist working on budget assumptions for 15-16 budget, to be expected for the next FRC • With the new revenue coming in, and the increased expenditures in the assumptions, the hope and belief is that we are getting very close (SAC in particular) of living in the budget model. • Still dealing with a structural deficit, but it is coming down to a much more sustainable level. • Far from out of the woods, so our enrollment must perform to carry the revenue forward- and that's in the control of SAC **SAC update:** • RARs have been worked collected and prioritized by the depts./divisions/and deans as a group. Next stop is Cabinet, then posted for review of planning and budget committee. • In alignment with the P&B recommendation via SAC TAC, $250k in classroom mediation this spring • Auxiliary Spring funding: comes from revenue from Pepsi and Bookstore: $10k for ASG, $2,500 for CEC ASG, $30k for athletics (student-athlete centered expenses- total of $60k for the year), establishment of a modest President's Foundation Fund to cover hospitality/marketing/innovation, etc. • After Dist budget assumptions are in place, SAC produces ours. Will be a product of this committee. We will also endeavor to build a pseudo zero-based budget for SAC, specifically for expenses that are "discretionary"- which is an animal to define in itself.	

BUDGET UPDATE(cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	Budget Performance Quarterly Report FY 14/15 (2nd quarter) • As of December 31st the college has used 47% of the budget. • 1200, 1300, 2420, and 2440 accounts will continue to be monitored. • Utilities budget over by 8%. Members were also provided with the following reports for their review: • SAC Unrestricted Budget (Fd 11,13) Allocation by area (four years) • SAC Mid-Year Expenditures	
5. ENROLLMENT MANAGEMENT	DISCUSSION/ COMMENTS	

	A brief update was provided by Mr. Torres
	• Fall target was meant and surpassed by 40-50 FTEs.
	• Surpassed Intercession FTE target.
	• The college is experiencing a "soft" spring.
	  o Spring currently at 5133.4 FTEs but does not include positive attendance.
	    ▪ It was noted that even with the anticipated positive attendance, there still will be a severe deficit.
	  o Efforts to address the issues are being worked through with the deans and the Cabinet.
	  o Several other community colleges it the area are experiencing the same.	

6. STUDENT UPDATE	DISCUSSION/ COMMENTS	
	Briana Brennan presented the following to the committee: ASG will be hosting our Welcome Back Event Wednesday, February 11th from 11 am to 1pm. ASG is working to plan a legislative event to inform students of various bills in Congress as well as information on previously passed bills and how they impact them. We would also like to inform students of ways to get involved and become their own advocates.	
7. SACTAC	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS

	The following was reported.
	• The committee continues to move forward with classroom mediation.
	• SACTAC and TAG working on software standards for rollouts.
	  o What is the appropriate software for users?
	• Microsoft Office 365 is now available to staff for home use.
	  o How can we roll it out to students?
	Discussion ensued regarding providing a sac.edu email for students.
	• Should it be mandatory or optional?
	• Would students use it?
	• Offering Microsoft Office 365 would be an incentive.
	• Match it to Blackboard?
	• Link personal email with sac.edu email.	

SACTAC (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	• A mandatory sac.edu email would ensure communication with the college. • Other institutions automatically provide students with one and inform students that all college information will be provided through the college email. It was requested that the question of a sac.edu email be included on the student survey.	
8. MARKETING UPDATE	**DISCUSSION/ COMMENTS**	**ACTIONS/ FOLLOW UPS**
	Campus is taking an aggressive approach to bring students in. • Continuing marketing efforts of Outreach to local schools. • Looking to repurposing cancelled low enrollment classes with higher demand classes. • Updates to the SAC homepage and marquee have been made. • UPSNAP is a new avenue for outreach that is being used by the campus. o SAC began using it in January and its being utilized through Pandora. • Phone call/email outreach efforts to students that had registered for fall but not for spring. • Postcards have been mailed out. • Postcards placed in faculty boxes for distribution to students. Ms. Brennan shared some insight regarding student concerns in enrolling in college. • Financial constraints. • Not aware of the opportunities for financial assistance. • Don't feel that they are smart enough for college. • Not aware of the different programs and/or services. Important to know how SAC can best serve students from a marketing prospective and from a student prospective that will have the most impact. Discussion ensued on best ways to reach students. • Would emailing students about financial assistance be effective? • Students respond to Social Media. • Is the BOG waiver and financial assistance information prominent on the SAC Homepage? • Students are more inclined to respond, check SAC homepage if there were an incentive for them. • ASG will be working on a student survey in an effort to find the most efficient method to market to students. More information will follow. It was noted that marketing SAC continues to be a high priority for the college.	

9. OLD BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	Committee Goals The proposed 2014/2015 Planning & Budget Committee goals had been discussed at the December 2, 2014 meeting. Additionally they were sent to the membership for review and feedback in preparation for action at the February 3 meeting.	ACTION Motion was moved by T. Andrews to approve the 2014/2015 Planning & Budget Committee Goals as presented. 2nd – P. Mansfield Minutes were unanimously approved.
10. NEW BUSINESS	**DISCUSSION/ COMMENTS**	**ACTIONS/ FOLLOW UPS**
	No new business	
11. FUTURE AGENDA ITEMS	**DISCUSSION/ COMMENTS**	**ACTIONS/ FOLLOW UPS**
	• ASG Student Survey	
12. OTHER BUSINESS	**DISCUSSION/ COMMENTS**	**ACTIONS/ FOLLOW UPS**

	CDCP Enhancement Rate
	• It was noted that the CDCP enhancement rate will be equalized with credit.
	• The strings attached to the funding are unknown at this time.
	• About 95% of our CEC programs are eligible for CDC rate enhancement funding.
	• Programs that qualify for funding are:
	  o Career & Technical Ed.
	  o GED
	  o Adult Secondary Ed.
	  o H.S. Diploma
	
	AB86 Consortium Funding
	• 500mil allocation.
	• 370mil will go to fund K-12 adult education programs.
	• Advocating for the 130mil to go to the community colleges.
	  o Currently working on proposal to submit.
	
	Ending year balance
	• 1 mil is the anticipated ending year savings.
	• Efforts will continue towards saving.
	• Updates will be provided through the cash flow reports through the year.	

Adjourned – 2:53p.m.
Next Meeting
Tuesday, March 3, 2015
1:30p.m. – 3:00p.m.
S-215
Submitted by G. Lusk