



# **Santa Ana College**

## Planning & Budget Meeting

June 3, 2014



## SAC Planning and Budget Committee

June 3, 2014

1:30 p.m. - 3:00 p.m.

S-215

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**THE PLANNING AND BUDGET COMMITTEE** is the participatory governance committee responsible for recommending budget priorities, procedures, and processes to the College Council. The Planning and Budget Committee also functions as a community liaison for fiscal affairs with the college community.

*Santa Ana College Participatory Governance Structure Handbook  
(May 8, 2013)*

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### Agenda

1. Welcome and Introductions
2. Public Comments
3. Approval of Minutes for May 6, 2014 ACTION
4. Budget Update INFORMATION
5. Student Update INFORMATION
6. SACTAC INFORMATION
7. Old Business
8. New Business
  - 50% Law workgroup update INFORMATION
  - Plan for use of Budget Stabilization Funds INFORMATION
  - District Budget Augmentation requests update from POE INFORMATION
  - FTES Generation FY 14/15 INFORMATION
9. Future Agenda Items
10. Other Business

Next Meeting - August 5, 2014 (if needed)

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*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.*

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SAC PLANNING & BUDGET MEETING  
 MINUTES - MAY 6, 2014  
 SAC FOUNDATION BOARD ROOM  
 1:30P.M. - 3:00P.M.

Draft for Approval

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Administrators	Academic Senate		CLASSIFIED	GUESTS	
Mike Collins, co-chair	Chris Cannon(a)	Monica Porter(a)	Tom Andrews	Esmeralda Abejar	Jimmy Nguyen
Jim Kennedy	Ray Hicks co-chair	George Wright	Angela Guevara(a)	Allen Dooley	Deanne Quiggle
Linda Rose(a)		John Zarske	Denise Hatakeyama	Ana Diaz	Brenda Serratos
Lilia Tanakeyowma	Student Rep.		Leslie Wood-Rogers	Rhonda Langston	
	Jorge Sandoval(a)				
1. WELCOME					Meeting called to order 1:30p.m.
		Self introductions were made. Dr. Collins introduced Brenda Serratos, the newly hired college accountant to the committee. Brenda had previously worked at CEC Jim Kennedy, Vice President of Continuing Education also congratulated Brenda on her new position noting that she was highly deserving individual.			
2. PUBLIC COMMENTS		DISCUSSION/COMMENTS			ACTIONS/ FOLLOW UPS
		No Public Comments			
3. MINUTES		DISCUSSION/COMMENTS			ACTIONS/ FOLLOW UPS
		The April 15, 2014 Planning and Budget minutes were presented for approval.			<u>ACTION</u> Motion was moved by J. Kennedy to approve the April 15, 2014 Planning & Budget Committee minutes. 2 <sup>nd</sup> - R. Hicks Minutes were unanimously approved as presented.
4. BUDGET UPDATE		DISCUSSION/ COMMENTS			ACTIONS/ FOLLOW UPS
		STATE <ul style="list-style-type: none"> <li>Awaiting May revise- on May 13<sup>th</sup></li> <li>COLA looks like it will be .85%, which is a slight reduction from the budget proposal of .86%.The COLA is calculated by comparing the change in the Implicit Price Deflator for State and Local Government Expenditure over the most recent four quarters to the previous four quarters. With that information, the COLA is estimated to be 0.85%.</li> <li>State growth looks like it may be closer to 2 or 2.5% instead of the 3% proposed by the Gov. in January</li> </ul>			
		April 22, 2014, the Education Facilities Bond bill was heard in the Assembly			

BUDGET UPDATE (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> <li>• Committee on Higher Education (Committee). Once again, there were numerous speakers from school districts, community colleges, building trades, business organizations, and others in support of the bill and no opposition.</li> </ul> <p>DISTRICT</p> <ul style="list-style-type: none"> <li>• Building the Tent. budget for 14/15</li> <li>• It appears we may be slightly under the 50% calculation as a District, but SAC is holding strong at approx.. 60%. Discussions are taking place which we will cover later in this meeting.</li> <li>• The FON penalty that we will be assessed for 13//14 will be held back from our apportionment in P2- about \$800k for the Dist.</li> <li>• P2 enrollment numbers look strong for our District, with the state guaranteed 1.63 growth paid out in P2.- June 25<sup>th</sup></li> <li>• We also are approximately 107 ftes over the 2.63% growth target as a District, which will be recalculated next Fiscal year. Positive attendance needs to be calculated for the academies.</li> </ul> <p>SAC</p> <ul style="list-style-type: none"> <li>• SAC Budget is performing well, still about 4% under budget</li> <li>• Cleaning up negative balances and prepping the budget for year-end close</li> <li>• Intending to have around \$3 million + in ending balance, which will go to covering the cost of the new faculty</li> <li>• Ongoing costs are still existent in Fund 13, so we will be discussing those line items later on the agenda</li> <li>• Still waiting to see what the decision is on SSSP funding, 2:1 match (\$5 million), so to get \$2.5 million from the state, the Dist has to pay \$5 million....in match. Very restrictive!</li> <li>• Comprehensive Budget Calendar is being finalized, and will come to this committee at the next P and B meeting.</li> <li>• Thanks to the faculty, staff and managers who participated in the 3D accreditation draft!</li> </ul>	
5. STUDENT UPDATE		
	No Student Update.	
6. SACTAC	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	As a result to changes to the Strategic Plan, SACTAC will now be reporting to the Planning and Budget committee in regards to budgetary items/recommendations. It was also noted that SACTAC would take policy driven recommendations to College Council. The focus of the committee is instructional technology. It was noted that the committee has discussed adding "prioritization technology" as a focus this year.	

SACTAC (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>Dr. Dooley provided a brief overview of the recommendations being discussed by SACTAC:</p> <ol style="list-style-type: none"> <li>1. Recentralizing various technological services as had been 5 to 6 years back. In addition, hiring a dean or asst. dean of Library Information Learning Resources.</li> <li>2. Establishing a budget for the Educational Multimedia Services. <ul style="list-style-type: none"> <li>▪ It was noted that the department provides services for the district office, SCC and SAC with no budget.</li> <li>▪ A discussion ensued regarding a charge back system for the services.</li> <li>▪ SAC has established a charge back model that is currently being used for fuel consumption by the district and SCC which could be considered for multimedia services.</li> </ul> </li> <li>3. The purchase of the Adobe Creative Suite for all SAC users. <ul style="list-style-type: none"> <li>▪ A discussion ensued regarding the purchase of a site license for the district vs. the purchase of individual licenses.</li> <li>▪ It has been determined that the site license option is a much more cost effective option.</li> <li>▪ This option would also allow for home use of the program for faculty and staff.</li> </ul> </li> </ol> <p>A discussion ensued regarding the purchase of the Adobe Creative Suite for all SAC users and the budgetary implications.</p> <ul style="list-style-type: none"> <li>• This item has been in discussion in TAG (Technology Advisory Committee) for the past 9 months.</li> <li>• This is a district-wide expenditure and would result in a budget augmentation to the district's budget which would have an impact on SAC's allocation.</li> </ul> <p>A motion was made to recommend to College Council the purchase of the Adobe Creative Suite for all SAC users. Discussion ensued.</p> <ul style="list-style-type: none"> <li>• A concern was raised if this was a gateway for future requests from other departments. <ul style="list-style-type: none"> <li>○ It was clarified that there is a process for expenditures for the college divisions and departments for requests through the RAR process.</li> <li>○ This technology request would be an augmentation to the district budget. <ul style="list-style-type: none"> <li>▪ Such augmentations to district accounts are appropriate for discussion at the Planning and Budget committee meetings.</li> <li>▪ This is an institution wide expenditure.</li> </ul> </li> </ul> </li> <li>• In regards to this augmentation, the SAC Planning and Budget committee discussion is part of the process that is currently being followed. It was noted that this item has been discussed and is being routed through to the appropriate committees in the following order: <ul style="list-style-type: none"> <li>✓ Technology Advisory Committee (TAG)</li> <li>✓ District Council (Where the Chancellor asked the item be sent to the colleges for input.)</li> <li>✓ SACTAC</li> </ul> </li> </ul>	<p><u>ACTION</u> Motion was moved by J. Zarske to amend the agenda by changing the SACTAC agenda item from "Information" to "Action." 2<sup>nd</sup> - L. Tanakeyowma Motion was unanimously approved.</p> <p><u>ACTION</u> Motion was moved by J. Zarske to recommend to College Council to approve the purchase of the Adobe Creative Suite for all SAC users. 2<sup>nd</sup> - L. Tanakeyowma Motion was unanimously approved.</p>

SACTAC (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> <li>✓ SAC Planning and Budget</li> <li>✓ College Council</li> <li>✓ Back to District Council</li> </ul> <p>It was also noted that as the reporting structure between Planning and Budget and SACTAC develops, there will be a better understanding the appropriate requests from SACTAC.</p> <p>SACTAC will be discussing the technology priorities for the Santa Ana College given that the Planning and Budget committee has allocated \$75,000 for technology needs on campus.</p>	
7. OLD BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
8. NEW BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
SAC Budget Office	<p>The newly developed SAC Budget Office website was reviewed for the committee. The site provides budget related resources, district forms and procedures and is intended to serve as a reference tool for campus divisions and departments.</p> <ul style="list-style-type: none"> <li>• The importance of sharing as much information with the campus in regards to the college finances, the budget and the budgeting process was noted.</li> <li>• Targeted training is being planned in 14/15 for division and departments</li> </ul> <p>There was a recommendation to add the chart of accounts and contract related information/procedures.</p> <ul style="list-style-type: none"> <li>• It was noted the Contract guidelines will be discussed at SAC Management Council and will move forward from there.</li> </ul> <p>The site was well received by the membership.</p>	
50% Law	<p>The membership was provided a background on the 50% law, noting that the law requires that community college districts spend half of its “current expense of education” each fiscal year for salaries of classroom instructors. The law limits how much districts can spend on non-instructional costs.</p> <p>It was reported that the discussions are taking place in FRC and at a special task force regarding how the colleges can help the district in meeting the 50% law compliance. The task force also includes representation from both campuses. Discussions ensued.</p> <ul style="list-style-type: none"> <li>• It is estimated that in order to fund the district’s portion, it will be about 10mil between the two colleges.</li> <li>• Important to establish a standard baseline for the district’s 50% Law compliance.</li> <li>• The task force is looking to establish a formula whereas FTE’s grow, expenditures increase towards the FON requirement. This formula would be reviewed every year when establishing the FTE targets.</li> </ul>	

NEW BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> <li>• Important to make sure that the process is fair and equitable for both campuses.</li> </ul> <p>SAC is carefully reviewing expenditures included in the 50% law calculations to be sure that they are maximizing expenses. Important to get a clear true representation of what SAC's 50% is.</p> <p>Two options are being considered at this time</p> <ol style="list-style-type: none"> <li>1. Both colleges would calculate their expenditures at 60% to cover the district's portion.</li> <li>2. Both colleges would calculate their expenditures at 50% and then in accordance with the FTEs split would cover the district's portion.</li> </ol> <p>It was noted that currently the district is working on the calculations. Dr. Collins will report back to the committee.</p>	<p>FOLLOW UPS</p> <p>Dr. Collins will update the committee on the 50% law at the next meeting.</p>
Carryover budget line items for Fund 13	<p>The committee was provided an overview of the 14/15 Tentative Budget Planning estimated carryover funds (Fund 13) of 3.4 million. Discussion ensued.</p> <ul style="list-style-type: none"> <li>• It was noted that the Credit Card fee cost is split between SCC and SAC.</li> <li>• Carryover monies come from savings from both faculty and staff vacant positions.</li> <li>• Unrestricted Contingency is an account that is set aside for schedule investment, emergencies on campus, meeting FTE targets, and unexpected personnel costs that need to be absorbed due to the end of a grant. <ul style="list-style-type: none"> <li>o If these monies are not spent, they are carried over to the following year.</li> </ul> </li> <li>• It was also noted that the college will need to access the district stabilization fund in order to meet the FON requirement. Members were reminded of the following: <ul style="list-style-type: none"> <li>o Expectation is that the hiring of additional faculty will drive FTEs.</li> <li>o Reduce costs of part-time faculty.</li> <li>o Invest in Student Success.</li> </ul> </li> </ul>	
9. FUTURE AGENDA ITEMS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> <li>• 50 Law update</li> <li>• Update on plan for use of Stabilization Funds</li> <li>• District Budget Augmentation requests</li> </ul>	
10. OTHER ITEMS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p><u>Use of Stabilization Funds for OEC project</u></p> <p>There was an inquiry regarding the outcome of a discussion with the Chancellor regarding the 7mil that had been taken from the Stabilization Fund for the OEC project. Will these monies be repaid to the fund? Mr. Zarske noted that this discussion had not taken place but that he will discuss "a plan" for the Stabilization fund with the Chancellor at their next meeting.</p>	<p>FOLLOW UP</p> <p>This item will be on next agenda.</p>

OTHER ITEMS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p><u>District Budget Augmentation request (POE)</u>  Members were advised of budget augmentation requests from the district office. The POE members were asked to prioritize the requests. Discussion ensued. Many concerns were raised.</p> <ul style="list-style-type: none"> <li>• How do these requests impact the 50% law compliancy?</li> <li>• What is the impact on the Budget Stabilization fund.</li> <li>• When requests come in, it is important to consider what the request will do to the structural deficit.</li> </ul> <p>Mr. Hicks and Mr. Zarske will attend the upcoming POE committee and report back to the Planning and Budget committee the status of the requests. With the additional information the Planning and Budget committee can discuss how best to proceed.</p> <p>In addition, Mr. Zarske will share the SAC Planning and Budget committee's concern at FRC and at District Council.</p> <p>The importance of bringing this discussion from Planning and Budget to College Council was stressed so that it is reflected in College Council meeting minutes showing that this discussion has taken place on different levels.</p>	<p>FOLLOW UP  This item will be on next agenda.</p>

Adjourned - 3:04p.m.  
Next Meeting  
Tuesday, August 5, 2014 if needed  
1:30p.m. - 3:00p.m.  
S-215  
Submitted by G. Lusk 5/13/14