



SAC BUDGET MEETING MINUTES

APPROVED 11/6/07

OCTOBER 2, 2007

Administrators

President Martinez
Noemi Kanouse, Committee Chair
Norm Fujimoto
Paul Foster
Thom Hill (absent)
Rhonda Langston
Sara Lundquist (absent)
Kathy Mennealy (absent)
Sergio Sotelo
Maria Sugranes

Faculty

Ray Hicks
Andy Gonis (absent)
Jeff McMillan
Renee Miller
Al Siddons (absent)
George Troxcil, Co-Chair
George Wright

Classified

Denise Phillips
Pete Paolino (absent)
Vacant (2)

Guests: Dan Goldmann

Alternates: David Guzman

1. Meeting was called to order by George Troxcil at 1:35.
2. Approval of Meeting Minutes for 9/4/2007.
A motion was made to approve minutes for 9/4/2006 (Jeff McMillan/Denise Phillips). The Committee unanimously approved the minutes.
3. Noemi presented a summary of the 2007-2008 budget that has been recommended for board approval on October 15th. Basic Skills set aside was eliminated from the 2007-08 budget but has since been restored. We have this year and next year to spend Basic Skills. RSCCD must develop a 2-year plan that links Basic Skills, tutoring, Non-Credit and Credit. A summary from the Community College League with more Basic Skills information was distributed.
4. 2007-08 Apportionment Assumptions shows the enhanced funding. RSCCD generates the second largest non-credit FTES in the state, behind San Francisco. Dr. Hernandez has been asked to sit on a state non-credit committee, in order to establish guidelines for the release of the second year of enhanced funding. The budget allocation was vetoed by the governor.
5. The RSCCD budget for Education Revenue Augmentation Fund (ERAF) has been reduced to zero. We received no monies in 2006-07. The state balances the budget using property tax dollars and has estimated an unrealistic increase. Noemi referred to the hand out from the County of Orange Auditor-Controller, showing a lesser amount than the projected state numbers
6. Noemi reviewed the handout showing 2007-08 revised growth rates for California community colleges. The revised growth rate for RSCCD is 0.714%. This is less than what we originally budgeted (1.64%). If we grow and other districts do not grow, we maybe funded for the amount earned above our cap. This could help us get out of the practice of borrowing FTES from summer. The percentages are determined in Sacramento. They consider a number of factors for each district including high school graduation rates and population growth.
7. Instructional supplies have been restored to last year's level. Noemi referred to the two handouts showing the changes from revised 06-07 budget to the 07-08 adopted budget. The other handout shows the new Lottery Datatel strings.

Funds are allocated to departments based on what was requested last year. Departments submit requests to deans; deans take the requests to the Vice-President; and the Vice-President carries the request to President's Cabinet.

8. The committee was provided with the district's general fund budget that will be presented to the board for adoption on October 15th. Revenue for the adopted budget is greater than anticipated at the tentative. Federal and state carryovers have been revised. The beginning fund balance is up to \$24.3 million. This includes \$4.1 million in non-credit enhancement dollars. This ending fund balance also includes unspent one-time money. Last year was unique in the amount of one-time funds, but those tend to distort future year revenues.

Salaries and benefits have been budgeted as if all approved positions will be filled all year, which explains the large increase. New positions, COLA, and step and column increases were included as well as a 12% increase in health and welfare benefits.

It was clarified that the general fund summary includes both restricted and unrestricted expenditures. The textbooks in 4100 are for students and the books in 6300 are for the library. Utilities are budgeted to increase as a result of new facilities. The \$4.1 million in Non-Credit Enhancement has been placed in a special project holding account in the 5900 objects. The district maintains a 5% reserve. The budget will be revisited later this year.

SAC is approximately 50% of the RSCCD general fund budget. General funds budgeted to be transferred to other funds includes \$1.5 million for SAC redevelopment projects. The 2006-07 receipts were posted in the general fund and are being transferred to the capital outlay fund in 2007/08.

The unrestricted discretionary allocation for the colleges is based on FTEs. The split was 76% for SAC and 24% for SCC when the budget model was first developed seven years ago, but as SCC has grown at a faster rate, those percentages are now 72.47% for SAC and 27.53% for SCC. Those percentages are applied to the unrestricted funds that flow through the budget model. Noemi referred to the glossary of the budget model handout for a detailed look at how discretionary and fixed expenditures are allocated for this budget.

A comparison showing the differences between the adopted budget and the tentative budget for 2007-08 and how the unrestricted dollars for 2007-08 compare to the 2006-07 unrestricted dollars was distributed. Noemi noted that employee benefits have been assigned to each college as a part of the process to initiate the new Datatel system.

The BAPR Work Group reviewed the budget before it goes to the full BAPRC, who recommends the budget to the chancellor, who recommends it to the board for adoption. The Work Group will be re-evaluating the budget model, especially looking at how fixed expenditures are defined. Obviously, the fixed costs impact discretionary expenditures. The district's 16.48% allocation of discretionary funds has not changed since the budget model was first developed.

Enrollment numbers are up for summer and fall. Fall numbers also shows fewer sections, which indicates we are serving more students more effectively.

A bond update as of September 14th indicates that \$89.3 million of the \$157.9 million revised budget has been spent, with 57% of the SAC projects complete.

It was suggested that this committee's priorities be printed on each agenda, so we can keep our goals before us. It is helpful to send the information out in advance whenever possible.

The meeting was adjourned at 3:02.