SANTA ANA COLLEGE

Santa Ana College Mission Statement: *Santa Ana College inspires, transforms, and empowers a diverse community of learners.*

MEMBERSHIP				
Administrators	Academic Senate		Classified	Student Representatives
Bart Hoffman, Co-chair	**Tommy Strong, Co-chair**		**Mark Ou**	**Han Nguyen**
Jim Kennedy	**Claire Coyne**	Marty Rudd	Jimmy Nguyen	
Jeffrey Lamb	**John Zarske**	**Kelly Nguyen**	**Liliana Oropeza**	
Vaniethia Hubbard	Merari Weber	**Reza Mirbeik**	Jessica Avalos	
Robert Manson	**Luis Pedroza**	**David Sauber**		
Bold = Present				

1. WELCOME and INTRODUCTIONS		Meeting called to order 1:33 pm Meeting adjourned at 3:00 pm
	Welcome and introductions were made.	

2. PUBLIC COMMENTS	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS

3. APPROVAL OF MINUTES	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	Approval of December 3, 2024 February 4, 2025 – **CANCELLED**	Motion moved to approve minutes by Reza Mirbeik, 2nd by Tommy Strong Abstentions: Luis Pedroza

4. UPDATES/REPORTS	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	Quarter 2 Budget Performance Report (Mark Reynoso) Governor's Proposed Budget for FY 2025-26 - COLA Adjustment: Proposed cost of living adjustment (COLA) is 2.43% (up from 1.07% for the current fiscal year). - Growth Funding: Proposed 0.5% growth funding for increased student enrollment. - Many community colleges, including SAC, are growing faster than this rate. - Discussions are ongoing to increase growth percentage to avoid unfunded FTES and provide incentives for enrollment growth.	

- Unfunded FTES Impact:
  - RSCCD had 583 unfunded FTES in FY 2023-24.
  - Resulted in a $3.4 million loss in apportionment revenue.
- Credit for Prior Learning:
  - Funding proposed for a statewide system to allow individuals (especially veterans and military members) to convert real-world experience into college credits.

State Budget Shortfall & Deficit Factors
- Budget Deficit Projections:
  - 2024 Budget Act estimated a $46.8 billion shortfall for FY 2024-25.
  - Projected $30 billion shortfall for FY 2025-26.
- Stock Market Revenue Boost:
  - Higher-than-expected revenues in FY 2024-25 due to strong stock market performance.
- Impact of State Wildfires:
  - The January estimate for FY 2024-25 deficit factor was 0%.
  - Now revised to 7.11% due to recent wildfires.

Deficit Factor Impact on Santa Ana College (SAC)
- FY 2023-24:
  - 2% deficit factor applied to SAC's apportionment revenue.
  - Resulted in $3.2 million loss.
  - Deficit now reduced to 0%, meaning SAC should receive these funds back at year-end.
- FY 2024-25:
  - 3.55% deficit factor applied to SAC's apportionment revenue.
  - Estimated loss of $5.8 million (subject to change).
- Monitoring Required:
  - The deficit factor has fluctuated multiple times in recent months.
  - Continued monitoring needed throughout the fiscal year.

Student-Centered Funding Formula (SCFF) & Future Budgeting
- Revenue Protections Ending:
  - 2022 State Budget Act extended revenue protections for community colleges.
  - Starting FY 2025-26, districts will be funded based on:
    1. SCFF-generated revenue for the year, OR
    2. Minimum floor revenue (whichever is higher).
  - Current year revenue (FY 2024-25) will set the funding floor for future years.

Unfunded FTES ($3.4 million loss):
- Represents potential lost revenue due to growth funding limitations.

	• Not an overspending issue, but rather funding was not received despite serving additional students.
	• Faculty costs for those students were covered by the district but were likely lower than the full $3.4 million loss.
	Fund 11 Discussion
	• Budget Estimate:
	    o Projected to end the year $157,000 under budget (estimate, not guaranteed).
	    o Variance may occur due to unforeseen circumstances.
	• Forecasting Methodology:
	    o Based on historical data and expected expenditures.
	    o Mark Reynoso confirmed this is the best estimate based on past trends.
	Fund 13 Discussion
	• Budget Reconciliation:
	    o The year-to-date budget should reconcile with the approved Fund 13 budget from last fall.
	    o Committee voted on a $20 million expenditure plan in September.
	• Expense Comparison:
	    o Object Code 5000 (capital projects, facilities, FMRs) budgeted at $13 million vs. $3.1 million spent last year.
	    o Justified by increased budget allocation (last year's budget was only $7 million vs. $20 million this year).
	Deficit Factor & Revenue Risks
	• Deficit Factor Impact:
	    o State applied a 7% deficit factor due to expected revenue shortfalls.
	    o May fluctuate depending on state revenue (e.g., wildfires affected projections).
	    o Historically, the deficit factor often returns to zero, meaning funds are restored.
	• State Revenue Volatility:
	    o California's revenue depends heavily on high-income earners.
	    o Loss of high earners (e.g., moving out of state) could significantly impact funding.
	Ending Balance & Future Use
	• Projected Ending Balance: $5.3 million in Fund 13.
	• Funds Are Retained:
	    o Remaining balance rolls over into the next fiscal year's beginning balance.
	    o Fund 11 unspent funds also transfer to Fund 13, adding to available funds.	

5. SCFF REPORTS	DISCUSSION/COMMENTS	

SCFF Reports – End of Semester Metric (Robert Manson & Daniel Martinez)

Supplemental Report – Robert Manson
- College funding is based on enrollment, success metrics, and supplemental metrics.
- Supplemental allocation factors:
  - Fee waivers granted to students.
  - Pell Grants awarded.
  - AB 540 students (undocumented students eligible for in-state tuition).

Trends & Observations
- Fee Waivers:
  - Numbers have returned to pre-COVID levels (14,000-15,000 range).
  - Expected to increase another 10% by the end of the year (up to ~16,000).
  - Increase attributed to:
    - Return of low-income students who left during COVID.
    - Increased outreach and application encouragement by the financial aid office.
    - Potential fraudulent students who have not been dropped from classes.
- Pell Grants:
  - Have significantly increased over the last few years.
  - Expected to rise slightly before the end of the year.
- AB 540 Students:
  - Numbers fluctuate unpredictably.
  - No clear trend over the last five years.
  - Current year count is slightly lower than last year.

Concerns & Considerations
- Impact of Federal Policies on Pell Grants:
  - Potential decline in applications due to fear among students with undocumented parents.
  - Parents may be concerned that filling out the FAFSA could expose their immigration status.
  - Messaging efforts are being made to assure families that prior FAFSA applicants are not at additional risk.
- Potential Decline in AB 540 Students:
  - Possible factors:
    - Changes in national immigration policy.
    - Economic and social uncertainties affecting enrollment decisions.
  - No clear trend, but the college should monitor closely.
- College Revenue & Planning:
  - These funding metrics significantly impact the college's budget.

- Ongoing efforts to increase financial aid applications and reduce fraudulent enrollments are crucial.

Success – Daniel Martinez
- Data Reporting on Degrees & Certificates:
  - Mark previously shared reports on degree and certificate completions.
  - Completion data is reported annually via the MIS system.
  - Degree and certificate completions occur less frequently than financial aid updates.
- Hierarchy Issue in Data Reporting:
  - Discovered an incorrect hierarchy in Mark's team's reporting system.
  - Bachelor's degrees were given incorrect priority over Associate's degrees and certificates.
  - Numbers from previous reports didn't align with new findings.
- Recommendation for Data Reporting:
  - Suggestion: Report degree and certificate completions only after official data submission rather than monthly.
  - Ensures accuracy and avoids confusion.
- Bart Hoffman's Response:
  - Past reporting was timed based on expected data availability.
  - The committee uses these reports as a bellwether for revenue impact.
  - Success metrics are only finalized once per year, meaning monthly updates may not be meaningful.
- Robert Manson's Input:
  - State calculates final data at the end of the year, based on multiple submissions throughout the year.
  - Financial Aid: 90% of processing is done by this time of year.
  - Completions (Degrees & Certificates):
    - Less than half of completions happen in the fall semester.
    - More degrees/certificates are completed in spring and summer.
  - Other Success Metrics Affected:
    - CTE completions (9+ units).
    - Transferable Math/English completions.
    - Degree completions.
  - Alternative Reporting Metrics:
    - Consider tracking enrollment numbers instead.
    - Data is reported at the district level, not just college-specific.
- Final Discussion Points:
  - The committee previously prioritized understanding the Student-Centered Funding Formula.

	o Success metrics are key since everyone on the committee can influence them in some way. o Accuracy of data and its timing are essential for informed decision-making.	
6. UNFINISHED BUSINESS	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	Budget Items (Tommy Strong) Budget Priorities for RAR Process – 2nd read (Roll Call) - Background & Context: - The Budget Priorities document was created years ago in response to budget shortfalls and deficit concerns. - It outlines funding priorities—what should be maintained first in case of budget cuts. - Historically, this document hasn't changed much year to year and is used during the Resource Allocation Request (RAR) process. - The RAR process integrates these priorities, helping requesters and decision-makers align funding proposals with institutional needs. - Key Discussion Points: - There was prior debate on whether to create two versions of the document: - One for austerity scenarios (budget deficits). - Another for healthy revenue years (surplus funding priorities). - Current revision includes: - Item #6 completed (Quick Copy merger). - New addition: Properly funded preventative maintenance schedule (important for facilities & safety). - Faculty & Online Training Support: - Faculty requested support for online training. - The Budget Priorities document already includes: - FTES support for online instruction & training (Item #2). - Connection to Guided Pathways, student success, retention, and completion. - Faculty were encouraged to link funding requests to these priorities when submitting RARs. - Recommended Change (Formatting Update): - Item #2 under FTES support should be formatted into bullet points for clarity, similar to Item #4. - Approval Process: - Motion to approve the budget priorities (Bart Hoffman). - Motion made by Claire Coyne. - Seconded by Tommy Strong. - Approval pending minor formatting revision (bullet points for Item #2).	

FRC Tentative Budget Update
- Tentative Budget Assumptions:
    - Vice Chancellor Iris Ingram and Adam O'Connor presented the first draft of the tentative budget assumptions at the last FRC meeting.
    - Discussion centered on how these assumptions were derived.
- Budget Work Group Formation:
    - A subcommittee within the Planning and Budget Committee will focus on budget assumptions.
    - Primary objective: Evaluate and provide feedback before the next FRC meeting on March 19.
    - The group will continue to meet beyond March 19 for ongoing discussions.
- Deficit Factor Impact:
    - The deficit factor determines how much money is withheld from the college.
    - Example: If the factor is 3%, about $5 million could be withheld.
    - If the actual deficit factor is only 0.12%, the college will eventually get that money back, but after 1–2 years.
    - The committee questions whether this money should remain at the district level or be better utilized at the college level.
- College Reserves vs. District Reserves:
    - Santa Ana College has its own reserves.
    - There are also contingency funds in Fund 13, required by Ed Code.
    - Discussion on whether these funds should be allocated differently to prevent unnecessary withholding.
- Concerns from Committee Members:
    - Claire Coyne: Wants to clarify if existing reserves already cover future uncertainties, making additional withholding unnecessary.
    - Luis Pedroza: Concerned that withheld funds may never return to their intended purpose and could be reallocated elsewhere.
- Next Steps & Action Items:
    - Doodle Poll Sent: Members were asked to select a date for the first Budget Work Group meeting.
    - Deadline for responses: End of the day.
    - Interested parties who didn't receive the poll should email Tommy Strong to participate.

7. NEW BUSINESS	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	Overcoming MIS Discrepancies (Daniel Martinez) Flow Chart of MIS Data Tracking • Daniel Martinez discussed numerous discrepancies found in the MIS (Management Information System) and expressed concerns about the accuracy of data extraction.	

- These discrepancies were uncovered after a detailed review of the MIS files.
- A data committee was created at the end of the previous academic year to address these issues.
- The committee aims to raise awareness about data issues and ensure transparency regarding the source of data.
- A work group was formed to focus on data integrity, including individuals from the district's research team, IT, and Student Information Support departments.
- Daniel Martinez highlighted the need for an expert consultant to help ensure accurate extraction and reporting of data from Colleague to MIS reports.
- The group is moving forward to hire the consultant as a part-time service to help clarify and streamline the process.
- The board is expected to approve the proposal during the March 24 board meeting.
- A flowchart tracking MIS data will be created to improve understanding of the data flow, extraction, and reporting process.

First Read of Meeting Calendar for Next AY (Mark Reynoso)
Overview of Calendar Discussion
- September:
    - First SCFF (Student-Centered Funding Formula) report after the fiscal year closes or semester ends.
    - Budget reports also presented.
- October:
    - Review of Planning & Budget Committee goals.
- November:
    - Quarter 1 Budget Performance Report.
    - First read of budget priorities.
    - First read of Resource Allocation Request (RAR) summary.
- December:
    - Second read of budget priorities.
- February:
    - SCFF end-of-semester metrics after the Fall semester.
    - Quarter 2 Budget Reports.
- Tentative Budget Assumptions:
    - Typically presented at the Fiscal Resources Committee (FRC) in February.
    - The committee discussed adding the review of these assumptions to the March agenda.
    - Concerns about timing since assumptions are only released shortly before the February meeting.
    - Suggestion to request the tentative budget assumptions earlier from the district.

Challenges & Suggestions
- Meeting Scheduling Conflicts:
  - The February meeting during Flex Week had attendance issues due to faculty and staff obligations.
  - Consideration of moving the February meeting later in the month.
  - Alternative suggestion: Keep the February 3rd meeting and replace the March meeting with another February session.
- Governance Handbook Compliance:
  - The committee is not strictly required to meet monthly but follows a set schedule in the Participatory Governance Handbook.
  - Changes to the meeting schedule must be carefully coordinated to avoid conflicts with other standing meetings.
- Updating Budget Assumptions:
  - Tentative budget assumptions evolve until the adopted budget is finalized.
  - Even if reviewed in March, updates and recommendations can be provided later in April or May.

8. STUDENT UPDATE	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS

	Han Nguyen
	• Han Nguyen is the new student representative from ASG (Associated Students Government).
	  ○ Club Rush event took place on the current day and will continue tomorrow.
	  ○ The ASG President and Vice President, along with two advisors, visited Continuing Education to foster better connections between the institutions.
	  ○ ASG students will attend the American Student Association for Community Colleges (ASAC) Conference to debate and discuss important student-related issues and represent the SAC ASG and student body.	

9. SACTAC	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	None to report at this time.	
10. ACCREDITATION	DISCUSSION/COMMENTS	ACTIONS/FOLLOW UPS
	None to report at this time.	
11. FUTURE AGENDA ITEMS		

	• Next Meeting Tasks:
	  ○ The committee will be assessing tasks on the Committee calendar, as previously discussed.
	• Upcoming Presentations:
	  ○ Technology Replacement Plan will be presented at the next meeting.
	  ○ On May 6, 2025, there will be an Exhibit C presentation by Dr. Nery.	

GENERAL INFORMATION		
	• [Fiscal Resources Committee (rsccd.edu)](rsccd.edu)	
NEXT MEETING	**April 1, 2025**	

Submitted by Norma Castillo