



Santa Ana College

Planning & Budget Meeting

November 5, 2013

A large red triangle is located in the bottom left corner of the page.



SAC Planning and Budget Committee

November 5, 2013

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

S-215

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 11, 2013)*

Agenda

1. Welcome and Introductions
2. Public Comments
3. Approval of Minutes for October 1, 2013
4. Budget Update
5. Student Update
6. Old Business
 - 13/14 Committee Goals
 - Update on use of stabilization funds for OEC
 - SB361 Evaluation Process
7. New Business
 - SAC Quarterly Budget Performance Report (July, Aug., Sept.)
 - SAC Budget Manual Presentation
 - 14/15 SAC Budget Calendar
8. Future Agenda Items
9. Other Business

Next Meeting - December 3, 2013

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.



SAC PLANNING & BUDGET MEETING
MINUTES - OCTOBER 1, 2013
SAC FOUNDATION BOARD ROOM
1:30P.M. - 3:00P.M.

Draft for Approval

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)	Michael Kelcher	George Wright	Tom Andrews	Minhchau Chau	
Jim Kennedy	Ray Hicks co-chair	Monica Porter	John Zarske	Angela Guevara(a)	GUESTS	
Linda Rose				Denise Hatakeyama	Esmeralda Abejar	Bart Hoffman
Lilia Tanakeyowma				Leslie Wood-Rogers		Rhonda Langston
1. WELCOME	Committee was welcomed and self introductions were made.				Meeting called to order 1:34p.m.	
2. PUBLIC COMMENTS	DISCUSSION/COMMENTS				ACTIONS/ FOLLOW UPS	
	No public comments					
3. MINUTES	DISCUSSION/COMMENTS				ACTIONS/ FOLLOW UPS	
	<p>The Sept 3, 2013 Planning and Budget minutes were presented for approval. The following amendment was made:</p> <ul style="list-style-type: none"> Staff Development <ul style="list-style-type: none"> These monies are for Classified, Faculty and Management Professional Development. A task force composed of both all constituencies will meet and make recommendations to move forward. 				<p><u>ACTION</u> Motion was moved by J. Kennedy to approve the September 3, 2013 Planning & Budget Committee minutes. 2nd - J. Zarske Minutes were unanimously approved as amended.</p>	
4. BUDGET UPDATES	DISCUSSION/ COMMENTS				ACTIONS/ FOLLOW UPS	
	<p><u>STATE BUDGET UPDATE</u></p> <ul style="list-style-type: none"> Gov is beginning to scrub SB 97, which is the "education clean up" bill to the 13-14 state budget. For community college, SB 97 authorizes the D of F to speed up the general fund apportionment if a shortfall in revenues related to the RDA do indeed materialize. <p>Other bills of interest to community colleges that have been signed include:</p> <ul style="list-style-type: none"> -AB 173, which authorizes a community college district to award a contract for goods, services, or information technology with a value of between \$5,000 and \$250,000 to a certified small business, without complying with specified competitive bidding requirements -SB 595 which requires each CCC campus to not enter into a contract with any entity that requires a student, as a condition of the student receiving his or her financial aid disbursement, to open an account with the entity <ul style="list-style-type: none"> Sept. 12, Economists at the UCLA Anderson Forecast foresee the U.S. economy returning to "normalcy," although they acknowledge that the new normal is still weak by historical standards. While the outlook is better than the past four years, the economy will be growing well below the rate that would have been expected prior to the recession. 					

BUDGET UPDATES (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> o The California economy is expected to follow the same path of slow recovery as the U.S. economy. o Real personal income growth is expected to rise from 1.9% in the current calendar year to 3.3% through 2015. o The state's unemployment rate, while still above the national average, will fall through 2013, averaging 8.9%, and drop to 6.9% by 2015. o And housing and construction, as measured by building permits, will rise from almost 79,000 in the current year to 104,000 in 2014—a 32% gain <ul style="list-style-type: none"> • September 11, 2013, Chancellor Brice Harris released the results of an annual survey showing a 5% increase in the number of course sections offered. Following years of decline, the median increase in enrollment projected at community colleges is 2.5%. <p><u>DISTRICT BUDGET UPDATE</u> FRC meeting 9/25/13</p> <ul style="list-style-type: none"> • We did get new revenue this year, specifically for COLA and g/a/r funds however, the estimated revenue shortfall might cause the funds get taken from us <ul style="list-style-type: none"> o Structural System Wide Apportionment Deficit - \$40 to \$50 million short fall. Represents a \$1- \$1.3 million shortfall for RSCCD o Education Protection Act- \$9 million short Fall. Represents potential RSCCD loss of \$235,000 o We must also invest with our own cash to earn g/a/r revenue in the future! • OEC- The Board has committed funds for the renovation <ul style="list-style-type: none"> o Estimated cost 14-16 million plus 25% increases in architectural fees the cost could go up to 20 million. o To be funded as follows: <ul style="list-style-type: none"> • Measure E \$5M • Budget Stabilization \$7 m • SCC RDA remaining funds \$ 4m • If cost exceeds 16m the increase will be taken from stabilization fund <p>Programming of the facility is taking place right now. This will take 3 to 5 months. RFP was done. OEC work will start within 13 to 14 months from now.</p> <ul style="list-style-type: none"> • FRC has to review the SB361 model and analyze district services provided to the campuses. <p>POE was charged to find and instrument to grade the services- hasn't shown initiative on the process- SAC and SCC will be pushing the issue- working with DIST Fiscal services to determine the parameters of the evaluation for this year.</p> <ul style="list-style-type: none"> • FON (Faculty Obligation Number) <p>Anticipating the removal of the suspension of the FON by the Board of Governors- must make movement with our District FON- current estimate of District-wide faculty</p>	

BUDGET UPDATES (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p>hiring needs for Fall 2014 is 25.8. SAC's 70% split is 18, which equates to around \$2 million</p> <p>Each retirement increases the number of new faculty needed</p> <p>This will help the district to comply with the 50% law, which requires that 50 cents of the dollar to be spent for Instruction.</p> <p>Most classified assignment are on the bad side of the equation. Managers, Counselors, A & R, Librarians. And also, faculty reassigned time. (Coordinators, Dept Chairs)</p> <ul style="list-style-type: none"> • 50% Law <p>The district has always budgeted 50% law compliance under 50% required. In the adopted budget for 13/14 the percent is 47.25%. This is something that should be taken into consideration when planning programs and services. At both campuses (SAC is at 61% SCC is at 47%)</p> <p><u>SAC BUDGET UPDATE</u></p> <ul style="list-style-type: none"> • Budget is performing well, but it is early- utilities expenses have been up, particularly for electricity. LED project should help us very soon. PROP 39 funds delivered in Nov. for the exterior LED project • cashflow report will be provided at our next P and B meeting • Intercession is a go- costs have been attached to the plan, to be approved by the Chancellor. Dr. Rose will discuss a bit more in detail in a bit. • Developing an integrated annual budget cycle- ties instructional and student services planning into the calendar (acts as a road map for our planning cycle)(cabinet review, P and B, then College Council) • FY 13-14 RAR funding is being conducted now. Prioritized projects that have been identified for funding are being worked through right now, will be presented to Cabinet-then P and B- then College Council. IT needs are being coordinated with SAC-TAC • RAR worksheets will be delivered at the end of the month- to be completed by the end of November, then prioritized by program areas in Dec . <p>Faculty Priorities committee meets this month-SAC working with DIST to establish # of faculty positions needed for our FON</p>	
5. STUDENT UPDATE	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	No update	
6. OLD BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p><u>END OF YEAR REPORT/Committee Goals</u></p> <ul style="list-style-type: none"> • It was reported that 75% of the membership had responded to the survey. The results were shared with the membership. Discussion ensued. • Goals #1 and goal #3 were noted as completely met. • Goals that were partially met should they be carried over to the next year? • Improved communication goal to constituencies groups was discussed. <ul style="list-style-type: none"> o Constituent representatives should be communicating with their respective groups the information discussed at the Planning & Budget committee meetings. 	<p><u>FOLLOW UP</u></p> <p>Ray and Dr. Collins will work on the committee goals based on the discussion. Members will receive their revisions before the next meeting.</p> <p><u>FOLLOW UP</u></p> <p>The Planning and Budget meeting reminder will include a statement informing all that the meetings are open.</p>

OLD BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> o Important to communicate agenda and minutes to the entire community college. <ul style="list-style-type: none"> ▪ It was noted that notifications of upcoming meetings, draft minutes and all available meeting materials are sent to the entire SAC community every month. o The importance to remind the college community that the meetings are open to all was also discussed. <p>A need to add a goal regarding developing a strategy to achieve the recommended goals was also discussed.</p>	
	<p><u>SB361 Evaluation Process - Discussion</u></p> <ul style="list-style-type: none"> • It was reported that Ray Hicks and Dr. Collins brought forward the recommendations from the last Planning and Budget meeting to the FRC. <p>Specifically</p> <ul style="list-style-type: none"> o Provide the data to the college regarding what district office services are being provided. o How much is being expended within those services. <ul style="list-style-type: none"> • Model calls for an evaluative process to review the effectiveness of the model. • The importance to follow this aspect of the model was stressed to members. • A task force has been put together to address this issue. They will address what the district costs are and where are the gaps. o The first meeting is scheduled for October 7 at the district office. o Members include: Dr. Collins, Steve Kawa, Jim Kennedy, Ray Hicks and Michael DeCarbo. 	
7. NEW BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p><u>Resource Allocation Request Process</u></p> <p>The funding of the 13/14 Resource Allocation Requests are now underway.</p> <ul style="list-style-type: none"> • Requests have been prioritized to ensure that all requests are tied to intended outcomes at the program and dept./div. level. • Committee will be provided with an overview of what was funded for 13/14. <p>The RAR process will start in October.</p> <ul style="list-style-type: none"> • Worksheets will be delivered to all areas by the end of October. • Those requests that were not funded may be added to the 14/15 requests. • Requests need to be prioritized by the Program Areas by December. • Then move forward to the respective Vice Presidents. 	
	<p><u>Enrollment Management</u></p> <p>Dr. Rose presented an update to the members on the enrollment management plan. (see attached)</p> <ul style="list-style-type: none"> • The deans have been working on reallocating the distribution of FTEs across Academic Affairs. The distribution is being structured on how the FTEs are generated. • The overview outlined how the FTEs are generated, noting the recently added intersession target of 2% = 316 FTEs. • Divisions are currently building the intersession schedule to meet their FTE target. <ul style="list-style-type: none"> o In building the schedule, FTEs will be allocated based on meeting student needs, Student Success Bill 1456 as well as other mandatory factors must be considered. o DSPS unfunded mandate also plays a key factor. 	

NEW BUSINESS (cont.)	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> o State is holding colleges accountable for student completion - failure to do so could mean penalties. o Goal is to offer courses that students need to complete their pathways. • Necessary to spend money to acquire growth money and increase the college's base funding. o Cost - 1.5mil. 	
	<p><u>2014/15 SAC Budget Priorities</u> Members were presented the 13/14 SAC Budget Priorities.</p> <ul style="list-style-type: none"> • The document was reviewed by the membership and recommendations were called for in setting the priorities for 14/15. • Members were also reminded that the budget priorities help to guide the Resource Allocation Process RAR process. <ul style="list-style-type: none"> o Requesters are to be tying their requests to the general budget priorities. <p>Discussion ensued. The following recommendations were made:</p> <ul style="list-style-type: none"> • Change STUDENT SUCCESS INITIATIVES to STUDENT COMPLETION SUCCESS under General Priorities. • The document contains a reference regarding LEGAL MANDATES and COMPLIANCE. • Remove the Core Mission 	<p><u>ACTION</u> Motion was moved by L. Tanakeyowma to approve the 2014/15 SAC Budget Priorities as revised. 2nd - M. Porter The 2014/2015 SAC Budget Priorities unanimously approved as revised.</p>
8. FUTURE AGENDA ITEMS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<ul style="list-style-type: none"> • SAC Quarterly Cash Flow Report • Annual Planning and Budget Calendar 	
9. OTHER BUSINESS	DISCUSSION/ COMMENTS	ACTIONS/ FOLLOW UPS
	<p><u>OEC</u> A discussion ensued regarding the cost of the OEC project.</p> <ul style="list-style-type: none"> • Board has committed funds to the project. • The project will cost between 14 - 16 million. <ul style="list-style-type: none"> o 5 mil from Measure E funds. o 7mil from Budget Stabilization fund (DO). o Remainder from the RDA capital outlay funds from SCC. <ul style="list-style-type: none"> ▪ It was noted that RDA funds for SCC and SAC are separate. ▪ Santa Ana College has accumulated 10 - 11mil in RDA funds from the RDA zones in Santa Ana Colleges regions. <ul style="list-style-type: none"> ▪ SAC is utilizing those funds moving forward with projects. ▪ There will be future discussions as to what projects RDA funds will pay for. o If the project exceeds 16mil the balance will come from the District Stabilization funds. <ul style="list-style-type: none"> ▪ It was noted that the District Stabilization fund is meant to be an emergency fund. ▪ This is an ending balance that SAC helped to build. ▪ Is it a loan? Is there a long-term to replace the monies? ▪ The committee discussed the need to address the use of the stabilization monies. ▪ It was noted that the move from OEC to the Chapman site as well as the lease for the Chapman site was taken from the Stabilization fund. ▪ This issue will be taken to POE and the FRC committee for further discussion. 	<p><u>FOLLOW UPS</u> Ray Hicks will bring the use of Stabilization funds for the OEC project to the POE and FRC committees.</p> <p>Adjourned - 3:05p.m. Next Meeting Tuesday, November 5, 2013 1:30p.m. - 3:00p.m. S-215 Submitted by G. Lusk 10/11/2013</p>

SAC Budget Calendar

Fiscal Year 2014-2015

October	<p style="text-align: center;">Budget Development Begins</p> <p style="text-align: center;">Budget Priorities approved by SAC Planning & Budget Committee</p> <p style="text-align: center;">Resource Allocation Requests forms (RARs) are sent out to all program areas</p>
December	<p style="text-align: center;">Departments update/complete SAC Resource Allocation Requests</p>
January	<p style="text-align: center;">Governor's 2014-2015 Proposed Budget is presented</p> <p style="text-align: center;">Administrative Services compiles SAC Resource Allocation Requests</p> <p style="text-align: center;">RARs reviewed and prioritized by Cabinet</p>
February	<p style="text-align: center;">SAC Planning and Budget Committee reviews prioritized RAR list</p>
March	<p style="text-align: center;">SAC Planning & Budget Committee reviews</p> <p style="text-align: center;">District & SAC Tentative Budget Assumptions</p>
April	<p style="text-align: center;">SAC builds Tentative Budget based on</p> <p style="text-align: center;">SAC budget priorities and Tentative Budget Assumptions</p>
May	<p style="text-align: center;">Governor's May Revise is presented</p> <p style="text-align: center;">SAC Tentative Budget is sent to Planning & Budget Committee for review</p> <p style="text-align: center;">SAC Tentative Budget is sent to district</p>
June	<p style="text-align: center;">Tentative Budget available for department review after Board of Trustees approval</p>
July	<p style="text-align: center;">Cabinet reviews and analyzes prior year's budget performance and SAC achievements</p> <p style="text-align: center;">of "key performance indicators"</p>
August	<p style="text-align: center;">District and SAC Adopted Budget Assumptions are distributed to Planning and Budget</p> <p style="text-align: center;">Committee for feedback</p> <p style="text-align: center;">Fund 13 proposed expenditures presented to P & B</p> <p style="text-align: center;">Cabinet allocates funding for Resource Allocation Requests items</p>
September	<p style="text-align: center;">Board of Trustees approves Adopted Budget</p>