

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

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Office: (714) 480-7321

Website: <http://rscgd.edu/Departments/Business-Operations/Pages/Fiscal-Resources-Committee.aspx>

Fiscal Resources Committee

Executive Conference Room – District Office

1:30 p.m. – 3:00 p.m.

Meeting Minutes for March 25, 2015

FRC Members Present: Michael Collins, Ray Hicks, John Zarske, Arleen Satele, Raul Gonzalez del Rio, Peter Hardash, Adam O'Connor, Lee Krichmar and Diane Hill

Alternates/Guests Present: Jim Kennedy, Jose Vargas, Richard Kudlik and Esmeralda Abejar

1. Welcome, the meeting was called to order by Mr. Hardash at 1:35 p.m.
2. State/District Budget Update – Mr. Hardash reviewed the following:
 - The LAO 2015-16 budget analysis was released, the formula is not good. There are four factors in the new growth funding formula: poverty, degree completion, unemployment and underserved areas. Three years of unfunded FTES was in then removed by Department of Finance.
 - Chancellor's Office formula has two elements: districts the size of RSCGD will never see more growth than 1%. Small districts will have growth rates of 7-8%.
 - More details on the formula in the report to the CEO's.
 - One time money: \$351 million is mandated costs could grow to \$500 million, however, free and clear money is what is needed, most likely will come with strings attached. Talk from Legislators and Finance is to use the funds for capital projects since there hasn't been a statewide bond. The need is for unrestricted funds for normal operating costs increase and the increase in PERS and STRS.
 - The budget assumes that total revenue shifted in 2014-15 is \$824 million. Results in schools receiving an additional \$125 million. Some of the \$125 million is to help districts who haven't made progress on their FON
 - Tons of money may come in the May Revise but most will be restricted.
 - Request from the Board of Trustees, what is the big number (deficit) is broken down by cost center. Mid-year, looks like we will deficit spend by \$5.8 million. Next year, the deficit will be \$8 - \$12 million which will zero out the budget stabilization fund.
 - Local budget reserves must be used prior to use of more stabilization fund per the Budget Allocation Model.
3. Review of Cash Flow Summary:

Mr. O'Connor distributed the General Revenue Cycle and Anomalies to Revenue and Expenditures for FY 13-14 & FY 14-15 as February 28, 2015. This document details, by month, the activities of revenue and expenditures, the change in fund balance from month to month and ending fund balance by month. This exercise is similar to a personal checking account, done on a cash basis. Once the stabilization fund is gone, there will be cash flow issues in some months.
4. Budget Allocation Model (BAM) Review:

Mr. O'Connor reviewed the suggested changes, discussed at the previous FRC meeting, to the Budget Allocation Model. Lengthy discussion ensued on various items: budget center reserves and savings, district-wide services, District Services vs Institutional Costs and position

vacancies. The next draft with suggested changes will be placed on the agenda (April) for discussion.

5. Committee Calendar:

Mr. O'Connor reviewed the Fiscal Resources Committee Planning Calendar.

- It was discussed that the Planning manual needs to be updated as FRC does not submit targets, the colleges do.
- Assesses effective use of financial resources, a review of district services was discussed.
- Add to calendar in January: document the review of the audit.
- This calendar will be regularly updated and posted on the website.

6. Informational Handouts were distributed as information.

Mr. Hardash reviewed the following handouts, it has been mentioned at Board meetings and through Board members that employees are not seeing or receiving information documents. Each voting member on this committee is to take back and share information with the constituent groups they represent. This information is also available on the District website.

- District-wide expenditure report link: <https://intranet.rscsd.edu>
- Vacant Funded Position List as of March 18, 2015
- Measure "E" Project Cost Summary as of February 23, 2015
- Measure "Q" Project Cost Summary as of February 23, 2015
- Monthly Cash Flow Statement as of February 28, 2015

7. Approval of FRC Minutes – February 25, 2015: Meeting Minutes for the February 25, 2015 meeting were distributed for review. Mr. Hardash asked for a motion to approve, it was motioned by Mr. O'Connor, seconded by Mr. Collins and passed unanimously by the committee.

Adjournment

Mr. Hardash adjourned the meeting at 3:00 p.m.

Meeting Schedule – Next Meeting:

Next regular meeting: Wednesday, April 22, 2015 – 1:30 p.m. – Executive Conference Room, DO.