

**Fiscal Resource Committee  
Via Zoom Video Conference Call**

Meeting Minutes for February 18, 2026

FRC Members present:

SAC: Bart Hoffman, Clair Coyne, Tommy Strong (1:38pm), Joanne Mejia  
SCC: Arlene Satele, Sara Gonzalez, Tara Kubicka-Miller, Veronica Gonzalez  
DO: Iris Ingram, Adam O'Connor, Sarah Fisher, Noemi Guzman, Madeline Grant

FRC Members absent: Veronica Munoz

Alternates present: Thao Nguyen

Guests present: Alicia Ayers, Jason Bui, Steven Deeley, Gina Huegli, Jeannie Kim, Rasel Menendez, Enrique Perez, Mark Reynoso, Barbie Yniguez (Recorder)

**Welcome**

VC Ingram welcomed all to the meeting of the FRC and called the meeting to order at 1:32pm via zoom upon achieving quorum.

**1. State/District Budget Update**

- SSC – Bipartisan Budget Deal Safeguards Education Funding
- SSC – Speaker Rivas Sets Key Education Committees
- SSC – Circulated Billionaire Tax Proposal Includes Community Colleges
- SSC – Bipartisan Agreement Secures FY 2026 Federal Education Funding
- SSC – 2026-27 Governor's Budget Dartboard
- LAO-The 2026-27 Budget: Higher Education Overview
- LAO-The 2026-27 Budget: Proposition 98 Guarantee and K-12 Spending Plan

Information items above include preliminary items from School Services Consulting and other LAO information regarding the upcoming State budget. Currently, the State Legislature, through month of February and March, will be holding budget hearings. More information should be available for May revise. In the interim, tentative budget assumptions will be provided and updated as information is received.

**2. 2026/2027 RSCCD Tentative Budget Assumptions – ACTION**

O'Connor provided a review of the tentative budget assumptions for FY2026-27.

This was the first look at the tentative budget assumptions which will be reviewed and updated as part of the entire budget process.

The tentative budget assumptions will be presented to the FRC a total of four times: 1) today (setting the beginning of the assumptions); 2) the update when the actual Tentative Budget is presented; 3) assumptions will be updated as work progresses on adopted budget, and 4) presented when action is taken on the adopted budget. Updates will take place over this period. The District Council will review the Tentative Budget with updates as well, followed by the Board of Trustees' review which may also result in updates to the assumptions. Changes are made as new information is presented.

Full calculated revenue of the SCFF is being used. Major assumption is based on FTES which determines a large portion of our revenue. At P1 actual FTES provided to the State was 32,872. P1 (on the spreadsheet) is currently blank from State has not yet been provided so this will be updated, hopefully prior to submittal to District Council.

Major new revenue that is anticipated include the proposed COLA of 2.41% and projected growth of 1.5% totaling \$10.4M that will be new, ongoing budget revenue.

Last year the Budget Allocation Model (BAM) was changed and we no longer deficit our anticipated revenue. We project all of that revenue will come in, but the two colleges are required to set aside a 2% deficit factor (approximately \$3.7M at SAC and \$1.4M at SCC). Minor changes are seen in revenue. Non-resident tuition increased by \$300,000. Based on SAC and SCC revenue today, the split would be \$2.7M at SAC and \$1.6M at SCC.

Strong had provided a question asking why revenue items show as one number in the first two pages and a different number on the recap on the third page. As an example, \$4.3M is the total amount of anticipated revenue from non-resident tuition in the following year. That is an increase of \$300,000. The recap page only includes new revenues and new expenditures, not total revenues and total expenditures. That line item is only \$300,000, not \$4.3M. Only the change is shown on the recap.

Apprenticeship revenue totals \$6.5M, an increase to SCC's budget of approximately \$155,000.

Expenditure assumptions include all the regular assumptions normally included. Salary adjustments amount to 3.2% for the bargaining units. Step/column increases were included in the budget, as well as health and welfare increases. The full-time faculty obligation has been over the obligation the past couple years. However, the need to hire a minimum of ten faculty to meet the Fall 2026 obligation is expected. SAC is planning to hire 12 to meet the FON (11 credit and one categorical funding/counselor plus one non-FON position). Coyne mentioned there should be two non-FON positions: ESL coordinator and allied health for non-credit. The list will be reviewed and information updated as necessary.

Grant asked whether long-term substitute (LTS) faculty are counted as part of the FON (two or three are ending Spring 2026). O'Connor confirmed LTS do count toward FON. The LTS which are ending would need to be replaced with a new LTS or permanent faculty.

Section G: The OPEB obligation is paid in full. Irrevocable trust has \$100M balance. There is no change at this time, but with the total obligation in irrevocable trust it could result in the ability of using that fund to pay for the cost of retiree insurance vs using the general fund.

Section H: Two items transferred to capital projects. \$1.5M in capital outlay is a continuing cost. Strong questioned what the decision was last year related to this allocation. The allocation will continue with the commitment that Carri Matsumoto and the facilities team would communicate with the VPs and facilities directors concerning priorities and fund allocation. VC Ingram informed the group there is a spreadsheet that has been reviewed by the VPs and Matsumoto to prioritize projects. The second item (added in FY25-26) was additional \$2.2M added to the debt service fund to repay Certificates of Participation because it was anticipated COPs would be issued. That assumption is being removed until COPs are planned, thereby allocating \$2.2M back to the colleges through this model. Redevelopment

Agency (RDA) funds were being allocated from each campus to the unrestricted general fund for COP. The colleges will continue to keep their RDA until it is decided that COP is necessary.

Section L includes several position requests that have been moving through participatory governance process. A placeholder of \$750,000 has been included in the event the positions are approved. Coyne asked if the total covers all the positions. The placeholder is a round number, not exact. Also included is \$8,000 for TB test reimbursement. Reimbursement is required. VC Olson has said future requests for reimbursement will be covered. ITS centralized funds for software requests was requested. New software requests from both colleges which will be centralized in ITS. The Board of Trustees is looking at contracting with a law firm for special counsel. It has not yet happened and the cost is unknown at this time. Based on the assumption this will go forward, \$100K was added. Funds to support CEFA participatory governance committee stipends was also included as a result of the MOU. Grant asked about the number of CEFA faculty approved to receive stipends. It was recommended that the MOU be reviewed by VC Olson as the language is unclear.

Final two items: During 2026-27 the tenth and final Blazer Settlement ADA payment will be made. The SRP expenses have been completed as of 2025-2026 so there is an add-back to the budget for 2026-2027.

In summary:

Two major revenue increases with some minor increases total \$11.7M in new ongoing revenue. Various costs increase. A slight decrease in CalPERS resulted in some savings. Addition of new faculty and deduction of 2.2M for COP payments and other costs listed under additional DSO Institutional and savings from SRP 2 results in \$11.4M in new ongoing expenditures. The difference is a slight positive number at this point in time. \$3.2M was the starting point as unallocated 2025-26. The split in the model was \$5.5M positive to SAC and \$2.3M negative for SCC.

SCC is working on budget reductions and still going through the participatory governance process at their campus. An estimate of \$1.1M for ongoing savings will be added back to the budget. There is a net \$4.6M in unallocated funds for purposes of budget assumptions, and this will change as the Tentative Budget is built. SAC has budgeted a number of new positions that would be deducted from the \$5.5M at the start of the year.

Strong asked if with a possible surplus of \$4.6M across both campuses, does this anticipate the FTES that the colleges are forecasting this next year, and does it also anticipate the risk of hitting the unfunded FTES ceiling? Realizing this summary is the changes and not the total, and that revenue changes are captured, but considering also the anticipated FTES, is that what is seen in the \$6.3M and \$4M estimates? O'Connor said \$6.3M is COLA and metrics will increase by that. Addition of proposed funding of 1.5% growth is estimated, not the college projections of what their growth could be. It is the funding that could be available. That is system-wide funding which could change from district to district based on FTES earnings.

VC Ingram explained we have budgeted what is possible. Likely what is probable, but mostly what is possible because we try to keep a little bit of unfunded growth so nothing is left on the table. Given what the funding is and what other districts are doing, we may end up receiving more because the way it works in the State; they have growth funding set aside. If districts do not make their growth targets, then the funds are redistributed to districts that have excessive or unfunded growth. Keep in mind P1 is an estimate.

Grant asked when a more realistic picture of the budget will be available, considering the budget issues at SCC. VC Ingram explained a new set of budget assumptions will be taken to the Board of Trustees twice, followed by the Tentative Budget in May. Over the next 8-10 weeks SCC will have gone through the participatory governance process and have resolved budget issues, and expenditures will be known to the extent possible at that point in time. That result will be folded into budget assumptions.

Satele provided a participatory governance update. The budget committee was held February 17 for input to the budget plan. Next Tuesday will be College Council and a week later the Leadership Task Force.

It was asked how growth is allocated to the colleges. Is it 70/30? O'Connor answered that colleges receive what they have produced and earned. This also applies to growth dollars. Historically it has been approximately 70/30 and that is why it is called the 70/30 split, but unlikely it is ever exactly 70/30.

Motion to accept the Tentative Budget was made by Claire Coyne with second by Bart Hoffman. Roll call vote was taken and the motion passed unanimously.

### **3. Updated AR 7400 Travel – ACTION**

Motion to table the AR7400 Travel until March 18 meeting. Grant made the motion with second by Kubicka-Miller.

Roll call vote was taken. Motion passed 12 yes, 1 abstain

### **4. Standing Report from District Council – Tara Kubicka-Miller**

January 26 meeting was canceled. There is no report.

### **5. Informational Handouts**

- District-wide expenditure report link: <https://intranet.rscdd.edu>
- Vacant Funded Position List as of February 11, 2026
- Monthly Cash Flow Summary as of January 31, 2026
- SAC Planning and Budget Committee Agendas and Minutes
- SCC Budget Committee Agendas and Minutes

### **6. Approval of FRC Minutes – January 21, 2026 - ACTION**

Motion to approve January 21, 2026 minutes as corrected (name misspelling) was made by Claire Coyne with second by Bart Hoffman.

Roll call vote was taken. Motion passed 7 yes; 6 abstain.

### **7. Other**

Motion to adjourn was made by Adam O'Connor with second by Bart Hoffman.

All in favor logged off the zoom meeting.

Meeting adjourned 2:14pm.

**Next FRC Committee Meeting:** March 18, 2026 1:30-3:00 pm