

Fiscal Resources Committee
Executive Conference Room – District Office
1:30 p.m. – 3:00 p.m.

Meeting Minutes for February 20, 2019

FRC Members Present: Peter Hardash, Bart Hoffman, Thao Nguyen, Adam O'Connor, Monica Zarske, Arleen Satele, Steven Deeley, Michael Taylor, Pilar Gutierrez-Lucero

Alternates/Guests Present: Jose Vargas, James Kennedy, Roy Shabazian, George Walters, Mark Reynoso

1. Welcome: Mr. Hardash called the meeting to order at 1:31 p.m. Brief introductions were made.
2. State/District Budget Update
Mr. Hardash pointed out the handouts and links provided. He noted the following:
 - The LAO Analysis shows the current new Student Centered Funding Formula is short of funds for the current year
 - Proposition 98 minimum funding guarantee may be lower by May
3. 2019/20 RSCCD Tentative Budget Assumptions
Mr. O'Connor discussed the tentative budget assumptions and noted the following:
 - The current FTES is down 10.31% from prior year
 - The projected COLA of 3.46% is \$6,070,000
 - Unrestricted lottery and mandate Block Grant are allocations that are dependent on the FTES. With the FTES drop, those two numbers will reduce the following year
 - Non-Resident Tuition budget remains unchanged from previous year at \$3,200,000
 - Apprenticeship revenue remains unchanged from previous year at \$2,757,300
 - The estimated cost of a 1% salary increase is \$1.32 million for unrestricted general fund
 - Step and column movement is budgeted at an additional cost of approximately \$2.06 million
 - Health and Welfare benefit premium cost increase as of 1/1/20 is estimated at 3.5% for an additional cost of approximately \$744,144 for active and retired employees
 - The District will decrease the Worker's Compensation Insurance (WCI) rate from 2.25% to 1.5% of total salaries
 - The current rate per Lecture Hour Equivalent (LHE) effective 7/1/18 for hourly faculty is \$1,345
 - The District will increase the employer payroll contribution rate of 3.63% to 4.25% of total salaries to fund the total actuarially determined Annual Required Contribution (ARC)
 - Estimated annual cost of Santiago Canyon College ADA Settlement expenses of \$2 million from one-time funds
 - Budget Stabilization Fund Balance at 6/30/2019 is estimated at \$1 million due to the shift in Board Policy Contingency from 5% to 12.5%.

Mr. Hardash called for a motion to approve the Tentative Budget Assumptions. A motion was made by Ms. Zarske, seconded by Mr. Hoffman and approved unanimously.

4. Review and Update of FRC Page in Planning Design Manual

Mr. Hardash discussed the FRC Page in Planning Design Manual and noted the following:

- All the planning committees will be gathering on May 10, 2019 to review the District's Planning Design Manual
- The Fiscal Resources Committee provides district-level fiscal review including annual evaluation of the District's Budget Allocation Model, as well as, develops and recommends tentative and adopted budget assumptions to District Council
- Responsibilities of the Fiscal Resources Committee include:
 - i. Review and evaluate the RSCCD Budget Allocation Model (BAM)
 - ii. Monitor state budget development and the effects on District budget and recommend mid-year adjustments as needed
 - iii. Develop assumptions for tentative and adopted budgets
 - iv. Develop District budget process calendar
 - v. Assess effective use of financial resources
 - vi. Review and evaluate financial management processes
 - vii. Review Student Centered Funding Formula (SCFF) model, FTES targets and updates at P1 and P2, and other data elements for changes in impact on the budget
- Membership of the Fiscal Resources Committee include:
 - i. Vice Chancellor, Business Operations & Fiscal Services (chair)
 - ii. Assistant Vice Chancellor, Fiscal Services
 - iii. Administrator appointed by Santa Ana College President
 - iv. Administrator appointed by Santiago Canyon College President
 - v. Two faculty members appointed by Santa Ana College
 - vi. Two faculty members appointed by Santiago Canyon College
 - vii. A faculty member appointed by FARSCCD
 - viii. Three Classified representatives appointed by CSEA (District Office, Santa Ana College & Santiago Canyon College)
 - ix. One of the faculty representatives shall serve as committee co-chair
 - x. Student representatives (SAC and SCC, when possible)
- The description of an alternate on a committee should be clarified

Mr. Hardash called for a motion to approve the FRC page in the Planning Design Manual. A motion made by Ms. Zarske, seconded by Mr. Hoffman and approved unanimously.

5. College Expected Year-end Balances

Ms. Satele noted the following for Santiago Canyon College:

- Fund 13 is at \$1.4 million
- Fund 11 is at \$239,000

Mr. Hoffman noted the following for Santa Ana College:

- Fund 13 is approximately at \$3 million
- Fund 11 is approximately at \$4 million

6. Continued Discussion of SCFF and review of BAM – Cambridge West Partnership Consultants

Mr. Walters discussed the District's College Level SCFF data versus the State's data and noted the following:

- Santa Ana College does better in the supplemental allocation budget
- Santiago Canyon College does better in the student success allocation budget

7. Standing Report from District Council

Ms. Zarske noted the following:

- SCC is proposing a resolution about a suspension of the drop, non payment policy
- The POE Committee is holding the Strategic Planning Committee Retreat on May 10, 2019

- Announcement for the new Chancellor hire has gone live

8. Informational Handouts

The following handouts were distributed:

- District-Wide Expenditure Report
- Vacant Funded Position List as of February 12, 2019
- Measure “Q” Project Cost Summary as of January 31, 2019
- Monthly Cash Flow Summary as of January 31, 2019
- SAC Planning and Budget Committee Agendas and Minutes
- SCC Budget Committee Agendas and Minutes

9. Approval of FRC Minutes – January 23, 2019

Mr. Hardash called for a motion to approve the minutes from the January 23, 2019 meeting. A motion was made by Mr. O’Connor, seconded by Ms. Satele. The rest of the attendees approved with the exception of Ms. Zarske who abstained since she was not present at the January 23, 2019 meeting.

10. Other

No other items were discussed.

Next meeting reminder: Wednesday, March 20, 2019, 1:30 – 3:00 in the Executive Conference Room #114, District Office

The meeting was adjourned at 3:06 p.m.