

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

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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 August 13, 2014

FRC Members Present: Michael Collins, Ray Hicks, Quynh Nguyen, Steve Kawa, Michael DeCarbo, Craig Rutan, Peter Hardash, Adam O'Connor and Diane Hill

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

The meeting was called to order by Mr. Hardash at 1:35 p.m.

1. Welcome - Attendees were introduced. Mr. Hardash reminded the committee that meeting materials are on the RSCGD website, we no longer print materials.
2. State/District Budget Update – Mr. Hardash reviewed the following:
 - We have an enacted State Budget
 - Blue book was distributed at the Budget Workshop. The Blue book includes details to finalize the RSCGD Adopted Budget.
 - All of the information can be found on the Chancellor's Office website
 - RSCGD included the state 1.7% structural deficit due to negative ERAF, RDA money; new colleges and centers add to the overall deficit. \$2.7 million for RSCGD.
 - Exhibit C for advance apportionment was distributed, which has never been done before. Right off the bat RSCGD has an apportionment deficit \$780,000.
 - It was decided that we would grow 2.6% as a district last year, 1.63% was the target. We ended up at 1.57%. We lost \$1.3 million of funding for last year and need to reduce this year \$1.3 million in lost funding, combined swing is \$2.6 million.
3. Proposed Budget Assumptions
Mr. Hardash and Mr. O'Connor reviewed the proposed RSCGD Budget Assumptions for the Adopted Budget as follows:
 - The Board of Trustees has asked that the proposed Budget Assumptions for the Adopted Budget be brought to them for discussion at their July and August meetings.
 - The following were discussed:
 - COLA of .85%
 - Growth needs to be earned, opportunity is 2.75%
 - 1.7% structural system deficit from Exhibit C, is this in addition to the 1.7% from the prior year or will this be blended in? Still needs to be answered.
 - \$780,000 from the San Francisco bailout is not included.
 - Total new revenue, \$4.6 million
 - Expenditures: Hiring of 33 full-time faculty, vacant position funds were used as savings in the past, now the colleges need to come up with these funds.

- Health and welfare increases of 8.2%
- SSSP match, was 3:1 match, now 2:1 match, this helps the District, funds not earned when certifying must be returned.
- All of new costs such as the increased cost of consultants, utility costs, paper, equipment, etc. are not included.
- \$6.9 million more in expenditures
- This will bring the stabilization fund down to \$9 million.
- The current year encroachment on general fund from Child Development is approximately \$350,000 due to losing the center at OEC and the loss of grants.
- An aggressive enrollment manage strategy needs to be implemented in order to earn the growth.
- The proposed Adopted Budget document will be done within the next week, it will be emailed to the committee for review on August 20th, please provide feedback. The proposed Adopted Budget is to be displayed the first week of September and for Board approval on September 8th.

Mr. Hardash asked for a motion to recommend the proposed Budget Assumptions to the Chancellor, a motion was made by Mr. Vargas, seconded by Mr. Kawa and approved unanimously.

4. 2013-14 Year-end Balances

Mr. O'Connor distributed and reviewed the spreadsheets and highlighted the following:

- The numbers are not final
- Negative numbers are being identified.
- \$16 million for other outgo reserves includes holding for COLA and growth, stabilization fund, employee emergency payout and revolving cash.
- The estimated carryovers = SAC \$2.5 million, SCC is negative \$382,000 and DO \$565,000.
- 50% compliance is at 50.18%
- Wording in the BAM was updated from District Office and District-wide to District Services and Institutional Costs, in line with the other 22 districts. The committee asked that inclusion of the name change in the BAM be delayed until after the accreditation visit and flow through all appropriate channels for input from shared governance committees.

Mr. Kudlik reported on the 50% Law Task Force: Coordination needs to happen with HRC to discuss the imbalance of the FON. The group met and decided to meet yearly. On-going work will continue on the 50% Law, SCC has increased their percentage and SAC is now at 63%. SCC committed to work on continuing to increase their instructional expenditures each year in order to reach an ultimate goal of 59-60%.

Other items that still need discussion are:

- What does DEMC do?
- Work on language on growth
- Language for augmentation
- Benchmark on DO which is requested from the colleges, where is their money going?
- Continued evaluation of the BAM

5. Informational Handouts were distributed as information.

- Final 2013-14 District-wide expenditure report link: <https://intranet.rscgd.edu>
- Vacant Funded Position List as of August 4, 2014
 - Chancellor's Cabinet is reviewing positions

- FTES Update as of July 15, 2014 Annual
- Measure “E” Project Cost Summary as of June 30, 2014 on August 5, 2014
 - Starting in November or December, there will also be a Measure Q report
 - Fronted money from Measure E will be reimbursed when Measure Q funds are received.

6. Approval of FRC Minutes – May 28, 2014.

Mr. Hardash asked for a motion to approve the FRC Minutes of the May 28, 2014 meeting. Mr. DeCarbo made a motion, seconded by Mr. Kawa. The Minutes were approved unanimously. Mr. DeCarbo added that the previous Minutes list the following and should continue to be on future agendas:

- What does DEMC do?
- Work on language on growth
- Language for augmentation
- Benchmark on DO which is requested from the colleges, where is their money going?
- Continued evaluation of the BAM

Adjournment

Mr. Hardash adjourned the meeting at 2:55 p.m.

Meeting Schedule – Next Meeting:

Next regular meeting: Wednesday, September 25, 2014 – 1:30 p.m. – Executive Conference Room, DO