

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

2323 N. Broadway, Santa Ana, California 92706

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 February 24, 2016

FRC Members Present: Michael Collins, Ray Hicks, John Zarske, Quynh Nguyen, Arleen Satele, Michael DeCarbo, Mary Mettler, Raul Gonzalez del Rio, Peter Hardash, Adam O'Connor, Lee Krichmar, Maria Gil, Steve Eastmond.

Alternates/Guests Present: Esmeralda Abejar and Jose Vargas

1. Welcome - the meeting was called to order by Mr. Hardash at 1:35 p.m.
2. State/District Budget Update – Hardash
 - Governor's Proposal:
 - More than 50% of new money for 16/17 is for categorical programs
 - 0.47% COLA
 - Growth as a system – 2%, however, RSCCD is not growing
 - Not much in unrestricted revenue is expected
3. 2016/2017 RSCCD Tentative Budget Assumptions - Hardash – **ACTION**
Mr. Hardash reviewed the following:
 - New Revenue = \$1.2 million in unrestricted revenue:
 - COLA – 0.47% = \$680,000, a wash
 - Unrestricted Lottery - \$75,026, up slightly
 - Non-Resident Tuition - \$500,000, more international students, under the formula, funds go directly to the campuses
 - New Expenditures = \$5.5 million
 - COLA - \$680,000
 - Step/Column - \$1.1 million
 - Health and Welfare/Benefits, a pooled program with ASCIP, more stability in rates, transitional year is 18 months from July 2015 – January 2017. Premium is expected to come in between 4-5% - \$610,000
 - CalPERS Increase - \$427,162, CalSTRS Increase - \$1,281,544, state will not bail us out on the increases.
 - FT Obligation Hires - \$382,437, we are in a penalty phase. We were short 1.8 FTES last year, at P-Annual we only grew 1.7%, hoping to be re-benchmarked down
 - Utilities Increases - \$200,000, SAC costs will increase as water lines are being corrected.
 - ITS Licensing and Contract Escalation Costs - \$125,000
 - Other Additional District Services and Institutional Costs - \$750,000 – The Chancellor has asked that legal expenses be increased by \$250,000. Almost \$500,000 of the \$700,000 budgeted in the current year has already been spent.

Marketing expenses of \$500,000 – In the current year, one-time carry over from the District office with distributed to the campuses for marketing. Discussion ensued,

committee members discussed having each college set aside the \$250,000 for marketing costs rather than a districtwide allocation.

The 2016/17 Budget year deficit is \$4,301,117.

FTES: P-1 expected today, not posted as of the start of this meeting. For 14/15 the deficit was eliminated to Exhibit E, also in 14/15 there were 22 districts in stabilization. For 15/16, there will be a 1.3% apportionment deficit, another revision and deficit will be is expected to be slightly higher in the May Revise. RSCCD is being held harmless this year, the loss 444 FTE = \$2.1 million, if we can't generate it next year, we will forever lose that funding. Discussion ensued.

Not built into this year's cost are the funds needed for collective bargaining.

Mr. Hardash also reminded the committee of the pending ADA lawsuit at SCC, there are no funds set aside for the approximately \$10 million in cost.

Mr. Hardash called for a motion to recommend the Tentative Budget Assumptions to District Council. Discussion ensued on the request of the Chancellor for the additional \$750,000. A motion was made by Mr. DeCarbo that the recommendation be amended as follows: Approve the Tentative Budget Assumptions amending item "L" under expenditures, "Legal Expenses - \$250,000" to use one-time dollars and to make it conditional instead of ongoing and for the Chancellor to discuss with the college President's item "L" under expenditures, "Marketing Expenses - \$500,000" to budget for marketing at each college. It was seconded by Mr. Zarske and approved unanimously.

4. 2016/2017 Budget Calendar – Hardash - **ACTION**

Mr. O'Connor reviewed the draft 2016/17 Budget Calendar's for the Tentative and Adopted Budgets with the committee. Any changes in the May Revise will be incorporated into the Tentative Budget. The FRC will meet on May 18th to review the Tentative Budget, to District Council for Review on June 6th. The Budget will be displayed at the District Office June 8-10, 2016 and to the Board of Trustees for approval at their June 13th meeting. Mr. Hardash called for a motion. A motion was made by Dr. Collins, seconded by Maria Gill and approved unanimously.

5. Informational Handouts were distributed as information.

Mr. Hardash stated the following handouts are attached. 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.rsccd.edu>
- Vacant Funded Position List as of February 19, 2016
- Measure "E" Project Cost Summary as of January 27, 2016
- Measure "Q" Project Cost Summary as of January 27, 2016
- Monthly Cash Flow Statement as of January 31, 2016

6. Approval of FRC Minutes of October 21, 2015 – Hardash – **ACTION**

Meeting Minutes of the October 21, 2015 meeting Minutes were distributed for review. Mr. Hardash called for a motion to approve, it was moved by Dr. Collins, seconded by Michael DeCarbo and passed unanimously by the committee.

Adjournment

Mr. Hardash adjourned the meeting at 2:52 p.m.

Meeting Schedule – Next Meeting:

Next regular meeting: Wednesday, March 23, 2016 – 1:30 p.m. – Executive Conference Room, DO.