

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

**Meeting Minutes for March 23, 2016**

**FRC Members Present:** Michael Collins, John Zarske, Arleen Satele, Mary Mettler, Raul Gonzalez del Rio, Peter Hardash, Adam O'Connor, Lee Krichmar, Maria Gil and Steve Eastmond

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

1. Welcome: Mr. Hardash called the meeting at 1:32 p.m.
2. State/District Budget Update – Hardash
  - Review of the Exhibit E – P-1 information for the 15/16 year. RSCCD grew .76%, apportionment deficit was eliminated. Redevelopment shortfall backfill commitment. Prop 30 backfill will also be helpful. Approximately 30-32 districts in stabilization.
  - P-1 for RSCCD is overstated, campuses target of 1.23% was claimed but not reached, funded for actual.
  - LAO Prop 98 Overview – link provided to the LAO report on the increases in the 2014/15 and 2051/16 minimum guarantees.

3. 2016/17 RSCCD Tentative Budget – Memo from Chancellor Rodriguez – Hardash  
Memo attached, reads: “Per the RSCCD Planning Process, I have reviewed this recommendation and am changing the second recommendation concerning the budget deficit. Specifically, I do not agree that the entire amount of the budget deficit should be taken from the stabilization fund. There are other potential claims on those funds and our district can't continue to spend down those funds without taking some corrective action on expenditures. For that reason, I am recommending that two million dollars of the four million dollar deficit be taken from the stabilization fund. The remaining two million dollars will have to be accounted for in cuts from the two colleges and the district services. I am recommending that a plan be put together to implement these budget reductions.”

Discussion ensued. The committee asked Mr. Hardash to discuss with the Chancellor and bring back to the committee clarification on the following:

1. What is the plan to prioritize for cuts?
2. Will the cuts be based on the split, the colleges by FTES and the district services making a cut of 17.7%?
3. Will the \$2 million from the budget stabilization fund be used first then cuts at the budget centers? What is the timeline for a plan?
4. What is the Chancellor's plan for the budget stabilization fund? How long does the Chancellor foresee stretching out the budget stabilization fund?

Dr. Collins stated that the budget committees at the colleges will discuss planning strategies for their respective cuts. Discussion will resume at the next meeting.

4. Multi-Year Projections – Hardash/O'Connor  
Seven scenarios were distributed from 2014/15 to 2019/20: Base version and versions 2-7 from best case to worst case, however all show significant cost increases mostly in STRS, PERS, step and column movement and health/welfare. Beginning 2017/18 the budget stabilization

fund will be depleted, major reductions will be necessary. If some cuts are made now, the budget stabilization fund may be stretched out beyond 2017/18.

#### 5. Review of the Budget Allocation Model – Hardash/O'Connor

As a reminder, the ACCJC asks that district's review their budget allocation models annually. It was suggested that a sub-committee to FRC start the annual review of the Model. To be addressed: what works, what doesn't work and present recommendations for changes to FRC. Discussion ensued on the responsibility of FRC and of the POE committee in evaluating the model.

Mr. O'Connor volunteered to call the first meeting, the following will serve on the sub-committee: Michael DeCarbo, Ray Hicks, Arleen Satele, Michael Collins, Maria Gil and Jim Kennedy and/or Jose Vargas to represent continuing education. Mr. O'Connor will call a meeting within the next week.

#### 6. 2016/17 Proposed Meeting Schedule – Hardash

The proposed schedule follows the current year schedule July, September, October, November, February, March, April and May meetings; August and January to be an email update only (Adopted Budget in August). Committee to meet from 1:30 – 3:00 in the Executive Conference Room, District Office. Dr. Collins made the motion, seconded by Steve Eastmond and approved unanimously.

#### 7. Informational Handouts - Hardash

- District-wide expenditure report link: <https://intranet.rscsd.edu>
- Vacant Funded Position List as of March 14, 2016
- Measure "E" Project Cost Summary as of February 24, 2016
  - The Measure E Citizens' Bond Oversight Committee has quorum issues, as the funds are winding down, so are the committee members, there are only four of nine members positions currently filled. Mr. Hardash asked for committee members, who may know of someone who might be interested in serving on this committee, to fill out the application on the District website and include a letter of intent and forward it to the Chancellor for review and possible appointment by the Board of Trustees. The candidates cannot be employees or individuals who do business with the District.
- Measure "Q" Project Cost Summary as of February 24, 2016
- Monthly Cash Flow Statement as of February 29, 2016

#### 8. Approval of the FRC Minutes – February 24, 2016 – Hardash

Mr. Hardash asked for a motion to approve the Fiscal Resources Committee Minutes of the February 24, 2016 meeting. Ms. Krichmar made a motion, seconded by Ms. Satele and approved unanimously.

Next meeting: Wednesday, April 27, 2016, 1:30 – 3:00 in the Executive Conference Room, District Office.

The meeting was adjourned at 2:40 p.m.