

Fiscal Resources Committee

Via Zoom Video Conference Call
1:32 p.m. – 1:49 p.m.

Meeting Minutes for May 18, 2023

FRC Members Present: Iris Ingram, Susana Cardenas, Steven Deeley, Noemi Guzman, Ethan Harlan, Bart Hoffman, Jim Isbell (arrived at 1:35 pm), Jorge Lopez, Thao Nguyen (for Perez), Adam O’Connor, Craig Rutan and Jose Vargas (for Satele)

FRC Members Absent: Morrie Barembaum, Veronica Munoz, Enrique Perez, and Arleen Satele

Alternates/Guests Present: Erika Almaraz, Jason Bui, Vaniethia Hubbard, Gina Huegli, Kelvin Leeds, Annebelle Nery, Mark Reynoso, Kennethia Vega, and Barbie Yniguez

1. Welcome: Vice Chancellor Ingram called the meeting to order at 1:31 p.m. via zoom upon achieving quorum.
2. State/District Budget Update
 - [Governor’s May Revise](#)
 - SSC – By the Way... CalPERS Sets 2023-24 Employer Contribution Rates
 - SSC – Top Legislative Issues-April 21, 2023
 - SSC – Lower Tax Receipts Will Impact May Revision
 - SSC – 2023-24 Statutory COLA Released
 - SSC – CalSTRS Set to Adopt 2023-24 Employer Contribution Rate
 - SSC – Senate Democrats Release 2023-24 State Budget Plan
 - SSC – By the Way... CalSTRS Sets 2023-24 Employer Contribution Rate
 - SSC – Fed Increases Rate for 10th Time
 - SSC – To Legislative Issues-May 5, 2023
 - SSC – Initial Impressions of the 2023-24 May Revision
 - SSC – An Overview of the 2023-24 Governor’s May Revision
 - Joint Analysis Governor’s 2023-24 May Revision
 - [LAO– Initial Comments on the Governor’s May Revision \(posted on FRC Website\)](#)

Ingram referenced the above resources as information highlighting the Governor’s May Revise that was released last week. At the Board Meeting on Monday, May 15, Ingram provided a brief presentation on the May Revise which contained a fair amount of information with a lot of uncertainty. The uncertainty is due in part to the postponement of state income taxes to October instead of April. The state budget is based on estimates more than usual which also provides the various levels of uncertainty. Federal extension of taxes coupled with potential default on debt ceiling affects the state budget as well. RSCCD is moving ahead based on assumptions known with 8.22% COLA, further reductions to scheduled maintenance which may be considered flexible and combined with block grant for COVID and student retention. More may be known after the ACBO conference next week. The budget is not horrible news, but cautionary as the state budget continues to boom and bust about every 10 years or so. There is a plan by the State Chancellor to move districts out of hold harmless 2025-26 that could help many other districts. Tomorrow, Ingram will provide a presentation at the Spring Budget Town Hall at 10:30 a.m. via zoom.

3. 2023/24 Proposed Tentative Budget – Recommendation to District Council

O’Connor screen shared the 2023/24 proposed tentative budget (beginning at page 57 of meeting materials) and reviewed the summary with updated P2 FTES, new projected COLA of 8.22% and based on the colleges’ growth estimation for growth, and therefore looking at total new revenue just over \$23 million, a slight increase of \$173,000 from last review of the assumptions. The only change to the expenditure items is the ITS licensing and contract escalation costs that increased to \$150,000 and includes

the 7% annual increase over the last nine years. This amount fluctuates throughout the year due to timing and negotiated costs for these licenses. It is anticipated this estimate will be finetuned in the future and peg it to the specific licenses due annually. While there are no other new expenditures, O'Connor referenced the increase in utilities at the district office and cautioned the colleges to be mindful of similar increases for their respective sites through their allocations. The last item O'Connor discussed was the reconciling of positions at the end of the year, with the filling of vacancies, salary placements, and benefit changes, there was \$760,000 that was picked up from such adjustments, and this brought the bottom line to \$4.7 million which is up by \$900,000 in total over what was reviewed previously. O'Connor briefly referenced budget details for funds 11, 12 and 13.

O'Connor screen shared (page 80 of meeting materials) 2023/24 Revenue Simulation for Unrestricted General Fund – FD 11 Based on Student Centered Funding Formula – Calculation 2023/24 TCR + COLA. He focused on the bottom line which includes P2 FTES and noted if corrections are needed it will be updated. At this point SAC will have \$3.45 million and SCC \$1.28 million.

A motion by Rutan was seconded by Guzman to recommend the 2023/24 proposed tentative budget with corrections or edits as needed upon verification that P2 data apportionment is correct and forward to District Council. The motion passed unanimously by roll call vote as follows:

Name	Yes	No	Abstain	Note
Hoffman	X			
Lopez	X			
Isbell	X			
Cardenas	X			
Dinh				Absent, Not Present
Satele				Absent, Not Present
Deeley	X			
Rutan	X			
Munoz				Absent, Not Present
Harlan	X			
Vargas	X			Alternate for Satele
Ingram	X			
O'Connor	X			
Perez				Absent, Not Present
Guzman	X			
Barembaum				Absent, Not Present
T. Nguyen	X			Alternate for Perez

President Nery initiated discussion on distribution of SCFF based on FTES and apportionment in accordance with the BAM. O'Connor confirmed apportionment is based on actual dollar amounts earned with some metrics having a higher dollar value of which SCC accomplished in comparison to SAC. Vargas shared that since the transition to SCFF, everything is based on the dollar value and not funded on FTES, but the revenue generating basis, which is how it has been distributed and percentages established. President Nery suggested clarity in the document would be helpful and should be considered during next year's review and update. Ingram suggested revised language focused on this clarification could be brought to district council at the same time as the proposed tentative budget however, waiting until next year, is okay as well.

4. HEER Funding Update

O'Connor screen shared (page 81 of the meeting materials), noting the balances reported are as of May 8, 2023, with SCC bringing balances down and SAC with about \$4.7 million left to spend. He encouraged both colleges to spend down the funds by June 30. There is no extension requested at this time, and it is understood there is a debt relief of approximately \$1.8 million that is being addressed by SAC. If the

colleges have questions especially regarding off-setting loss revenue, you are welcome to contact Erika Almaraz. Ingram further shared that requests for extension are on a case-by-case basis with detailed justification and no guarantee of approval. Hubbard confirmed SAC is very much aware of the deadline and has a plan in place to spend down the funds addressing student needs first and then addressing loss revenue.

5. Standing Report from District Council – Rutan

Rutan briefly commented on the actions of District Council, which finally approved the revised Administrative Regulations for hiring of full-time faculty and classified professionals. It only took six months to accomplish and is effective now. The RSCCD Goals were extended for another year due to the current Strategic plan expiring on June 30 and another plan may not be in place until the end of the fall semester. This will allow time to get the new plan together with the consultants to assist with the coordination of SAC, SCC and DO plans.

6. Informational Handouts

- 50% Law Calculation

O'Connor provided a brief report on the 50% law calculation with current standings for SAC at 64.28%, SCC at 60.01% and overall district wide at 52.53%. This aligns exactly with placement at the same time last year, and landing at just over 54%. O'Connor expressed confidence in RSCCD remaining well over 50% through the remainder of the year.

- Districtwide expenditure report link: <https://intranet.rsccd.edu>
- Vacant Funded Position List as of May 12, 2023
- Monthly Cash Flow Summary as of April 30, 2023
- [SAC Planning and Budget Committee Agendas and Minutes](#)
- [SCC Budget Committee Agendas and Minutes](#)
- Districtwide Enrollment Management Workgroup Minutes

Informational handouts above were referenced for further review. Hoffman noted the District-wide expenditure report link was not working properly. O'Connor confirmed it as a broken link and will be fixed.

7. Approval of FRC Minutes – April 19, 2023

A motion by Hoffman was seconded by Deeley to approve the minutes of the April 19, 2023, meeting as presented. There were no questions, comments or corrections and the motion passed with one abstention by Vargas.

8. Other

Nery inquired about the 2% deficit factor for the current year and what portion would be returned to the colleges. O'Connor confirmed that information is not typically known until after the fiscal closing of the books and the opening of the next year. Nery then inquired about the upcoming year's 2% deficit factor with discussion that ensued, and Ingram confirmed it is wise to leave in and confirmed the budget cycle is truly 18 months.

Nery clarified that FTES reports from the campuses may differ from fiscal services reports due to the shifting of summer enrollments as needed. The numbers will never quite align since the campuses work on the academic FTES and fiscal services focuses on the apportionment FTES for the State Chancellor's Report called the 320.

A motion by Hoffman was seconded by Vargas to adjourn the meeting. The motion passed unanimously.

Next FRC Committee Meeting:

The next FRC meeting is July 5, 2023, at 1:30-3:00 p.m. This meeting adjourned at 2:13 p.m.