

Fiscal Resources Committee

Via Zoom Video Conference Call

1:32 p.m. – 2:21 p.m.

Meeting Minutes for November 15, 2023

FRC Members Present: Adam O'Connor, Morrie Barembaum, Susana Cardenas, Claire Coyne, Steven Deeley, Noemi Guzman, Bart Hoffman, Veronica Munoz, Kevin Ortiz (arrived at 1:33 pm), Enrique Perez, Craig Rutan and Arleen Satele

FRC Members Absent: Madeline Grant, Iris Ingram, and Ethan Harlan

Alternates/Guests Present: Jason Bui, Chrissy Gascon, Vaniethia Hubbard (arrived at 1:41 pm), Gina Huegli, Jeannie Kim (arrived at 1:40 pm), Tara Kubicka-Miller, Kelvin Leeds (arrived at 2:30 pm), Thao Nguyen, Mark Reynoso, and Kennethia Vega

1. Welcome: Assistant Vice Chancellor O'Connor called the meeting to order at 1:32 p.m. via zoom upon achieving quorum and in the absence of Vice Chancellor Ingram who was unable to attend today's meeting.
2. State/District Budget Update
 - SSC – Inflation Rates Hold Steady
 - SSC – Tax Deadline Comes and Goes
 - SSC – Governor Newsom Takes Final Action on 2023 Bills
 - SSC – State Revenues Stable Through September, October is Uncertain
 - SSC – Don't Sound the Alarm (Yet)!
 - DOF – Finance Bulletin-October 2023
 - LAO Fiscal Outlook

O'Connor referenced resources above and stated as mentioned at the last meeting, we expected the LAO Fiscal Outlook to come out within the month, but as of today it is still not published. The link is in the agenda if you want to continue checking on it. We are still looking forward to their expectations for the state budget for the next fiscal year. As well the IRS extended tax filing deadline is tomorrow, so unfortunately there is no newer update on tax collections today. Through September both Personal Income Tax and Sales Tax were trending down, and Corporation Tax trending up and the preliminary October numbers are being reported as coming in below projections, but much of this is likely due to the tax extension so only time will tell if the state is able to make up these revenues. As you may have noticed yesterday, the latest inflation numbers came in below expectations, which is great news, but also led to big stock market gains, which is even better news for the high-income earners that produce capital gains and tax increases for the state. Let's hope that continues as a positive trend. There were no questions related to the budget update.

3. 2022/23 320 Recalculation Recap

T. Nguyen reported on the 320 recalculation recap. She screenshared and focused on the summary. The original submission was 27,225.08 and the split between the annual report was 70.05% for SAC and 29.95% for SCC. But at recal it shifted slightly with SCC at 29.99% and SAC at 70.01%. The increase was about 66.73 FTES with a slight shift to SCC in FTES, however, the dollar amount increase will not change that much for the bottom line. The shift is in the different collection methods and the dollar amount may not change that much. O'Connor explained that P1, is the initial submission in January, P2 is done in April, after the year ends, then P3/Final and now is the opportunity to capture anything that didn't make the July 15 deadline which is the recal in November. This is the difference between what was

reported at final submission in July and the recalculation. It is just a minor difference. It is positive for both colleges with approximately \$100,000 additional dollars to the district over what was predicted at P3/Final. There were no questions.

4. Salaries & Benefits - % of Total Expenditures (Instructional vs Non-Instructional by Location)
O'Connor screenshared pages 10-12 of the meeting materials and provided a brief explanation for the revisit of this information as a follow-up to inquiries to breakdown the percentages by employee groups: faculty, classified, management, and retirees which is counted separately. He explained that out to the side of the document is percentages for instructional and non-instructional costs for 2018-19 with Management at 12% of total, faculty had both instructional and non-instructional costs at 50%, classified at 22% and retirees at 4%. Percentages for 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23 were provided in the meeting materials and referenced during the meeting. The salaries are broken down in numbers, but it would be a massive undertaking to break down the benefits for these same employee groups. Therefore, the benefits were prorated for the salaries charged. This is not an exact science on the benefits, but a close estimate. He then reviewed salaries/benefits as a percent of total expenditures chart by college/site on page 13 and instructional and non-instructional on page 14 of the meeting materials. The charts show the uptick of management on a percentage of the total (at 12% in 2018-19 and 13.9% in 2022-23); faculty is relatively stable with a slight down trend (at 50% in 2018-19 and 49% in 2022-23) and classified similarly trended up and then down (at 22% in 2018-19 and 21% in 2022-23) with retirees remaining relatively flat from 2018-19 through 2022-23. There were no questions.
5. Updates to FRC Planning Calendar
O'Connor announced the updates to the FRC Planning calendar in response to inquiries from the last meeting as well as from the survey. He screenshared page 15 of the meeting materials and pointed out the additions (bold text below) as follows:
 - March – Review and Update Budget Allocation Model (BAM), Updated Allocation Simulation, **and Prior Year Deficit Factor.**
 - September – Review Multi-Year Projections (MTP) and Budget Calendar **and Economic Development Report.**
 - November – LAO Publishes Fiscal Outlook Report **and Review Faculty Obligation Number (FON).**

There was one question about FTES information, of which O'Connor stated FTES is part of each P1, P2 and final report, but it will be added to the planning calendar as well.

6. January 17, 2024 FRC Meeting (POEC meeting conflict) – Reschedule to January 24, 2024 – ACTION
O'Connor announced the January 17, 2024, meeting conflicts with a Planning and Organizational Effectiveness Committee all-day event and therefore requested a motion to move the meeting to January 24. A motion by Coyne was seconded by Guzman to approve the meeting date change to January 24, 2024, and passed unanimously. The website will be updated to reflect the meeting date change.
7. Faculty Obligation Number (FON)
O'Connor screenshared and reviewed the Full-Time Faculty Obligation Fall 2023 Compliance Form. RSCCD is currently calculated at 358 which is up from 339 of Fall 2022. The obligation is much less at 305 and therefore RSCCD is over by 52 full-time faculty. He explained the reason for it being so different is because compliance is based on advanced or P2, whereby RSCCD had not made the borrow for the year. It wasn't done until P3, so that means FTES was less at P2. In addition, at P2 the State had a 10% deficit factor and the reason the obligation was so much less. RSCCD is well over for compliance purposes. This gets trued up for the start of the next year. O'Connor continued with the estimation upon truing up FTES and current deficit factor just under 1% and based on that, RSCCD would have a starting point of 348 bringing the obligation to 354 which is 4 less than current count. It was discussed and agreed in the Chancellor's Cabinet that vacancies would certainly be filled along with long-term substitute

positions on a permanent basis. But there is no additional new faculty anticipated for the coming Fall. That will change for Fall 2025 and a need to hire in Fall 2025.

Additionally, O'Connor provided history for the FON calculation previously being done in Human Resources and upon arrival of Vice Chancellor Ingram, it moved to Business Services as there was no one in HR with expertise at the time. This task is typically calculated in either area within other community colleges.

Questions were asked and answers provided related to the data reviewed. Discussion continued regarding potential hiring for Fall 2024 with SCC President stating she estimates six (6) hires and is meeting with SCC Academic Senate President in December to determine needs based on potential retirements and budget. O'Connor noted there may be several retirements at SAC but he did not know what the final number would be.

O'Connor continued with review of what counts for FON (FT Faculty Only) and what meets 50% law (FT and PT faculty) requirements. There were no further questions.

8. SCFF Apportionment and Data Calendar

O'Connor reviewed the definitions of P1, P2, and other aspects CCFS 320 for the fiscal calendar year. This information is provided in response to the survey results. P1 for the current year and recalculation for prior year will be known in February. Even though the fiscal year ends in June, revenue isn't really final until the recalculation is completed in February the following year. There were no questions.

9. Economic Development Report – Enrique Perez

Vice Chancellor Perez referenced the report in the meeting materials noting the transition from Economic Development to Workforce Development. The main program that deals with economic development is the small business development center. The report includes accomplishments of the past year and the economic impact data that was also presented to the Board of Trustees recently. O'Connor noted this report will be included on the calendar for each September. There were no questions.

10. FRC Committee 2023/24 Goals – ACTION

O'Connor explained that each year the committee reviews accomplishments from prior year noting the committee is very cyclical. Accomplishments for 2022-23 include:

1. Review, evaluate and update the Budget Allocation Model (BAM) based on the Student-Centered Funding formula (SCFF).
2. Develop assumptions for the Tentative and Adopted Budgets.
3. Develop District Budget Calendar.

Goals for the current year are similar with the addition of soliciting input from FRC on topics of interest and agenda for discussion.

1. Review, evaluate and update the Budget Allocation Model (BAM) based on the Student-Centered Funding formula (SCFF).
2. Solicit input from FRC on topics of interest and agenda for discussion.
3. Develop assumptions for the Tentative and Adopted Budgets.
4. Develop District Budget Calendar.

A motion by Hoffman was seconded by Rutan to approve the committee goals as presented. The motion passed unanimously.

11. Standing Report from District Council – Claire Coyne

Coyne briefly commented on the actions of District Council that met on November 6, 2023, with a number of reorganizations approved following review by POE including Account Clerk to a Senior Accountant in Fiscal Services, Senior Payroll Specialist, Two Senior Business Partners in P&C and one Business Partner in P&C. Additionally, the District Council heard the ITS Annual report.

12. Informational Handouts

- District-wide expenditure report link: <https://intranet.rscsd.edu>
- Vacant Funded Position List as of November 9, 2023
- Monthly Cash Flow Summary as of October 31, 2023
- [SAC Planning and Budget Committee Agendas and Minutes](#)
- [SCC Budget Committee Agendas and Minutes](#)

Informational handouts above were referenced for further review. O'Connor demonstrated how to access the District-wide expenditure report through the link above (the employee intranet).

13. Approval of FRC Minutes – October 18, 2023

A motion by Rutan was seconded by Hoffman to approve the minutes of the October 18, 2023, meeting as presented. The motion passed with an abstention from Steven Deeley.

14. Other

There were no further comments, questions, or discussion.

Next FRC Committee Meeting:

The next FRC meeting is January 24, 2024, at 1:30-3:00 p.m. This meeting adjourned at 2:21 p.m.