

## 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 May 28, 2014

**FRC Members Present:** Michael Collins, Ray Hicks, Jeff McMillan, Michael DeCarbo, Morrie Barembaum, Raul Gonzalez del Rio, Peter Hardash, Adam O'Connor, Sylvia LeTourneau and Diane Hill.

**Guests/Alternates Present:** Richard Kudlik, Jim Kennedy and Esmeralda Abejar

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

1. Welcome
2. State/District Budget Update – Mr. Hardash reviewed the following:
  - Governor's May Revise Link: <http://www.ebudget.ca.gov/FullBudgetSummary.pdf>
  - LAO Overview of 2014-2015 May Revision Link: <http://lao.ca.gov/reports/2014/budget/may-revision/overview-may-revision-051614.pdf>
  - [Board Power Point presentation on 2014-2015 Tentative Budget Link:](#)
  - Dan Troy's 5/13/14 email
  - CCLC 5/13/14 email
  - CCLC 5/21/14 email and chart
  - SSC Overview of 2014-15 May Revise
  - SSC 2014-15 May Revision Dartboard
3. 2014/15 General Fund Tentative Budget – Recommendation to the Chancellor  
Mr. Hardash reviewed the RSCCD Tentative Budget as follows:
  - New unrestricted revenue: COLA at 0.85% - \$1.2 million for RSCCD
  - Growth at 2.75%, \$3.6 million for RSCCD
  - Total new unrestricted revenue is \$4.7 million
  - New restricted (categorical) revenues: SSSP is \$100 million statewide with at 2:1 match
  - Student Equity is @100 million statewide
  - Scheduled Maintenance is \$149 million statewide and is one time funding
  - Economic Workforce Development is \$50 million statewide and also one time funding
  - Telecommunications and Technology is \$1.4 million statewide, also one time funding
  - New District expenditures: COLA – 0.85%, subject to collective bargaining is \$1.2 million
  - Step/Column movement is \$1.2 million
  - Health benefit premium increase is \$1.6 million
  - CalPERS and CALSTRS increase is \$786,200

- Full-Time Faculty Obligation is \$2.7 million (32 positions count toward FON)
- Total new district expenditures is \$7.4 million
- 2014-15 budget year deficit - \$2,773,647
- 2013-14 ongoing base structural deficit - \$2,754,568
- **Total ongoing 2014-15 structural deficit - \$5,528,215**
- **Once all stabilization funds are spent, within the next 12-18 months, RSCCD will have an \$8-12 million problem.**

Discussion ensued on the request for the \$900,000 in additional line items. This request was rejected by District Council and per the Chancellor now included in the Proposed Tentative Budget. Mr. Hardash asked for a motion to recommend the Proposed Tentative Budget to the Chancellor for Board of Trustee approval on June 9, 2014. It was agreed that there needs to be further discussion on our planning process, however FRC is not the lead on those discussions. A motion was made by Dr. McMillian, seconded by Mr. DeCarbo to recommend the Proposed Tentative Budget to the Chancellor as presented and for Hardash to relay the comments of the committee in the recommendation to the Chancellor. There were six yes votes, four no votes.

4. Draft 2014/15 Meeting Calendar – Action

Draft calendar was distributed for review; this schedule coincides with other participatory governance committees. A motion was made by Mr. DeCarbo, seconded by Mr. Barembaum and approved unanimously.

5. Budget Allocation Model (BAM) Review:

- BAM SB 361 Model
  - Mr. O'Connor has incorporated feedback from the colleges and reviewed with the committee. There are still some outstanding items on process to be discussed by the POE committee
  - It was discussed that the BAM should be reviewed during the late fall, prior to the annual review by the Board of Trustees. There was a motion and a second to recommend beginning discussion in District Council to discuss the effectiveness and implementation of the BAM. The recommendation was approved unanimously.
  - Workgroup on 50% FON needs to be worked on as well as:
    - What does DEMC do?
    - Language on growth
    - Augmentation process
    - Benchmark for District Operations

Mr. Hardash asked for a motion to on the modifications to the BAM Mr. DeCarbo made a motion, seconded by Dr. Collins and approved unanimously.

- FRC Workgroup Report on 50% Law/FON Discussions
  - Mr. Kudlik gave an update on the workgroups progress on the 50% law/FON. The workgroup has met twice and determined that SCC would increase instructional expenditures by \$1 million in fiscal year 2014/15 and continue to increase over the next 3-5 years. This is necessary in order to bridge the gap between SAC and SCC's instructional expenditures. Follow-up should occur on annual basis.

6. Informational Handouts were distributed as information.

- District-wide expenditure report link: <https://intranet.rsccd.edu>
- Vacant Funded Position List as of May 15, 2014
- Measure "E" Project Cost Summary as of May 1, 2014
- Monthly Cash Flow Statement as of April 30, 2014

7. Approval of FRC Minutes – April 23, 2014.

Mr. Hardash asked for a motion to approve the FRC Minutes of the April 23, 2014 meeting. Mr. Collins made a motion, seconded by Mr. DeCarbo. Mr. DeCarbo pointed out that these Minutes

include that the planning design model be reviewed by FRC, POE and District Council and that this same topic was once again discussed today. The Minutes were approved unanimously.

**Adjournment**

Mr. Hardash adjourned the meeting at 2:45 p.m.

**Meeting Schedule – Next Meeting:**

Next regular meeting: Wednesday, August 13, 2014 – 1:30 p.m. – Executive Conference Room,  
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