

Fiscal Resources Committee

Via Zoom Video Conference Call

1:32 p.m. – 1:53 p.m.

Meeting Minutes for February 21, 2024

FRC Members Present: Iris Ingram, Morrie Barembaum, Susana Cardenas, Matthew Beyersdorf (for Coyne), Steven Deeley (arrived at 1:38 pm), Madeline Grant, Noemi Guzman, Bart Hoffman, Veronica Munoz, Adam O’Connor, Enrique Perez (arrived at 1:32 pm), Tara Kubicka-Miller (for Rutan) and Arleen Satele

FRC Members Absent: Claire Coyne, Ethan Harlan, Kevin Ortiz, and Craig Rutan

Alternates/Guests Present: Jason Bui, Chrissy Gascon arrived at 1:34 pm (for Vargas), Gina Huegli, Kelvin Leeds, Thao Nguyen, 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. She announced that Co-chair Coyne sent a proxy (Matthew Beyersdorf) as did Rutan (Tara Kubicka-Miller) due to their absence of this meeting.
2. State/District Budget Update
 - LAO – The 2024-25 Budget: Higher Education Overview
 - LAO – report link: <https://lao.ca.gov/The 2023-24 Budget: State Appropriations Limit Estimates>
 - SSC – Two Tear Bills Meet Critical Deadline
 - SSC – CCC Nursing Proposals-Budget and Legislative
 - SSC – State Revenues Underperform: Implications for Proposition 98
 - State Chancellor’s Office Apportionment reports link: <https://www.cccco.edu/Apportionment-Reports>

Ingram referenced resources above that provides valuable, financial, and third-party information regarding the financial and fiscal affairs of California Community Colleges and K-12 throughout the State. Since the last FRC meeting, the Governor released the proposed budget, and a week later held the Governor’s Budget Workshop. During the months of February-April budget committees discuss the various proposals and submit a final proposed budget in May. There has been information about the State revenue still lagging, and while we are not technically in a recession (nationally, or in the State), we are not “high cotton” either and need to carefully watch spending and resources.

Discussion ensued regarding the latest LAO deficit estimate of \$78 billion. Vice Chancellor Ingram and Assistant Vice Chancellor O’Connor provided clarification for the difference in the estimated deficit as predicted by LAO and Governor’s Office. It is the difference in the calculation of revenues versus expenses and the period of times included in that calculation. LAO estimate is accumulative instead of one year. It is anticipated the May Revise will be quite different from the January Governor’s Proposed budget.

O’Connor demonstrated onscreen how to click into State Chancellor’s Office Apportionment Reports Link for the P1 and Recalc reports. Navigate to resources and click on First Principal Apportionment (P1) which should be posted before the end of the month. Currently there is 2022-2023 report and shortly it should include the 2023-2024 report. For Recalc, click the Recalculation Apportionment (R1) tab. This will provide information about revenues and how RSCCD ended last year and what is being looked at for this next budget year. This will include growth that we are unable to write into budget assumptions at this

time. Those assumptions will be updated once the information is posted. Ingram reiterated that revenues lag about 18-24 months depending upon the period it takes for the numbers to get trued up.

3. 2024/2025 RSCCD Tentative Budget Assumptions - ACTION

O'Connor screenshared pages 18-20 and discussed first round changes to the 2024/2025 tentative budget assumptions which is the working document that progresses through the budget cycle. After action by FRC it is taken to District Council (with any changes between now and then), then it goes to the Board of Trustees (with any additional changes between now and then). O'Connor highlighted the following:

- P1 – is blank while we wait for that funded P1 to be released from the State Chancellor's Office.

Additional earned State Apportionment may include:

- Projected COLA of 0.76% at about \$1.7 million but could change.
- Projected Growth/Restoration/SAC Large College again and pick-up \$1 million.
- Projected SCFF Base Increase was not added because there was no proposal.
- Have not booked any projected growth or restoration that could be captured until P1 and R1 get posted hopefully next week. It is anticipated to increase, but unknown currently.

Other Revenue

- Other Revenue – Increased estimate for non-resident tuition based on how much has been earned thus far with SAC at \$2.5 million and SCC at \$1.4 million. These can be changed depending on what each college thinks they will generate. Satele confirmed SCC will be meeting tomorrow to discuss this matter further. At the February 26 Board meeting, we will increase the fee for non-resident tuition and will have an impact as well.
- Interest earnings were increased significantly with the increase in interest rate, and therefore have increased by \$2.1 million.
- Apprenticeship is being left at the same current year budget. This can change as the assumptions progress.
- No new allocations for scheduled maintenance/instructional equipment or full-time faculty hiring.

Expenditures

- Salary Schedule Adjustments - this is the last year for the already approved salary adjustments budgeted for a 4% salary increase for all employee groups and step and column for all employee groups.
- Health and Welfare Benefits – estimated 3% increase and that could go up but likely not down. CalSTRS is not changing but CalPERS has increased from 26.68% to 27.80%.
- Retiree Health Benefit Fund – increased contribution in the last year (current budget year) by .75% of payroll to ensure fully funding obligation with the new actuarial report that was completed recently and posted on the Fiscal Services webpage. This provides a saving of nearly \$1 million to the unrestricted general fund.
- Additional District/Institutional Costs that have been approved through POE and District Council to fund these additional positions in Business Services, Human Resources and ITS.
- Discussion ensued regarding section E which is the rate of a new faculty member, but there is no new faculty projected at this time, only replacement faculty.

O'Connor continued with a recap review of the assumptions including:

- The deficit factor is now at \$4.4 million (at 2%) which is an addition of \$34,000 based on additional revenue.
- Estimated new revenue totals \$6.1 million.
- Estimated expenditures total \$10.4 million leaving a budget deficit of \$4.2 million at this time.
- Last year, RSCCD ended with an unallocated amount of \$11.6 million that were allocated to the colleges on July 1 with \$7.2 million to SAC (of which \$6.8 million has been allocated, leaving \$383,332) and \$4.3 million to SCC (of which \$2.2 million were allocated and another \$1.6 million being allocated, leaving \$400,000). Potentially looking at \$3.3 million deficit at this stage of the

tentative budget process. As soon as there is more information on State Revenues, it is hoped it will cover the deficit.

A motion by Hoffman to approve the RSCCD Tentative Budget Assumptions was seconded by Beyersdorf and passed unanimously as presented by roll call vote. There were no questions.

4. Standing Report from District Council – Matthew Beyersdorf (for Coyne)
Beyersdorf on behalf of Coyne provided a brief report on the activities of the January 29, 2024, District Council meeting. He noted strategic directions were approved and forwarded to the Board of Trustees for approval at the February 12 meeting. Two board policies and 16 administrative regulations related to Business Services and Campus Safety were postponed allowing the colleges to review through shared governance processes and will be reconsidered by District Council on April 4, 2024. Two administrative regulations AR 3750.1 (Data Governance) and AR 7700 (Whistleblower Protection) were approved as presented. Several job descriptions within Human Resources were reviewed as first readings. The next District Council meeting is March 4, 2024.
5. Informational Handouts
 - District-wide expenditure report link: <https://intranet.rscsd.edu>
 - Vacant Funded Position List as of February 12, 2024
 - Monthly Cash Flow Summary as of January 31, 2024
 - [SAC Planning and Budget Committee Agendas and Minutes](#)
 - [SCC Budget Committee Agendas and Minutes](#)

Informational handouts above were referenced for further review.

Discussion ensued regarding the vacant funded positions and how funds are distributed when the positions are not filled. O'Connor provided clarification about how the BAM works with funds being accessible during the year and redistributed to the colleges at year end. For specific positions, O'Connor welcomed emails for further detailed information.

6. Approval of FRC Minutes – January 24, 2024
A motion by Hoffman was seconded by Satele to approve the minutes of the January 24, 2024, meeting as presented. The motion passed by roll call vote with two abstentions by Beyersdorf and Barembaum.
7. Other
There were no further comments, questions, or discussion.

Next FRC Committee Meeting:

The next FRC meeting is March 20, 2024, at 1:30-3:00 p.m. This meeting adjourned at 2:00 p.m. with a motion by Guzman that was seconded by Hoffman.