

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

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Office: (714) 480-7321

Website: <http://rscgd.edu/Departments/Business-Operations/Pages/Fiscal-Resources-Committee.aspx>

Fiscal Resources Committee Meeting

Executive Conference Room – District Office

1:30 p.m. – 3:00 p.m.

Meeting Minutes for February 26, 2014

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

Guests/Alternates Present: Esmeralda Abejar, Jim Kennedy, Richard Kudlik, Jose Vargas and John Zarske

The meeting was called to order by Mr. Hardash at 1:30 p.m.

1. Welcome

2. State/District Budget Update – Hardash

- Discuss Governor's 2014/15 Proposed Budget
 - Governor is buying down all deferrals over three years using settle-up funds from last year, this year and next year, 2014/15
 - Deferrals aside, new money to RSCCD is approximately \$10 million, however, to earn it under the current proposal and regulations, \$10 million of different money needs to be spent by RSCCD
 - RSCCD growth is 3% in the trailer bill language, may come down to 1.5%
 - \$200,000 million into \$100,000 million Student Success program (3:1 match); Student Equity Program \$100,000 (match) RSCCD = \$7.5 million
 - Scheduled Maintenance, one-time funds (1:1 match); RSCCD – \$2.2 million
 - All matches are on the negative side of the 50% law
- 2012/13 Apportionment Recalc Exhibit "E" and 2013/14 Apportionment P1 Report
 - P-1 received, apportionment deficit came down, allows us more backfill
 - Funded at what was submitted at Annual, the beginning FTES base is 28,185.04
 - 2013/14 P1 deficit is at 4.4% = almost \$6 million for RSCCD, however, all of the COLA and growth funds have been wiped out for this year. Won't know until next February what RSCCD will be funded
 - Schools Services Dartboard, a historical document was distributed and reviewed
 - The May revision will include the faculty obligation penalty which was not included in P-1
- 2013/14 Budget Projections – Campus Estimates of Cost. SAC reported an expected ending balance of \$1.9 million. SCC will follow up with their estimate.
- Proposed SB 965 – Leno Bill for CCSF
 - Bail out for San Francisco Community College is approximately \$23 million, sixty five districts will share in the bail out; six basic aid districts will not. There are 15-16 districts currently in stabilization who are not being helped. \$600,000 per year to RSCCD depending on how it is applied. San Francisco has a sales tax increment = \$14-15 million per year and a parcel tax that brings in an additional \$15 million, no other district has, \$30 million additional yearly.

3. Tracking all Intersession Expenses – DeCarbo

- Following up on discussion at POE, there needs to be planning and budget analysis of an intersession including facilities use and utilities, what impact intersession has had in order to determine whether or not to move forward with another intersession. The colleges can run the reports and provide an indication of whether or not it was beneficial.

4. Multi-Year Projection Budget Assumptions Feedback

- Fiscal is working on the projections, a mid-year look. Colleges to forward a total for funds 11, 12 and 13, all costs.
- Projected General Fund three year multi-year projections were reviewed, 1.63% in 2013/14, 2% for 2014 through 2016. COLA 1.8% now needs to be .86% to be confirmed in March or April. EPA, first sales tax will expire 2017 = \$633,600 loss to RSCCD. This is a middle of the road approach.
- The cost of the new faculty obligation in 2014-15 is estimated to be \$2.3 million, following years is estimated to be 2%.
- STRS Rate stays the same, PERS increases, health and welfare premium is estimated at 7.5%, again, middle of the road projection. Utilities estimated at a 5% this year, 3% increase moving forward, LED lighting alone will help lower cost. FON Penalty is \$800,000 and the OEC contribution from the stabilization fund is \$7 million, this number could be higher. It was suggest increasing utilities to 5% instead of 3% for future years.

5. 2014/15 RSCCD Tentative Budget Assumptions - Action Item

- Mr. O'Connor and Mr. Hardash reviewed the Proposed Tentative Budget Assumptions by line item. Regarding fund 41 and 42, the Chancellor has asked Mr. Hardash to review and approve all fund transfers prior to processing.
- Mr. Didion provided "E" on the FON, these numbers have increased due to retirements, if more retirements are received this spring, these numbers will change again. 33 full-time faculty positions, 1 is non-credit.
- The Chancellor has added item "J", additional funds needed as follows:

Other DO/District-wide expenses:
Trustee Election Expense estimated at \$400,000
Trustee Expenses of \$13,000
Chancellor's Office Expenses of \$25,000
Marketing Expenses of \$200,000
Legal Expenses of \$250,000
International Student Recruitment China Office \$12,000

Discussion ensued on the above items. It was discussed that the committee would appreciate additional information on the items requested to be approved, such as, what is included in marketing as the colleges do not want to duplicate cost since each does marketing on their own. The following were discussed:

- The numbering of the items is to be corrected as there are two "J" items.
- "D" to be increased to 7.5%.
- Clarification needs to occur between the college Presidents and Mr. Didion on item "E".

Following discussion, the committee decided to schedule a special meeting on March 12th, no action was taken on the item pending clarification from the Chancellor on each of the items on the second item "J". The meeting will be scheduled for March 12th for the purpose of approving the Tentative Budget Assumptions.

6. 2014/15 Budget Calendars - Action Item

- A motion was made by Dr. Collins, seconded by Mr. Kawa and unanimously approved the proposed 2014/15 Budget calendar.

7. Budget Allocation Model (BAM) Review

- This item was moved to the next agenda, March 19, 2014.

8. Informational Handouts

- The following were distributed as information:
- District-wide expenditure report link: <https://intranet.rscgd.edu>
- Vacant Funded Position List as of February 19, 2014
- Measure "E" Project Cost Summary as of February 5, 2014
- Monthly Cash Flow Statement as of January 31, 2014

9. Approval of FRC Minutes – November 20, 2013

- A motion was made by Mr. DeCarbo, seconded by Mr. O'Connor and unanimously approved with edits.

Adjournment

Mr. Hardash adjourned the meeting at 3:15 p.m.

Meeting Schedule – Next Meeting:

Special meeting: Wednesday, March 12, 2014, 1:30 p.m. – Executive Conference Room, DO.

Next regular meeting: Wednesday, March 19, 2014 – 1:30 p.m. – Executive Conference Room, DO