

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 October 23, 2013

FRC Members Present: John Zarske, Jeff McMillan, Esmeralda Abejar, Steve Kawa, Michael DeCarbo, Raul Gonzalez del Rio, Peter Hardash, Adam O'Connor and Diane Hill

FRC Members Absent: Michael Collins, Morrie Barembaum and Sylvia LeTourneau

Guests Present: Jim Kennedy, Jose Vargas and Richard Kudlik

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

State/District Budget Update

Mr. Hardash reviewed the following:

- RDA
 - Working with Department of Finance, \$3.3 - \$3.5 million shortfall for RSCCD
 - Loss adjustment will happen at P-1
 - Adopted Budget for this fiscal year includes a 1% apportionment deficit for the structural deficit only; nothing was built in for a Prop 30 or RDA shortfalls.
- OC Tax Settlement
 - The Judge ruled in our favor in the lawsuit; however the city struck a deal with the legislature which carves out the settlement as part of the deal. They promise to make the community colleges whole in a future state budget. For RSCCD, the direct hit was approximately a \$2 million loss. The calculation moving forward is unknown at this time.
- Legislative Analyst
 - Fiscal Outlook due out on November 15th
 - State collected \$1.6 billion more than expected last year
 - RSCCD share is approximately \$5 - \$5.5 million
 - There should be some positive adjustments, but we won't know for sure until the Governor's Budget in January 2014.

Defining our Charge Back System and Building in Efficiency Checks

- The workgroup met to discuss the definition of the charge back system
 - The District Office will provide a list of all services and functions that require funding under District Operations to see if the services would be better provided at the colleges or if there is duplication
 - Department planning portfolios will be assessed
 - Followed by the POE Committee assessment to see if there is duplication of procedures, process and how the surrounding districts handle their areas
 - Breakdown each of the District Operations services and functions, look at last year's budgets and actuals in comparison with this year's budget
 - FRC will compare to other districts with like expenses to find a way to better allocate RSCCD resources

- Functional maps will need to be updated.
- Next step: Planning portfolios to be turned in by the end of this calendar year followed by assessments in the spring
- POE to come up with common guidelines/criteria for assessment
- FRC to determine where the funds are being spent and how
- Workgroup will develop a timeline
- Continue discussion on next agenda

Processes for District Budget Augmentation

Mr. DeCarbo asked, after discussion at the District Council meeting regarding the hiring of the two Business Analyst positions – if the District Office decides there needs to be the hiring of positions, post budget, what is the process for the District Office to augment their budget? What will the process be so everyone has buy-in?

- One-time District Office funds will be used for the first year for these positions, beginning in July 1, 2014, they will be part of the model chargeback system
- Mr. Hardash added that the process for hiring District Operations positions should be in writing:
 - POE to District Council, followed by District Council to FRC
 - The FRC subcommittee will begin to develop a budget augmentation road map/flow chart

FON Policy & 50% Law

Calculation spreadsheets were prepared by John Didion based on the calculations due last week. Consultation Council unanimously approved to no longer waive the penalties to be imposed based on the recommendation of the Chancellor's Office as of the fall 2014; this matter goes to BOG next week. At this point, RSCCD is 11.80 short. RSCCD is at 63.07%, we should be over 65%, a little over \$800,000 penalty will be withheld at P-1 and come out of the budget stabilization fund. The stabilization fund will come down to approximately \$10 - \$12 million. We plan to hire approximately 30 full-time faculty between the colleges for the fall 2014.

Mr. DeCarbo added that there needs to be a policy on the penalty for the FON obligation. Currently FON at SAC is at 65.54% and SCC is at 65.36%, full-time/part-time ration. The Human Resources Committee (HRC) recommends maintaining this as the baseline, if a college credit grows then you are responsible at that college for the FON adjustment. HRC recommended the estimated allocation of full-time faculty restoration option #1 – restoration to current FTES split (70.8/29.2%). Three items were discussed at Chancellor's Cabinet:

- SCC is well below the 50% level, may be consideration for hiring more full-time faculty
- SAC full-time faculty on the credit is inflated due to generation of credit FTES at the academies that are not at 17th and Bristol
- It appears based on FTES generation, SCC is growing slightly more than SAC and redistribution that would occur based on that should be considered in the current year

Mr. Hardash will bring the simulation "happy ranch" to the next meeting for discussion. It was suggested that the HRC should recommend a policy to District Council.

Informational Handouts

The following materials were included in the materials:

- District-wide expenditure report link: <https://intranet.rscdd.edu>
- Vacant Funded Position List as of October 10, 2013
- Measure "E" Project Cost Summary as of October 17, 2013
 - This report is in a different format, active projects on one page and closed projects on the second page. Measure E has been fully allocated. This document does not reflect the entire \$5 million allocated to the OEC renovation

approved by the Board of Trustees. A project may appear to be closed after a grand opening and occupancy; however, until it is fully closed out by DSA, it is not closed.

- Monthly Cash Flow Statement as of September 30, 2013

Mr. O'Connor reviewed the FTES spreadsheet in its' draft format:

- 2012/13 FTES reported was 28,185
- Current collected so far and assuming the targets come in at target – 29,140
- The format of the report will be update
- The numbers are the campus numbers reported and submitted by the CIOs
- Per Jim Kennedy, SAC is projecting a 2% growth, may come in at the 2.63%

Approval of FRC Meeting Minutes – September 25, 2013

Mr. Hardash called for a motion to approve the minutes of September 25, 2013 Fiscal Resources Committee meeting. Mr. DeCarbo moved and Mr. Kennedy seconded the motion to approve the Minutes with one correction. The motion carried unanimously.

Adjournment

Mr. Hardash adjourned the meeting at 3:00 p.m.

Meeting Schedule – Next Meeting:

Wednesday, November 20, 2013 – 1:30 p.m. – Executive Conference Room, District Office