

Fiscal Resources Committee
Executive Conference Room – District Office
1:30 p.m. – 3:00 p.m.

Meeting Minutes for April 27, 2016

FRC Members Present: Michael Collins, John Zarske, Arleen Satele, Michael DeCarbo, Mary Mettler, Peter Hardash, Adam O'Connor, Lee Krichmar, Maria Gil and Steve Eastmond

Alternates/Guests Present: Esmeralda Abejar, Jim Kennedy, Richard Kudlik, Narges Rabi-Rakin and Jose Vargas

1. Welcome: Mr. Hardash called the meeting at 1:31 p.m.
2. State/District Budget Update – Hardash
 - May Revise due out May 12th or 13th. No surprises expected.
 - COLA – Expected to be closer to the .47% due to gas price increase, calculated on a March to March basis.
 - Growth – System is struggling to grow. PERS rate increased from 13.02% to 13.88%, an additional \$300,000+ in cost to the budget
 - The email from Mario Rodriguez – March 25th Update of 2014-15 R1 and 2015-16 P1: Updates were made to correct an over allocation of apportionment growth in 2014-15. Some districts will see a reduction, however, RSCCD was not reduced as the District did not grow. These numbers constantly change at the state level. The \$15 million that was taken away was due to a Chancellor's Office error. The \$15 million will be reallocated on a one-time basis in April to all districts, about \$418,000 one-time for RSCCD which will flow through the model as revenue, however, we have an apportionment deficit of \$1.9 million. The memo refers to Exhibit E, however, that is an error, should read Exhibit D. Exhibit D is Exhibit C closed out.
3. Follow up: 2016/17 RSCCD Tentative Budget, Memo from Chancellor Rodriguez - Hardash
At the last meeting of the FRC, the committee asked Mr. Hardash to forward the following questions to Dr. Rodríguez for response.
 - What is the plan to prioritize for cuts?
 - Will the cuts be based on the split: the colleges by FTES and the district services making a cut of 17.7%?
 - Will the \$2 million from the budget stabilization fund be used first then cuts at the budget centers? What is the timeline for the plan?
 - What is the Chancellor's plan for the budget stabilization fund? How long does the Chancellor foresee stretching out the budget stabilization fund?Dr. Rodriguez responded, copies of memo were distributed for review and questions. There were no questions or comments from the committee.
4. P-2 FTES Update – Hardash
Mr. Hardash reviewed the FTES Comparison 2014-15 (P-3) Annual to 2015-16 (P-2) Estimated Actuals. Last column, better or worse compares last year's annual FTES to estimated annual, P-2. We are in stabilization, we didn't grow, instead declined. We will be funded for 28,908.08. We will be held harmless in the year we declined.

In order to keep us whole this year, we would need to borrow from summer FTES. We can borrow prior to June 30th so we are not in stabilization this year, but automatically fall into stabilization next year. BOG fee waiver implementation - thousands of students will be

dropped and many district's believe they will see a drop in funded FTES between 5-6%, some district's as much as a 12% drop.

5. Review of Budget Allocation Model (BAM) – Report from Subcommittee – O'Connor
Half of the subcommittee members were able to meet and review the Budget Allocation Model and shared the findings with the rest. The subcommittee believes the BAM seems to be working as intended, therefore, they are not recommending changes for the next year, however, they plan to reconvene in October 2016 to review issues related to the budget stabilization fund, as it will be exhausted soon. Also for discussion will be the language on borrowing, which needs to be clear as well as comparisons of colleges' cost per FTES and staffing per FTES. As a reminder, the BAM must be evaluated yearly to update and document changes but also to demonstrate that the District is reviewing per accreditation guidelines.
6. Informational Handouts - Hardash
 - District-wide expenditure report link: <https://intranet.rscsd.edu>
 - Vacant Funded Position List as of April 15, 2016
 - Measure "E" Project Cost Summary as of March 21, 2016
 - New members to the Measure Q Citizens' Bond Oversight Committee were appointed by the Board of Trustees at their last meeting, quorums has been an issue. The Measure E Citizens' Bond Oversight Committee will need to continue meeting as all of the funds have not been spent down yet. This committee will need new members, several terms will expire this coming December.
 - Measure "Q" Project Cost Summary as of March 21, 2016
 - Monthly Cash Flow Statement as of March 31, 2016

Mr. Hardash stated that we will begin noting the links to the Physical Resources Committee and the College Budget Committees on future FRC agendas, this helps with accreditation requirements. Mr. O'Connor asked the colleges to please update their websites.

8. Approval of the FRC Minutes – March 23, 2016 – Hardash
Mr. Hardash asked for a motion to approve the Fiscal Resources Committee Minutes of the March 23, 2016 meeting. A motion was made by Dr. Mettler, seconded by Dr. Collins and approved unanimously.

Next meeting: Wednesday, May 18, 2016, 1:30 – 3:00 in the Executive Conference Room, District Office.

The meeting was adjourned at 2:25 p.m.