

## **Fiscal Resources Committee**

Via Zoom Video Conference Call

1:31 p.m. – 2:08 p.m.

### **Meeting Minutes for January 19, 2022**

**FRC Members Present:** Iris Ingram, Morrie Barembaum, Steven Deeley, Noemi Guzman, Bart Hoffman, Jim Isbell, William Nguyen, Thao Nguyen (alternate for O'Connor), Enrique Perez, Craig Rutan, and Arleen Satele

**FRC Members Absent:** Safa Hamid, Yara Hernandez, Cristina Morones, Adam O'Connor and Vanessa Urbina

**Alternates/Guests Present:** Erika Almaraz, Jason Bui, Elvia Garcia, Vaniethia Hubbard, Kennethia Vega and Barbie Yniguez

1. Welcome: Ingram called the meeting to order at 1:31 p.m. via zoom and welcome remarks were made.

2. State/District Budget Update

- 2022-23 Proposed State Budget report link: <http://www.ebudget.ca.gov>
- LAO 2022-23 Overview of Governor's Budget link: <https://lao.ca.gov/Budget>
- LAO 2022-23 Budget: California's Fiscal Outlook
- LAO 2022-23 Budget: Fiscal Outlook for Schools and Community Colleges
- Joint Analysis – Governor's January Budget
- DOF – November 2021 Finance Bulletin
- DOF – December 2021 Finance Bulletin
- SSC – House Sends Infrastructure Package to President Biden
- SSC – Assembly Explores Higher Education Student Housing Affordability
- SSC – LAO Issues Bright Forecast, Increased Funding for Community Colleges
- SSC – Revenues Continue to Beat Projections in November Finance Bulletin
- SSC – Part 1: Public Education Funding and Attendance
- SSC – Omicron Variant Obscures UCLA Forecast
- SSC – State Revenues at Stratospheric Levels
- SSC – An Overview of the 2022-23 Governor's Budget
- SSC – Initial Impressions from Governor Newsom's 2022-23 State Budget Proposal
- CalMatters – Newsom bases budget on rosy economic scenario
- [Budget Presentation to Board of Trustees January 10, 2022](#)

Ingram referenced above links and handouts. She briefly discussed the newly released Governor's proposed budget for 2022-23 and what it means for RSCCD. The three-hour budget workshop was earlier today that provided interpretations and reactions to the Governor's proposal. Enrollment is not yet what it should be and currently expenditures outgrow revenue even with a proposed COLA of 5.33%. Real revenue is not known until 18 months out, after they are earned with adjustments to P1 and P2. However, a clearer picture may be known in May. The State has decided not to help out with STRS/PERS rate increases this year. Increases starting in July 1 for STRS is 2.18% and PERS is 3.19%. These increases basically wipe out any potential COLA gained. COLA is not a guarantee for salary increases, it is for all increased costs including retirement and benefit increases. The budget presentation to the Board of Trustees is referenced and also posted on the RSCCD website as noted on the agenda. That presentation was based on actual news conference on January 10, 2022 and some of the numbers may not align. There is more deferred maintenance and instructional equipment funds, plus \$200 million

proposed for part-time faculty health benefits statewide. There is large one-time funding to cover multiple items such as access especially in light of COVID and the new variant Omicron. Open and continued discussion remains focused on State's expectation that course offerings be 50% in-person and 50% online due to COVID complexities. Projected surplus is \$45.7 billion with \$20.96 billion for general funds and \$16.1 billion for Prop 98 Guarantee for K-14, and \$9 billion in reserves and supplemental payments. This brings the total State budgetary reserves to \$35 billion and includes the \$20 billion for the budget stabilization (rainy day account) fund created under Proposition 2 and another \$9.8 billion reserve for public schools stabilization, \$900 million in safety net reserve, and \$3.1 billion for the State's operating reserve. For this current fiscal year, revenues have exceeded the GANN Limit and requires any revenue the State collects above the limit to be reallocated to schools and tax payers. Hold harmless ends in fiscal year 2024-25 followed by a year of stabilization. The Governor's proposal is recommending that it become the baseline with any increases in enrollment not accounted for in the Student Centered Funding Formula; meaning while we would not get any less we certainly would not get any more until we are earning revenue above hold harmless. That has yet to be worked out with continued modeling to be done. A better picture will be known at the May Revise.

### 3. Mid-Year Update

- Unrestricted General Fund Expenditure Update
- Preliminary FTES Update for (P1)
- SCFF Simulation FY 2021-22

Thao Nguyen provided the annual mid-year review as of December 31, 2021 and comparison to same time last year. Last year SAC had 55.71% remaining, SCC 53.67% and DO 53.33% which isn't much different for this year with SAC at 55.75% SCC at 56.50% and DO at 53.99% available through the fiscal year. Districtwide availability was at 54.72% as of December 31, 2020 and as of this year it is 55.63%. These figures were reviewed with the college Vice Presidents of Administrative Services last week and everyone is where they should be for expenditures at mid-year. This does not include encumbrances through the purchasing deadline of last week. This is snapshot as of December 31, 2021.

Thao Nguyen also reviewed P1 (January 10, 2022), with 25,309.64 FTES reported as a District which includes 17,104.59 for SAC and 12,847.97 (credit) and the rest is CDCP and noncredit. For SCC the FTES is 8,205.05 with 5,617.91 (credit) and a little over 2,000 is CDCP and noncredit at 574. So the split for last year recal was 67.11% and 32.89%; this year the split is 67.58% and 32.42% as a total FTES comparing the two colleges along with the special admit residents and inmate numbers submitted for the P1 report. However, the colleges have lost over 25 FTES and discussion ensued.

Thao Nguyen continued review of SCFF simulation for 2021-22 with 2021-22 P1 using 2020-21 supplemental and student success numbers. While there appears to be a loss in supplemental there was a slight gain of \$800,000 based on new rate in student success component. These numbers are estimates and final numbers will be released in February when validated. The student success rate increased with the COLA. Supplemental rate is 996 and the student success rate varies with different components; more is paid for the supplemental than success components. Some of the components are now lower, but there are rate changes and variants. RSCCD is held harmless at the top of the model and that does not apply to other portions of the model. That makes RSCCD almost \$7 million in the hole for student success funding. Discussion ensued.

### 4. Standing Report from District Council - Craig Rutan

Craig Rutan provided a brief report on the actions of District Council meeting of December 6 whereby an update of the colleges' facility master plan update was received and holds greater importance as the Board considers a potential bond in the near future. District Council also discussed right sizing project, SRP savings calculations, new job description for web designer and cloud computing specialist,

reorganization of media specialists at the campuses to report to ITS and reviewed administrative regulation update for public records. The next District Council meeting is January 31, 2022.

5. Informational Handouts

- District-wide expenditure report link: <https://intranet.rscsd.edu>
- Vacant Funded Position List as of January 13, 2022
- Measure “Q” Project Cost Summary as of November 30, 2021
- Monthly Cash Flow Summary as of December 31, 2021
- [SAC Planning and Budget Committee Agendas and Minutes](#)
- [SCC Budget Committee Agendas and Minutes](#)
- Districtwide Enrollment Management Workgroup Minutes

Information handouts above were referenced for further review.

6. Approval of FRC Minutes – November 17, 2021

A motion by Bart Hoffman was seconded by Enrique Perez to approve the minutes of the November 17, 2021 meeting as presented. There were no questions, comments or corrections and the motion passed unanimously.

7. Other

**Next FRC Committee Meeting:**

The next FRC meeting is scheduled for Wednesday, February 16, 2022, 1:30-3:00 p.m.

It was moved by Arleen Satele and seconded by Steven Deeley to adjourn the meeting at 2:08 p.m. The motion passed unanimously.