

## Fiscal Resources Committee

Via Zoom Video Conference Call

1:32 p.m. – 2:01 p.m.

### Meeting Minutes for September 21, 2022

**FRC Members Present:** Morrie Barembaum, Adriene “Alex” Davis, Steven Deeley, Kajleb Demaniow, Noemi Guzman, Bart Hoffman, Jorge Lopez, Adam O’Connor, Craig Rutan, Arleen Satele, and Vanessa Urbina

**FRC Members Absent:** Iris Ingram, Safa Hamid, Jim Isbell, and Veronica Munoz

**Alternates/Guests Present:** Erika Almaraz, Jason Bui, Gina Huegli, Cristina Morones, Thao Nguyen, Kennethia Vega, and Barbie Yniguez

1. Welcome: O’Connor called the meeting to order at 1:32 p.m. via zoom and noted that Vice Chancellor Ingram was out ill.
2. State/District Budget Update
  - [2022-23 Adopted Budget](#)
  - [9/12/2022 Board PowerPoint presentation on the 2022-23 Adopted Budget](#)
  - SSC – CPI Flat in July
  - SSC – Fiscal Committees Take up Suspense Files
  - SSC – Top Legislative issues-August 19, 2022
  - SSC – Improving Economic indicators at the Start of the Fiscal Year
  - SSC – Budget Cleanup Legislation Summarized
  - SSC – Legislature Wraps up the 2021-22 Legislative Session
  - SSC – Governor Newsom Signs a Handful of Community College Bills
  - SSC – Calculating Your Annual Gann Limit
  - SSC – U.S. Headline Inflation Ticks Up Again
  - DOF – Finance Bulletin-August 2022

O’Connor referenced the above documents as information and resources for additional review. He stated the Adopted Budget was approved by the Board of Trustees at the September 12 Board meeting. The Budget Presentation provided by Vice Chancellor Ingram is posted on the Budget Update Webpage for reference.

O’Connor stated early reports indicate State revenues are not coming in as projected, suggesting a potential concern for state budget reductions by the end of the fiscal year and something to keep in mind. This is due to personal income tax, sales taxes, and other revenue streams coming in less than budgeted to date.

3. Proposed Increase in Board Policy Contingency Reserve

O’Connor screen shared and reviewed presentation provided to the Board Fiscal/Audit Review Committee on September 9 regarding the Government Finance Officers Association (GFOA) recommendation to increase reserves to a minimum of two months of total general fund operating expenditures. He explained the pre-2019 State Chancellor’s recommendation of 5% of unrestricted general fund expenditures and the 2022 State Chancellor’s recommendation to adopt policies and practices consistent with the Budgeting Best Practices published by GFOA. Additionally, the State Chancellor’s Office is requiring boards adopt a policy “aiming to align reserve balances to recommendations” by GFOA to apply for Emergency Conditions Allowance. He noted RSCCD did not apply for the Emergency Conditions Allowance, but the requirement may still be implemented for other grants and fiscal matters; therefore, the district should work on updating the current board policy to make progress toward the Chancellor’s Office recommendation.

O'Connor continued to explain the difference in the current reserve balance of \$26.8 million vs. two months of total general revenue at \$54.5 million. This matter will be considered for recommendation to the full board by the Board Fiscal/Audit Review Committee on Thursday, September 22 to update board policy to implement progressive achievement through one-time revenues, SRP/Rightsizing funds, and no budget reductions. This would be reviewed by the Board Fiscal/Audit Review Committee every three years. FRC would review progress on an annual basis. O'Connor confirmed he would discuss with Vice Chancellor Ingram whether recommendations could be made by FRC and how the timing would be implemented within the budget cycle. Clarifying questions and concerns were discussed with answers provided. The presentation is part of the meeting materials for further reference.

#### 4. Multi-year Projections

O'Connor screen shared and reviewed two revised versions of the multi-year projections. One with no growth which puts RSCCD back into hold harmless in 2023-24 and stabilization in 2025-26. The other version includes the colleges' growth goals, without conforming to the state growth cap, and puts the district in a better financial position for the out years. This demonstrates the importance of growth. This also assumes the State has the funds to pay districts accordingly. Discussion ensued related to Joint Benefits Committee where health and welfare benefit increases were made known and slightly differ from this projection and fluctuates year to year.

#### 5. Budget Town Halls Feedback for Topics

O'Connor confirmed Vice Chancellor Ingram will host Budget Town Hall meetings at the colleges during the fall and spring semesters. Dates were confirmed for SAC on November 2 and SCC on November 3. No suggestions were made during the meeting. Any topics of interest or suggestions should be sent to Vice Chancellor Ingram's assistant, Kennethia Vega by the end of next week (September 30).

#### 6. 2023-24 Draft Budget Calendar

O'Connor explained the draft budget calendars were presented for review and discussion. They will be placed on the next meeting agenda for approval. Conflicts are to be noted and shared with O'Connor.

#### 7. Standing Report from District Council – Jim Isbell (absent)

Due to the absence of Isbell, Rutan shared a brief report of the actions of District Council to include approval of the adopted budget that has since been approved by the Board of Trustees and approval of a job description that merges two positions into one in P&C. Discussion continued regarding SRP and hiring of replacements which may include a report at a future meeting.

#### 8. Informational Handouts

- District-wide expenditure report link: <https://intranet.rsccd.edu>
- Vacant Funded Position List as of September 12, 2022
- Monthly Cash Flow Summary as of August 31, 2022
- [SAC Planning and Budget Committee Agendas and Minutes](#)
- [SCC Budget Committee Agendas and Minutes](#)
- [Districtwide Enrollment Management Workgroup Minutes](#)

Informational handouts above were referenced for further review.

#### 9. Approval of FRC Minutes – August 17, 2022

A motion by Hoffman was seconded by Deeley to approve the minutes of the August 17, 2022, meeting as presented. There were no questions, comments or corrections and the motion passed unanimously.

#### 10. Other

##### **Next FRC Committee Meeting:**

The next FRC meeting is scheduled for Wednesday, October 19, 2022, 1:30-3:00 p.m. This meeting adjourned at 2:01 p.m.