

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

**Meeting Minutes for October 18, 2017**

**FRC Members Present:** Morrie Barembaum, Michael Collins, Steven Deeley, Ed Fosmire, Maria Gil, Pilar Gutierrez-Lucero, Adam O'Connor, Arleen Satele, Monica Zarske

**Alternates/Guests Present:** Esmeralda Abejar, James Kennedy, Thao Nguyen, Leanna Nolan, Jose Vargas

1. Welcome: Mr. O'Connor called the meeting to order at 1:30 p.m.
  
2. State/District Budget Update – O'Connor
  - System request for 2018-2019
    - i. Total \$382.5 Million
    - ii. Some costs listed as TBD
    - iii. No COLA or growth as Chancellor Oakley believes those are a given in addition to the budget request
    - iv. General operating expenses - \$200 Million total, \$4.7 Million for RSCCD
    - v. Full time Faculty hiring – potential 12-18 new faculty for RSCCD but depends on how these funds would be allocated
  - Full time faculty funding would be ongoing, but not part of base, and the amount of allocation changes each year up or down, even though the positions were hired and costs go up
  
3. Discussion of Restoration of FTES – O'Connor
  - Presentation from Declining Enrollment Seminar included
  - RSCCD went into stabilization for 2016-2017
  - 2017-2018 is first year of restoration
  - Funding received for one year to keep stable (2016-2017)
  - Three years to restore back to base, but funding loss is immediate
    - i. Not considered growth
  - Can restore including inflation adjustment
  - Growth can only be made after restoring to base
  - If unable to fully restore, new base is calculated and any unrestored FTES is lost

Mr. O'Connor reviewed hypothetical examples demonstrating how various scenarios will affect our funding. Scenarios included growth and declining enrollment at different rates between the two campuses. Additional examples were included to show impact of borrowing from summer FTES. Examples were calculated using credit FTES rates, which are higher than non-credit. There was a suggestion to include a "deficit factor" in the model to adjust for the non-credit mix.

4. BAM Language Review – O'Connor  
At the request of District Council, the BAM Subcommittee met and discussed the Budget Allocation Model and the request for funding by Santa Ana College. All members of the subcommittee except Ms. Gil were able to attend. There is potential for language to be in

conflict but issues seem to be resolved when model is looked at as a whole. The subcommittee reiterated their belief in the model and the need to be consistent in following the model. It was recommended by the subcommittee to uphold the original recommendation.

It was noted that the model should be reviewed for language changes during the current year review, but that would affect the future. There are opportunities to consider additional scenarios not previously considered, such as both colleges declining. The language regarding stabilization should also be reviewed as it becomes more relevant. It was requested that the BAM Language Review item be carried over to the next agenda and continued to be discussed.

Mr. O'Connor called for a motion on the subcommittee's recommendation. A motion was made by Ms. Zarske, seconded by Dr. Collins and approved unanimously to reiterate the original recommendation made to District Council.

7. Standing Report from District Council – Mettler  
No update was given, as Ms. Mettler was not able to attend FRC.
  
8. Informational Handouts  
The following handouts were distributed:
  - District-Wide Expenditure Report
  - Vacant Funded Position List as of October 6, 2017
  - Measure “Q” Project Cost Summary September 30, 2017
  - Monthly Cash Flow Summary as of September 30, 2017
  - SAC Planning and Budget Committee Agendas and Minutes
  - SCC Budget Committee Agendas and Minutes
  
9. Approval of FRC Minutes – September 27, 2017  
Mr. O'Connor called for a motion to approve the Fiscal Resources Committee Minutes of the September 27, 2017 meeting. A motion was made by Mr. Deeley, seconded by Dr. Collins and approved unanimously.
  
10. Other  
There were no additional comments or discussions.

Next meeting reminder: Wednesday, November 15, 2017, 1:30 – 3:00 in the Executive Conference Room, District Office

The meeting was adjourned at 2:15 p.m.