

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

Meeting Minutes for September 27, 2017

FRC Members Present: Morrie Barembaum, Michael Collins, Steven Deeley, Ed Fosmire, Maria Gil, Pilar Gutierrez-Lucero, Peter Hardash, Lee Krichmar, Mary Mettler, Adam O'Connor, Arleen Satele, Monica Zarske

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

1. Welcome: Mr. Hardash called the meeting at 1:30 p.m.
Brief introductions were made.
2. State/District Budget Update – Hardash
 - 2017-2018 Adopted Budget approved by Board on September 11, 2017
 - Budget updates available on RSCCD website
 - Budget is balanced with one time funds
 - \$1.3 million deficit
 - Does not include collective bargaining or other unforeseen costs
 - Currently in restoration for 2017-2018
 - Census to census data (Fall 2016 to Fall 2017) shows continued decline
 - i. Santa Ana College: approximately 1% decline
 - ii. Santiago Canyon College: approximately 3% decline
 - Governor will give proposal in January 2018
 - Legislative Analyst's Fiscal Outlook will come out with report in November
3. Discussion of Summer FRC Schedule – Barembaum
A history of the meeting schedules and agendas from 2013 through the draft of 2018-2019 were provided. A discussion regarding email only meetings occurred. There were some concerns that email only meetings make it more difficult to have discussions, especially when there are action items.

A motion was made to change the January 24, 2018 and May 23, 2018 meetings to in person by Mr. Deeley, seconded by Dr. Collins, and approved unanimously.

4. Multi-Year Projections (MYP) – O'Connor
A simple family budget version of the multi-year projection template was included to help clarify how the projections are calculated based on a more personal level. The excel template is available on the FRC site for anyone who wants to utilize it.

Mr. Hardash discussed how restoration or lack thereof effects base funding and Mr. O'Connor walked the committee through the three versions.

- All include updated information from close out of 2016-2017
- Base version
 - 4.79% decline in FTES
 - Stabilization in 2016-2017
 - Budgeting to restore to \$6 million

- Would take permanent loss of \$1.1 million
- Ongoing portion of budget has \$1.3 million deficit
- Borrowing from 2018-2019, going into stabilization
- Borrowing each year, deficit will increase
- Best Case
 - Full restore without borrowing
 - Growth at 1%
 - Deficit begins in 2019-2020
- Worst Case
 - Restore half of FTES, unable to borrow
 - 1% decline in FTES per year
 - Increase in utilities, health and welfare
 - Deficits increase dramatically
- Graphs show yearly comparisons for three models
- No best case scenario that completely eliminate deficit
- Similar trends for other districts across state

Mr. Hardash reminded the committee that it is important for representative to share this information with their constituents. He also reminded the committee that it is important to keep the conversation going on the budget.

5. Request from Santa Ana College Regarding Carryover Shift/Review of BAM Language - Collins

A discussion on the shift in FTES between Santa Ana College and Santiago Canyon College due to changing levels of enrollment occurred. Shifting occurred due to different levels of declined enrollment between the two campuses. There was a request to review the language in the Budget Allocation Model and to examine procedures to ensure they follow the model. It was recommended that the discussion be agendaized for the next meeting so that all members can have the full model's documentation to prepare and for the Chancellor to join the discussion.

After further discussion, a motion was made to recommend to District Council that the BAM language be reviewed and the language in it be honored. The motion was made by Ms. Mettler, seconded by Ms. Zarske, and approved with one no vote by Mr. Hardash.

6. Review Committee Purpose Statement - Mettler

A discussion occurred as to the content and adjustments to the proposed statement. The committee agreed to change "Resource Allocation Model" to "Budget Allocation Model" and add "recommends" in addition to developing budget assumptions. The full statement reads: *"The Fiscal Resources Committee provides district-level fiscal review including annual evaluation of the District's Budget Allocation Model, as well as, develops and recommends tentative and adopted budget assumptions to District Council"*. Mr. O'Connor moved to approve the statement with those modifications, seconded by Dr. Collins and approved unanimously.

7. Standing Report from District Council – Mettler

Ms. Mettler informed the committee of the Human Resources Committee's new training requirements for all participants on hiring committees. They will be recommending training be required every two years. Ms. Mettler and Ms. Krichmar also discussed updates from the Technology Advisory Group regarding issues with the portal.

8. Informational Handouts

The following handouts were distributed:

- District-Wide Expenditure Report
- Vacant Funded Position List as of September 20, 2017
- Measure “Q” Project Cost Summary June 30, 2017
 - Annual report was approved at the last Measure Q Meeting
- Monthly Cash Flow Summary as of August 31, 2017
- SAC Planning and Budget Committee Agendas and Minutes
- SCC Budget Committee Agendas and Minutes

9. Approval of FRC Minutes – July 5, 2017 – Hardash

Mr. Hardash called for a motion to approve the Fiscal Resources Committee Minutes of the July 5, 2017 meeting. A motion was made by Dr. Collins, seconded by Ms. Krichmar, and approved with one abstention.

10. Other

- Next meeting will discuss MYP’s, Stabilization, and Restoration in more detail
- Will also be discussing Budget Allocation Model at next meeting
- Reminder: if anyone finds anything on the Vacancy List is incorrect, please inform Mr. O’Connor or Ms. Nguyen in Fiscal Services

Next meeting reminder: Wednesday, October 18, 2017, 1:30 – 3:00 in the Executive Conference Room, District Office

The meeting was adjourned at 2:54 p.m.