

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

Meeting Minutes for May 18, 2016

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

1. Welcome: Mr. Hardash called the meeting at 1:35 p.m.
2. State/District Budget Update – Hardash
 - May Revise – Governor’s May Revision was released May 13th. This revisions are the adjustments to the January Governor’s Budget.
 - Update to the Board of Trustees:
 - No increase to student enrollment fees, remains at \$46
 - COLA – zero COLA proposed, was estimated at 0.47%, calculated at 0.0029% - equals zero
 - Growth funding – 2% statewide, no growth funding budgeted in the Tentative Budget, RSCCD’s maximum fundable growth in 16/17 is 0.65%, 2% statewide
 - \$75 million increase to base apportionment funding for increased operating costs, unrestricted approximately \$1.8 million for RSCCD
 - Strong Workforce Program - \$200 million to establish new programs, categorical, restricted funds
 - Zero textbook cost degree - \$5 million, January proposal maximum was \$500,000, new amount is \$200,000 so more districts can compete.
 - One time funding – Mandate Claims Block Grant - \$105.5 million, a \$29.2 million increase from the January proposed Budget, allocated on a FTES basis and unrestricted. RSCCD’s share is approximately \$2.7 million. RSCCD no longer has any outstanding mandated reimbursements. Adult Education Block Grant - \$5 million increase for administration. Scheduled Maintenance/Instructional Equipment - \$70.1 million decrease from proposed January Budget, no match is required. RSCCD’s share is approximately \$5.5 million. Chancellor’s Cabinet discussion was to split the amount 70/30.
 - Prop 39 - \$49.3 million, fourth year of five year program, a slightly higher allocation for RSCCD - \$1 million.
 - Chancellor’s Office Budget Workshop to be held by the end of July, early August, details will be included in the “Blue Book”
3. 2016/17 Proposed Tentative Budget/Action – Hardash
 - Under new revenues: Originally 1% apportionment deficit was budgeted, now estimated at 0.70%, after adjustments in the May Revise, RSCCD expecting more money, frees up \$461,255.
 - \$600,000 in non-resident tuition split between the colleges
 - Interest earnings are slowly increasing
 - SCC expected to increase earnings in Apprenticeship
 - \$1,883,041 million in new revenue
 - Under new expenditures: increases to step/column movement, health and welfare benefits at 5% for half a year, CalPERS and CalSTRS, utilities, ITS licensing fees, Apprenticeship amount is a wash, we spend the dollars to earn the dollars. Total new expenditures \$1,951,382, the 2016/17 budget year deficit = \$68,341

- Budget Stabilization Fund balance is projected to be \$13.7 million on June 30, 2016, this is what is known today.
- “M” new under expenditures includes \$250,000 from one time funds for legal expenses and \$60,000 from one time funds for the executive recruitment for the college president recruitment and the Vice Chancellor of HR position.
- Two items not included, One-time funds - \$1.9 million up to \$2.7 million and base allocation - \$1.8 million. This information was received after this document was distributed.
- Discussion ensued on how positions are budgeted, where on the salary scale and the amount projected for benefits.

Mr. Hardash called for a motion, it was motioned by Mr. DeCarbo, seconded by Dr. Mettler and approved unanimously to approve the Tentative Budget and move it forward to District Council for approval including discussed adjustments. Mr. O’Connor noted that Collins, Kennedy, Hicks and Nguyen all supported approving the Tentative Budget by email.

4. Updated Statewide Growth Formula – Hardash

Mr. Hardash reviewed the new system-wide 2016/17 growth model tentative based on 2015/16 P-1. RSCCD constrained growth is at .78%. RSCCD is projected to be in stabilization next year, losing the .78% potential growth = \$1,132,521 for RSCCD.

5. College 2015/16 Ending Balance Projections – Collins/Satele

Ms. Satele stated SCC will have an approximate \$980,000 ending balance, it was the goal of the budget committee at SCC to have a 1% ending balance. Most of the savings comes from salary and benefits. SAC is projecting an approximate \$7 million ending balance. Most comes from salary and benefits savings and the \$1.1 million they received when SCC was forgiven for their deficit last year. SAC started the year with a \$2.5 million balance. District Office savings, which is still unknown will also be distributed to the colleges.

6. Informational Handouts - Hardash

- District-wide expenditure report link: <https://intranet.rsccd.edu>
- Vacant Funded Position List as of May 11, 2016
- Measure “E” Project Cost Summary as of April 14, 2016
 - Will meet this week for a regular meeting and tour of campus.
- Measure “Q” Project Cost Summary as of April 14, 2016
 - Met last week for a regular meeting and tour of campus.
- Monthly Cash Flow Statement as of April 30, 2016
- SAC Planning and Budget Committee Agendas and Minutes
- SCC Budget Committee Agendas and Minutes

Additional handouts provided at this meeting are available on the District website FRC page.

7. Approval of the FRC Minutes – April 27, 2016 – Hardash

Mr. Hardash asked for a motion to approve the Fiscal Resources Committee Minutes of the April 27, 2016 meeting. A motion was made by Dr. Mettler, seconded by Mr. DeCarbo and approved unanimously.

Next meeting: Wednesday, July 6, 2016, 1:30 – 3:00 in the Executive Conference Room, District Office.

The meeting was adjourned at 2:30 p.m.