

Fiscal Resources Committee

Via Zoom Video Conference Call

4:02 p.m. –4:42 p.m.

Meeting Minutes for January 15, 2025

FRC Members Present: Iris Ingram, Claire Coyne, Madeline Grant, Noemi Guzman, Bart Hoffman, Tara Kubicka-Miller, Veronica Munoz, Thao Nguyen (for O'Connor), Christopher Sweeten (for Satele), and Tommy Strong

FRC Members Absent: Sara Gonzalez, Adam O'Connor, Enrique Perez, Arleen Satele, Chrissy Talarico, Noah Villa, and Venuri Weerarathne

Alternates/Guests Present: Jason Bui, Steven Deeley, Gina Huegli, Vaniethia Hubbard, Rasel Menendez, Annebelle Nery, Mark Reynoso, Kennethia Vega, and Barbie Yniguez

1. Welcome: Vice Chancellor Ingram called the meeting to order at 4:02 p.m. via zoom upon achieving quorum. She extended appreciation of understanding for the rescheduling of the FRC meeting to accommodate her and others attending the Budget Workshop that was earlier in the day and concluded just moments before the start of this meeting.

2. State/District Budget Update
 - 2025-26 Proposed State Budget report link: <http://www.ebudget.ca.gov>
 - LAO 2025-26 Overview of Governor's Budget link: <https://lao.ca.gov/Budget>
 - Joint Analysis-Governor's January Budget 2025-2026 *included in Additional Handouts*
 - SSC – October Annual Inflation Creeps Up
 - SSC – Will Lame Duck Congress Tackle FY 2025 Budget?
 - SSC – October Revenues Continue Recent Trend
 - SSC – LAO's Fiscal Outlook for Education – Positive, but Modest
 - SSC – Minimum Wage Increases Effective January 1, 2025
 - SSC – Voters Reject Minimum Wage Increase
 - SSC – Special Session to Convene on December 2
 - SSC – All Ten Statewide Measures Called
 - SSC – Legislature Convenes the 2025-26 Legislative Session
 - SSC – UCLA Anderson Forecast Projects Likely Inflation Increase
 - SSC – State Auditor Report on CCC Transfers
 - SSC – BOG Adopts 2025 FON and Reelects leadership for 2025
 - SSC – 2024 Chaptered Legislation and Guidance Report Released
 - SSC – Governor Unveils Master Plan for Career Education Executive Summary
 - SSC – Fed Reduces Interest Rates and Signals Caution
 - SSC – Fourth Quarter Lottery Apportionment for 2023-24
 - SSC – Government Shutdown Averted
 - SSC – Governor Newsom Previews 2025-26 State Budget Proposal
 - SSC – Cash Was Short, but we Are Still Ahead
 - DOF – [Finance Bulletin-December 2024](#)
 - [Budget Presentation to Board of Trustees January 13, 2025](#)

Ingram briefly referenced the above articles/updates for further understanding of the State Budget and affirmed there were no significant changes announced in the Budget Workshop. Ingram shared that her presentation to the Board of Trustees on Monday, January 13, 2025, is available and posted to the RSCCD, Budget Updates webpage for ease of access and review. She further referenced the joint analysis noted above as the most up-to-date analysis. This is the information to be used until the May Revise. Potential

changes may come about because of the fires in Southern California and the transition in administration in Washington DC. Revenues have come in higher than originally anticipated, however the effect on community colleges is unknown currently.

Ingram announced Thao Nguyen to provide updates as Adam O'Connor is on well deserved vacation.

3. 2025-26 Budget Calendar Revision

Nguyen discussed the revisions to the 2025-26 budget calendar, specifically when the budget will be on display prior to Board approval and the Board's approval in September. This adjustment to the calendar is necessary to align with the Board of Trustees meeting schedule for 2025 and is only one week later than originally scheduled. This is information only and no action is required. There were no questions.

Ingram discussed the Board of Trustees meeting schedule with one meeting in January and February. The budget assumptions will be presented to the Board, but FRC will review the budget assumptions for 2025-26 prior to the Board's approval.

4. Mid-Year Updates

- Unrestricted General Fund Expenditure Update

Nguyen screenshared page 29 of meeting materials and reviewed the mid-year expenditures for fund 11 and 13 with comparison to last year with SAC at 54.03% and this year at 56.70%; and last year SCC at 54.27% and this year at 53.52%. The colleges increased the 1300s accounts (part-time faculty) with SAC last year at \$20 million and this year at \$24 million: that is an increase of \$4 million. However, the availability of the percentage remaining is lower than was left last year at 33.96% and 32.41%, respectively. However, overall, SAC has more this year at 56.7% compared to last year at 54.03%.

For SCC, last year's comparison was at 54.27% and this year at 53.52%; last year SCC had \$8 million in the 1300s accounts (part-time faculty) and this year increased it by \$2.5 million with availability of 34.16%. Looking at mid-year, the funds may not be enough to cover the expenses if the expenditures continue at the same pace.

District Services mid-point comparison last year was at 53.62% and this year at 54.09% availability and overall, for fund 11 and 13, the district was at 54.02% last year compared to 55.40% availability this year.

Ingram explained this is just information for discussion and not direction; it is the "burn rate" at this point and time. Questions were answered for clarification of the information received and discussion ensued.

- Final FTES Update for (P1) *included in Additional Handouts*

Nguyen screenshared and reviewed the Final FTES Update for P1 that is posted as additional handouts on the FRC webpage. At this point in time, RSCCD reported with summer, fall actuals and spring annualizers for SAC 22,346.44 FTES, and SCC 8,767.01 FTES for a combined total of 31,113.45 FTES. The rough total split between the two colleges is 71.82% for SAC and 28.18% for SCC. When comparing to last year, SAC reported growth rate is 9.87% and SCC growth rate is 1.18% with a total overall for the district reported growth rate of 7.28% for P1. There were no questions, however, Nery extended appreciation to Gina Huegeli and Thao Nguyen for the work involved in generating and submitting the report. Ingram acknowledged that she certified the report earlier this afternoon to the CCCCCO (State Chancellor's Office).

- SCFF Simulation FY 2024-25 *included in Additional Handouts*

Nguyen screenshared and reviewed the simulated revenue draft, projecting the growth rate if fully funded. The simulation is based on the P1 report just reviewed and certified by Vice Chancellor Ingram. If fully funded, RSCCD could be allocated over \$197 million. The supplemental and student

success updates are based on information released on December 2, and there may be another update soon. As reported, supplemental will add approximately \$29 million and student success \$22.4 million with the total calculated revenue of \$249.6 million based on P1. The TCR adjusted by COLA is \$238.5 million and therefore gains \$11.1 million based on the TCR and SCFF calculations. The State growth cap for RSCCD is 0.12%. These estimates are based on whether the Chancellor's Office fully funds FTES growth. Final numbers will be known following P2 and Final Estimate submissions. There were no questions.

Ingram shared comments on a discussion at the Budget Workshop about lifting the State growth cap and what the limitation to growth is doing to colleges currently growing. Consideration of changes to State growth cap and individual growth caps are part of the active discussions occurring at the State level with respect to available revenue and the negative impact of unfunded FTES.

5. Discussion of Member Communication – (Kubicka-Miller)

Kubicka-Miller briefly discussed the additional goal of communication responsibilities to constituency groups and in consideration of deeper discussion at the next meeting, she asked committee members to be prepared to answer the following questions:

1. Who are your constituents? Who do you report to?
2. How do you communicate information from FRC to constituents? Email, reports at meetings.
3. What practices are put into place for receiving questions and bringing items back to FRC?

Kubicka-Miller anticipates further discussion at the next FRC meeting in February. There were no questions.

6. Annual External Audit

Ingram noted the annual external audit is complete but not released by the audit firm (Eide Bailly) for approval by the Board of Trustees. Annually, by law the annual external audit is submitted to the Chancellor's Office by December 31. That did not happen this year because the Board of Trustees requested a Forensic Audit, which could potentially have a material effect on the annual audit and therefore it is not being released. RSCCD informed the Chancellor's Office of the delay in submission and were given an extension to March 31, 2025, which aligns with the Federal deadline. Additionally, RSCCD was advised of being placed on "watch" to be monitored by FCMAT (Fiscal Crisis and Management Assistance Team) because of this delay in submission. RSCCD is not in fiscal crisis. If there are any further delays and the March 31 deadlines are missed, then RSCCD may incur federal penalties along with potential impact to student financial aid and grants. When asked about the next steps, Ingram explained the urgency in getting a negotiated agreement by the end of the week and the audit firm to begin work immediately thereafter on the forensic audit. It is anticipated all will be accomplished within the month.

7. Standing Report from District Council – (Kubicka-Miller)

Kubicka-Miller briefly reported on the activities of District Council meeting of December 2 with review and approval of roles and responsibilities; discussion of three job descriptions: Director, Institute for Workforce Development, Executive Director Orange County Regional Consortium, and Director, Orange County Regional Consortium Workforce and Employer Engagement. All were approved. Routine reports and the 2024-25 district council meeting schedule were discussed. The meeting schedule was approved and posted on the RSCCD webpage.

8. Informational Handouts

- District-wide expenditure report link: <https://intranet.rsccd.edu>
- Vacant Funded Position List as of January 9, 2025
- Monthly Cash Flow Summary as of December 31, 2024
- [SAC Planning and Budget Committee Agendas and Minutes](#)
- [SCC Budget Committee Agendas and Minutes](#)

General informational handouts, links, and webpages above were referenced for further review.

9. Approval of FRC Minutes – November 20, 2024

A motion by Hoffman to approve the minutes of the November 20, 2024, meeting as presented was seconded by Coyne. By roll call vote the motion passed with one abstention by Sweeten.

10. Other

There were no further comments, questions, or discussion.

Next FRC Committee Meeting:

The next FRC meeting is February 19, 2025, at 1:30-3:00 p.m. This meeting was adjourned at 4:42 p.m.