

Fiscal Resources Committee

Via Zoom Video Conference Call

1:30 p.m. – 2:53 p.m.

Meeting Minutes for March 19, 2025

FRC Members Present: Iris Ingram, Claire Coyne, Madeline Grant, Sara Gonzalez, Noemi Guzman, Bart Hoffman, Tara Kubicka-Miller, Valeri Lopez, Veronica Munoz, Adam O'Connor, Sarah Santoyo, Arleen Satele, Tommy Strong, and Noah Villa

FRC Members Absent: Chrissy Talarico

Alternates/Guests Present: Jason Bui, Steven Deely, Christine Gascon, Jesse Gonzalez, Gina Huegli, Kelvin Leeds, Carri Matsumoto, Annabelle Nery, Thao Nguyen, Kennethia Vega, and Barbie Yniguez

1. Welcome: Vice Chancellor Ingram called the meeting to order at 1:31 p.m. via zoom upon achieving quorum.
2. State/District Budget Update
 - Apportionment Memo February 20, 2025
 - 2023/24 Apportionment Recal Report Exhibit C RSCCD Statewide
 - [2023/24 Recal Reconciliation](#)
 - [2024/25 Apportionment P1 Report Exhibit C RSCCD Statewide](#)
 - LAO – [The 2025-26 Budget: California Community Colleges](#)
 - SSC – State Cash Receipts Below Forecast for January
 - SSC – Bill Requiring Dual Enrollment Introduced
 - SSC – Top Legislative Issues-February 21, 2025
 - SSC – “Historic Final Mission” Says New Secretary of Education
 - SSC – Government Shutdown Looming
 - SSC – 2025-26 CalSTRS Postretirement Earnings Limitation
 - SSC – Top Legislative Issues-March 7, 2025
 - SSC – UCLA Forecast Mostly Unchanged but Lots of Uncertainty Ahead
 - DOF – [Finance Bulletin-February 2025](#)

Ingram briefly referenced the large number of documents above and specifically, directed attention to the 2023/24 apportionment recal report exhibit C, 2023/24 recal reconciliation and the LAO report on 2025-26 budget for California Community Colleges. With respect to FTES, RSCCD is identified as number 3 (or 2 depending on whether you include basic aid district). She referenced dual enrollment, legislative budget committee, CalSTRS postretirement earnings limitation, and other information for further understanding of the State and District budget updates.

3. Projected 2024/25 Year-end Balances – Satele, Hoffman, and O'Connor
O'Connor reported on behalf of the District Office, to provide the 2024-25 fiscal year end projection. Typically, the District office has a small carryover that is incorporated with the colleges and redistributed, but like last year, the District will likely fully spend or utilize the allocated budget entirely this year for operational services.

Hoffman reported on behalf of Santa Ana College, similarly to the district operations SAC projects fund 11 estimated ending balance of \$157,000 and fund 13 estimated ending balance of \$5,300,000 and total estimated ending balance of \$5,457,000.

Satele reported on behalf of Santiago Canyon College, that they are running a tight ship, with general fund 11 ending balance estimated at \$182,745. That could change as they continue to focus on growth and

utilizing adjunct faculty but in comparison to last year, SCC will not exceed last year's expenses. Fund 13 is estimated ending balance is \$2,112,260. Information will be shared with Thao Nguyen as routinely done.

O'Connor reaffirmed that the projected ending balances do not include any additional potential revenue, for example, the deficit factor. When that materializes, that will be factored in. These projections are snapshots as of right now.

4. Capital Outlay Lecturette – Carri Matsumoto

Assistant Vice Chancellor of Facility Planning, Construction and District Support Services (FPCDSS), Carri Matsumoto presented a brief review on fund 41 capital construction budget and funding. The presentation is posted to the FRC webpage for ease of access, review, and sharing with constituents.

Fund 41 is unique but aligns with the budget and accounting manual definitions and codes for the acquisition, construction, new capital facilities, land improvements, public works, and scheduled maintenance and repair work. This fund captures all related expenses for various reports and audits. Even if grant funds are used for the improvement of facilities, that money is transferred to fund 41 to be captured in all other associated reports. Matsumoto referenced board policy 6601, education code, and public contracts codes stating that while the colleges are responsible for routine maintenance, FPCDSS is responsible for scheduled maintenance and special repair projects such as roofs, utility, mechanical, exterior and other definitions as determined by the State. Construction is guided by the Community College Construction Act of 1980.

Revenue in this fund is from multiple sources such as scheduled maintenance funds (State), local revenue (on-going contributions for over 15 years from the general funds), local general obligation bonds (Measure E and Measure Q), leases, interest, non-resident tuition (managed by the colleges is captured in this fund), redevelopment funds by site, and utility rebates or incentives. State funded projects are recorded through this fund. Matsumoto discussed the five-year capital construction plan with annual review with the colleges. She referenced accounting principles and audits (State, bond and annual district audit), affirming the need for a budget for a project to progress. All expenditures are captured in this fund and carryover each fiscal year for the life of the project.

Matsumoto discussed capital project priorities including the five-year capital constructional plan (facility master plan), five-year scheduled maintenance plan and repair work, campus requested projects (FMRs), fire life safety, ADA, stormwater compliance and sustainability projects, safety projects such as key projects and access control, and districtwide infrastructure such as ITS, surveillance, cameras, etc. She also discussed the unfunded capital projects that are waiting for the funds to progress forward. She recently requested an increase in resource allocations due to the large unfunded need to address items such as fire life safety repair work and new compliance matters for stormwater management. The on-going need for scheduled maintenance projects is incredible and incredulous. There is constant planning to address all the needs with the available funds. Many of these matters are unattended due to the lack of available funds. The priority is to address those items that could potentially shut down a building, a program and/or technology issues districtwide. AVC Gonzalez provided comments regarding the criticality of maintaining and upgrading technology resources, infrastructure to serve our students, employees districtwide.

Hoffman commented that SAC BAM Workgroup recently had focused discussion on the tentative budget assumption and specifically regarding the annual capital outlay funding allocation. The workgroup wants to be clear about what the fund would address. Therefore, they propose the fund be allocated based on need agreed upon by the colleges, who would contribute a portion of their revenue; not just a specific allocation, but the colleges would have a level of control and say about their contribution.

Matsumoto continued with the presentation and reported there are over 137 various types of projects ongoing, such as scheduled maintenance, capital construction and FMRs as requested by the colleges. Through the years, projects have fluctuated and increased especially related to FMRs. She demonstrated

how revenue and expenses are captured, tracked and reported; reaffirmed that the need is huge, with a shortage in funding, and priorities for funding are carefully considered with the ability to capture State funding when available.

All scheduled maintenance projects are prioritized by the colleges during the yearly meetings. The list is huge, over five years, and \$231 million is needed to address the unfunded repair work. When state funding is obtained, there is an allocation split between the colleges based on priority and then capital outlay must fill in the gaps to ensure the projects are executed appropriately.

5. Review of Prior Year Deficit Factor

O'Connor screenshared and provided a review of the prior year deficit factor which will also lead to item 6 below when T. Nguyen provides a review of the Budget Allocation Simulation.

O'Connor continued with the review of the 2023-24 First Principal, which demonstrates the estimated deficit factor at P1 at 3.55%, then at Second Principal it went up significantly to 8.74% and memo that discussed it to be a temporary deficit factor due to decline in EPA funding, with expectation of deficit factor to be reduced at the end of the year. In fact, at recal for 2023-24 indeed reduced the deficit factor to zero. In the current year, for 2024-25 it is at 7.12% and the memo for this year discusses the 2024-25 deficit factor is estimated to be 1.5-2% not zero, providing us with caution and why we budget a deficit factor. The expectation is not to receive 100% of the budget this year, but it still could zero out again.

6. Updated Budget Allocation Simulation

T. Nguyen screenshared the simulation and provided a brief review based on 2024-25 P1 exhibit C numbers with 2,193 unfunded FTES. Estimating P1 with FTES, SAC expects to receive \$131 million, and SCC almost \$57 million with the split at 69.7% and 30.3% . With the supplemental allocation, the split between the two colleges will provide SAC \$22 million and SCC \$6.7 million roughly. Student Success allocations now include changes since the last review with the split between the two colleges with SAC at \$14.9 million and SCC \$7.5 million. So, the total for the colleges is \$168.9 million for SAC and \$71.26 million for SCC with the split at 70.33% for SAC and 29.67% for SCC based on exhibit C at P1. These will change at P2 and the annual final.

Nguyen screenshared and reviewed 2023/24 apportionment reconciliation at P2 exhibit, the District booked \$229,070,064 with a deficit of \$20 million at P1. But at recal, the District is receiving \$232,738,854 with additional income of \$3.66 million based on what was booked at year end. That additional income split is typically flown through the model at year end close. That would have been the split at that point in time based on P3. The colleges have requested the funds be distributed now, but that split will be different now than at year end. A decision from the colleges is needed to distribute funds now or at year end when the split could be different. Ingram requested that once a decision is made, that it be presented to FRC for a record of such determination. Satele commented on her preference to wait for year end for the final split. Ingram will discuss further with Chancellor's Cabinet for potential action as requested by each college president whether it is to be considered further through their respective governance committees, and action could be brought back to FRC in April as necessary.

Discussion ensued, questions asked, and answers provided for clarification of the information received.

7. Annual Review of RSCCD Budget Allocation Model (BAM)

O'Connor initiated discussion for the annual review of the Budget Allocation Model. Last year there were minor changes, and this year O'Connor had no new recommendations, modifications or corrections to present at this time. Hoffman commented on SAC BAM Workgroup recommendations and will follow up with written recommendations. Grant suggested discussion on the Weaver Forensic Audit and the ASCIP rebates being returned to the funds for which they were expended. Ingram requested two volunteers from each site to serve on the FRC BAM workgroup be submitted to O'Connor or her. Once the workgroup has conducted their review, recommendations will be presented to FRC for action.

8. 2025/26 Proposed Meeting Schedule – ACTION

Grant commented that two meeting dates are when faculty are off-contract and requested a line item for compensation for faculty to attend if available during their off time. While SAC confirmed compensation for faculty participation on governance committees, SCC is unable to commit at this time. Discussion ensued with reaffirmation that dates are scheduled for respective action to move budget process forward and cannot change. O'Connor suggested the May meetings for 2025 and 2026 may need to change due to conflict with ACBO Conference. Ingram committed to additional discussion with the Chancellor's Cabinet regarding compensation of faculty for service on governance committees during off-contract periods and suggested postponement of action to the next meeting. For further understanding, O'Connor screenshared the FRC planning calendar located on the FRC webpage that documents the topics and required action.

A motion by Grant to table the proposed meeting schedule for 2025/26 to the April meeting, was seconded by Coyne. By roll call vote the motion passed unanimously.

9. Standing Report from District Council – Kubicka-Miller

Kubicka-Miller briefly reported on the activities of District Council meeting of March 3, 2025, with approval of the tentative budget assumptions and updates to Board Policy 3410 Nondiscrimination; 3420 Equal Employment Opportunity; and 3430 Prohibition of Harassment. Additionally, the associate Administrative Regulations 3410, 3420 and 3430 were approved as was Administrative Regulation 3430 Service Animals (with dogs and mini horses identified).

10. Informational Handouts

- District-wide expenditure report link: <https://intranet.rscsd.edu>
- Vacant Funded Position List as of March 12, 2025
- Monthly Cash Flow Summary as of February 28, 2025
- [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.

11. Approval of FRC Minutes – February 19, 2025

A motion by Hoffman to approve the minutes of February 19, 2025, meeting as presented was seconded by Coyne. By roll call vote the motion passed unanimously.

12. Other

Ingram requested a motion to form the FRC BAM Workgroup to review the recommendations from SAC regarding the budget allocation model and the recommendation with respect to RMDF rebates to present to at a future FRC meeting. The motion was made by Coyne and seconded by Hoffman. By roll call vote the motion passed unanimously. Volunteers of two per site are to be sent to Ingram or O'Connor.

Ingram is committed to taking to Chancellor's Cabinet for further discussion 1) compensation for faculty for serving on governance committees during off-contract time and 2) Payment of deficit factor early at P1 vs. P3 (year end).

There were no further comments, questions, or discussions.

Next FRC Committee Meeting:

The next FRC meeting is April 16, 2025, at 1:30-3:00 p.m. With a motion by Hoffman that was seconded by Kubicka-Miller the meeting was unanimously adjourned at 2:53 p.m.