

Fiscal Resources Committee

Via Zoom Video Conference Call

1:30 p.m. – 2:13 p.m.

Meeting Minutes for August 21, 2024

FRC Members Present: Iris Ingram, Claire Coyne, Sara Gonzalez, Madeline Grant, Noemi Guzman, Bart Hoffman, Tara Kubicka-Miller, Thao Nguyen (for Perez), Adam O'Connor, Chrissy Talarico, Arleen Satele, and Tommy Strong

FRC Members Absent: Ethan Harlan, Veronica Munoz, Kevin Ortiz, and Enrique Perez

Alternates/Guests Present: Jason Bui, Gina Huegli, Vaniethia Hubbard, and Kennethia Vega

1. Welcome: Vice Chancellor Ingram called the meeting to order at 1:30 p.m. via zoom upon achieving quorum.
2. State/District Budget Update
 - 2024/25 Advance Apportionment:
 - Memo
 - Exhibit R – FY 2024/25 Advance Apportionment (July 2024)
 - Exhibit A – Payments by Program (July 2024)
 - SSC – State Budget Bill, Fiscal Emergency Declared
 - SSC – Education Facilities Bond Agreement Reached
 - SSC – Governor Signs 2024-25 State Budget Package
 - SSC – K-14 School Facilities Bond Bill Signed
 - SSC – CCCCCO Releases Lottery Rate Accruals and Revenue Projections
 - SSC – Dartboard 2024-2025 Available
 - SSC – 2023-24 State Revenues Slightly Above Recent Estimates
 - SSC – November Ballot Measures Set
 - SSC – Strong Returns for CalPERS Investments
 - SSC – CalSTRS 2023-24 Investment Returns Surpass Benchmark
 - SSC – Top Legislative Issues-August 9, 2024
 - SSC – Summer Shift Repeal Considered by System

Ingram welcomed everyone to the first FRC meeting of the fall semester. She briefly discussed updates to the state/district budget, referencing information above for further understanding. She drew attention to Exhibit R and Exhibit A that are now posted on the State Chancellor's website that confirms advanced apportionment. While the Governor approved the budget last month, there are a few bills still pending, with 85-90% of the budget known.

3. Proposed Adopted General Fund Budget – **Action Item**

Ingram stated the district is required by law to approve an adopted budget and submit such to the State Chancellor's Office by September 15. Therefore, the adopted budget will be presented to the Board of Trustees for consideration of approval at the September 9 Board Meeting.

a. Budget Assumptions Update

O'Connor screenshared and discussed the 2024/25 Advance Apportionment memo stating the year ended with a large deficit factor, and the State is claiming that such will be eliminated once revenues are disbursed through a revised Exhibit C recal apportionment. As of two minutes prior to the start of this meeting, that was not yet posted. RSCCD closed the 2023/24 budget with a 2% deficit and should that be eliminated it will leave an additional \$4.3 million one-time funds to flow to the colleges through the model. He continued his review of Exhibit R, highlighting RSCCD Basic Allocation,

FTES Allocation, Supplemental and Student Services Allocation for a total 2024/25 revenue calculation of \$236.9 million vs. hold harmless at \$214 million. At advance, the deficit factor is 2.4% bringing the total calculated revenue to \$231.2 million. RSCCD budgeted a 3.55% deficit factor being conservative. Ingram stated that CCCCCO Vice Chancellor, Wrenna Finch, recently shared with CBOs throughout the State, that the Department of Finance is releasing a preliminary deficit number just under 7% as revenue estimates are not as robust as anticipated, and Ingram cautioned that the estimated deficit could increase during the coming year.

O'Connor continued review of documents pertaining to the action item for recommending approval of the proposed adopted budget, referencing pages 36-72 of the meeting materials. Budget assumption changes were noted with unrestricted lottery and mandates block grant increasing slightly and apprenticeship in decline. The colleges have budgeted the majority of the \$8 million of the unallocated funds bringing it down to \$1.9 million remaining, however, SCC has a \$1 million transfer to fund 1300 account that is pending. It was too late for the budget assumptions update and will leave approximately \$900,000 of unallocated funds between the two colleges.

O'Connor continued to provide an extensive review of the adopted budget materials with discussion related to the board policy reserves and two months of budgeted expenses at \$71.5 million. RSCCD was able to meet this target within two years. O'Connor also explained the 50% law with RSCCD at 54.63% in compliance and a bit up from last year.

Questions were asked and answers provided giving clarification to information received.

A motion by Hoffman to approve the 2024/25 proposed adopted general fund budget and forward a recommendation to District Council was seconded by Coyne. By roll call vote the motion passed unanimously.

- b. 2023/24 Recap of Unrestricted General Fund – Major Changes Comparing Adopted Budget to Actuals
O'Connor reviewed the comparison of adopted budget to actuals for 2023/24 by category. Adopted budget was set at \$242.8 million revenue, the actual revenue was \$285.4 million with a difference of \$42.5 million. Then on expenditure side estimated at \$256.2 million and spent \$246.5 million, with \$9.8 million in savings and fund balance of 11 and 13 at \$38.9 million. Questions were asked and answers provided giving clarification to information received.
4. Closeout of 2023/24 Budget
 - a. Recap of 2023/24 SCFF Metrics
Nguyen screenshared and reviewed SCFF model that is the calculated estimate for the carryover balance using P2 and Supplemental and Student Success Data as of 4/24/24 from the Research Department. FTES split is 69.86% for SAC and 30.14% for SCC. However, the dollar calculation that was allocated is 68.18% for SAC and 31.82% due to the different calculated components amounts. In the supplemental section SAC is receiving 76.05% and SCC is 23.95% on supplemental allocations. This is using the previous years' headcount to determine the split. On the Student Success allocation, the 3-year average is used which includes 2020-21, 2021-22, and 2022-23 reported numbers and these splits are 69.72% at SAC and 30.82% at SCC but due to the difference in component rates, the dollar splits are 65.63% for SAC and 34.37% for SCC. The total based on P2 Exhibit C with dollar allocation splits are 68.86% at SAC and 31.14% at SCC. Discussion ensued with suggestion to remove the percentage split and retain only the dollar splits to clear any potential confusion on this SCFF Metrics recap. Discussion continued to suggest line by line totals remain and the section totals would be removed. This update to the chart does not change the BAM but provides understanding to those reviewing the reports. It was agreed by consensus.
 - b. Final Budget Allocation Model Distribution Carryover
Nguyen screenshared and continued to review the final budget allocation model for distribution of the carryover amounts. Based on income received, SAC has an ending balance of \$19,198,132 and SCC has \$6,654,876 with a rough total of \$25.8 million for fund 11. For fund 13, the total carryover

balance with necessary adjustments made is \$14,216,837 for SAC and \$4,385,716 for SCC. It was confirmed that the SCC ADA reductions continue through 2026-27.

c. 50% Law Compliance Update

Nguyen screenshared and briefly reviewed 50% law compliance with SAC at 64.67%, SCC at 62.20% and Districtwide at 13.41% for a grand total of 54.63%. With RSCCD meeting compliance requirements. There were no questions.

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

Kubicka-Miller had no report as she had not yet attended District Council.

6. Informational Handouts

- District-wide expenditure report link: <https://intranet.rscsd.edu>
- Vacant Funded Position List as of August 15, 2024
- Monthly Cash Flow Summary as of June 30, 2024
- [SAC Planning and Budget Committee Agendas and Minutes](#)
- [SCC Budget Committee Agendas and Minutes](#)

General informational handouts above were referenced for further review.

7. Approval of FRC Minutes – July 3, 2024

A motion by O'Connor was seconded by Satele to approve the minutes of the July 3, 2024, meeting as presented. By roll call vote, the motion passed with four abstentions by Hoffman, Gonzalez, Kubicka-Miller, and Guzman, and Coyne was not present to vote.

8. Other

There were no further comments, questions, or discussion.

Next FRC Committee Meeting:

The next FRC meeting is September 18, 2024, at 1:30-3:00 p.m. This meeting adjourned at 2:13 p.m. with a motion by Hoffman that was seconded by Guzman.