

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

**Meeting Minutes for July 3, 2018**

**FRC Members Present:** Steven Deeley, Ed Fosmire, Maria Gil, Pilar Gutierrez-Lucero, Peter Hardash, Bart Hoffman, Mary Mettler, Thao Nguyen, Adam O'Connor, Arleen Satele, Monica Zarske

**Alternates/Guests Present:** Esmeralda Abejar, James Kennedy, Roy Shabazian, Jose Vargas

1. Welcome: Mr. Hardash called the meeting to order at 1:31 p.m. Brief introductions were made.

2. State/District Budget Update

- New funding formula and online college has been approved
- Last minute changes were made prior to approval
  - i. Effects currently unknown
  - ii. Final deal includes all BOG waivers, not just students over 25 years old
  - iii. Changes in split between base/performance/need
    - 1. Transitional over three years
  - iv. Can still borrow from summer
- Funding amount for 2018/19 still unknown
  - i. May not see final numbers until mid-August (Budget workshop)
- New information will be applied to budget as it becomes available
- Will need to develop new BAM based on new model
- Waiting for final FTES numbers for P3

3. 2018/19 Proposed Adopted Budget Assumptions

Mr. O'Connor walked the committee through the updated assumptions:

- 2016/17 Recalc not yet posted
- Similar to Tentative Budget Assumptions
- Some changes
  - i. Slight Increase in EPA estimated funding
  - ii. Slight decrease in Part-Time Faculty reimbursement
  - iii. Slight Increase in Block Grant
  - iv. Increase in estimated Interest earnings due to rate increases
  - v. Large decrease in Scheduled Maintenance allocation
  - vi. PERS rate increased
  - vii. Four additional items added to Other Institutional Costs
    - 1. Armed officer reorg #1079
    - 2. Fire alarm testing/repair
    - 3. iGreentree onboarding agreement
    - 4. One-time search cost for Chancellor
  - viii. Additional costs may be added from 2017/18 due to negotiations that have not concluded
    - 1. Retroactivity may become complicated with STRS/PERS

The additional iGreentree expense was discussed. Mr. Hardash also gave a brief explanation of the EPA. Mr. Hardash called for a motion to recommend the 2018/19 Proposed Adopted Budget Assumptions to District Council to move forward to District Council. A motion to approve the assumptions was made by Ms. Mettler with the stipulation that Mr. Winter attend District Council to answer questions regarding the iGreentree expense. The motion was seconded by Mr. Hoffman and approved unanimously.

Mr. O'Connor also gave an explanation of the STRS/PERS calculations in the 2018/19 Budget Assumptions and the impact of future increases. The calculations are still being fine-tuned and will be updated as needed.

4. Status update regarding the IEPI consultant and timeline to begin review of BAM for changes relative to the new state funding model
  - BAM will need to be changed to match the new funding model
  - Recommendation to bring in consultant with knowledge of new model to assist
  - Applied for funding from IEPI to cover cost of consultant
  - Will need more information on model before bringing in consultant
  - Recommended that full FRC committee be involved in creating new BAM
  - New model should be a revenue allocation model similar to current BAM
  - Three years of hold harmless in new funding model
  - Should consider impact of performance measures in new BAM
  - Supplemental grants and performance measures are guaranteed funding
  - CDCP and non-credit will be funded separately then added back in to model so as not to penalize for lack of fees, certificates, and supplemental grants
  - ISA agreements will cause some loss of funding due to lack of certificates/performance measures
  - Will also need more information about the correct process to bring in consultant
  - Process to create new BAM will likely take 1-1.5 years

It was requested that this item would be put on the agenda as a placeholder for the next few meetings to stay updated on status. It was reiterated that the committee needed more information, including simulations for the new funding model, before they could proceed with the process to hire a consultant.

5. Standing Report from District Council  
Ms. Mettler stated there was no update from District Council.

6. Informational Handouts  
The following handouts were distributed:
  - District-Wide Expenditure Report
  - Vacant Funded Position List as of June 22, 2018
  - Measure "Q" Project Cost Summary May 31, 2018
  - Monthly Cash Flow Summary as of May 31, 2018
  - SAC Planning and Budget Committee Agendas and Minutes
  - SCC Budget Committee Agendas and Minutes

7. Approval of FRC Minutes – May 24, 2018  
Mr. Hardash called for a motion to approve the Fiscal Resources Committee Minutes of the May 24, 2018 meeting. A correction was noted to the attendance list. A motion to approve the minutes with the noted correction was made by Ms. Satele, seconded by Mr. O'Connor, and approved unanimously.

9. Other  
No other items were discussed.

Next meeting reminder: Wednesday, August 15, 2018, 1:30 – 3:00 in the Executive Conference Room #114, District Office

The meeting was adjourned at 2:43 p.m.