

## **Fiscal Resources Committee**

Santa Ana Room – District Office

1:30 p.m. – 3:00 p.m.

### **Meeting Minutes for September 20, 2018**

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

**Alternates/Guests Present:** Esmeralda Abejar, James Kennedy, Dr. Raul Rodriguez, Roy Shabazian, Jose Vargas

1. Welcome: Mr. Hardash called the meeting to order at 1:30 p.m.

2. State/District Budget Update

Dr. Rodriguez gave the committee an update on discussions at District Council regarding the allocation of funding above the current budget. A brief overview of the new funding formula was given. The district expects approximately \$7.5 million in additional funding. The District is recommending that \$5 million be divided among the colleges, based on the final reported 17/18 FTES split. Campuses would need to indicate how they want their portions allocated. The remaining \$2.5 million would be held for future allocation. These held funds could be used for additional monies needed for collective bargaining agreements, a data collection and cleanup project, or allocated to the colleges at a later time. It was noted how important accurate data collection is to our funding under the new model. Once this discussion was completed, Dr. Rodriguez thanked the committee for their time and left the meeting.

Mr. Hardash discussed the transition to the new model and the growth that occurred due to the summer borrowing. He cautioned against using the new allocation for ongoing costs, and discussed the fluidity and volatility of the model.

Mr. O'Connor walked the committee through the updated Total Computational Revenue. This included the latest simulation from the Chancellor's Office. The deficit factor that had previously been budgeted has now been removed from budget. This releases \$1.1 million back into the budget. It is hopeful that the deficit factor may be eliminated in future years as well. Mr. O'Connor also reviewed the estimated amounts each campus should receive from the above \$5 million. Santa Ana College should receive roughly \$3.5 million and Santiago Canyon College should receive roughly \$1.5 million.

Mr. Hardash reiterated that the new model allocates by district, not by campus. This means that numbers from one campus may counteract numbers from another. He also noted that it appears the FTES numbers are continuing to decline.

3. Committee Faculty Co-Chair Appointment

Mr. Hardash reminded the committee that it was time to appoint a new faculty Co-Chair. In the past, the campuses have alternated, which made it SAC's turn this year. A motion to appoint Ms. Zarske as faculty Co-Chair was made by Mr. O'Connor, seconded by Ms. Satele and approved unanimously.

4. 2019-20 Draft Budget Calendar

The draft calendar was reviewed by the committee. There were no major changes from the prior year. The calendar now includes extra time for departments to input their budgets. It

was requested that committee members review the calendar and let Mr. O'Connor or Ms. Nguyen know if there needed to be any changes. This item was brought to this meeting for review and will be brought back for action at the next meeting.

5. Status update regarding the IEPI consultant and timeline to begin review of BAM for changes relative to the new state funding model
  - Request for funding for consultant has been approved
  - Docket item to hire consultant is on the September 24<sup>th</sup> Board meeting Docket
  - Quoted rate is a “not to exceed”
  - Consultant will help with understanding the funding model, working with simulations, and developing new BAM
  - There is currently no “non-compete” clause that would limit the ability to share the District’s information
    - i. Will be discussed with consultant
    - ii. Positives and negatives to a non-compete clause
6. Standing Report from District Council  
District Council included discussions on new funding, board agenda for the upcoming meeting, and the importance of data mapping. There will be a presentation on the scorecard at the upcoming Board Meeting.
7. Informational Handouts  
The following handouts were distributed:
  - District-Wide Expenditure Report
  - Vacant Funded Position List as of September 13, 2018
  - Measure “Q” Project Cost Summary August 31, 2018
  - Monthly Cash Flow Summary as of August 31, 2018
  - SAC Planning and Budget Committee Agendas and Minutes
  - SCC Budget Committee Agendas and Minutes

Mr. Hardash informed the committee that the Measure Q Citizen’s Bond Oversight Committee was meeting tonight at 6:30 p.m. the committee will be reviewing the draft of their annual report.

8. Approval of FRC Minutes – August 15, 2018  
Mr. Hardash called for a motion to approve the Fiscal Resources Committee Minutes of the August 15, 2018 meeting. A motion to approve the minutes was made by Mr. Barembaum, seconded by Mr. Hoffman, and approved unanimously.
9. Other  
No other items were discussed.

Next meeting reminder: Wednesday, October 17, 2018, 1:30 – 3:00 in the Executive Conference Room #114, District Office

The meeting was adjourned at 2:31 p.m.