Fiscal Resource Committee
Via Zoom Video Conference Call

Meeting Minutes for May 20, 2026

FRC Members present:
SAC: Claire Coyne, James Kennedy, Tommy Strong
SCC: Alicia Ayers, Sara Gonzalez, Tara Kubicka-Miller, Enrique Perez for Arlene Satele
District: Iris Ingram, Thao Nguyen for Sarah Fisher, Madeline Grant, Noemi Guzman, Adam O'Connor

FRC Members absent: Joanne Mejia, Veronica Gonzales, Sarah Fisher
Alternates present: Thao Nguyen
Guests present: Barbie Yniguez (Recorder), other guests not recorded due to technical difficulty.

1. Welcome

VC Ingram welcomed all to the meeting of the FRC and called the meeting to order at 1:39pm after attendance roll call was taken and quorum was received.

2. State/District Budget Update

- Governor's May Revise
- Joint Analysis Governor's 2026-27 May Revision
- LAO– Initial Comments on the Governor's May Revision *additional handout*
- SSC – Top Legislative Issues—March 27, 2026
- SSC – Top Legislative Issues—April 10, 2026
- SSC – CalPERS Approves 2026-27 Employer Contribution Rate
- SSC – Senate Democrats Release State Budget Plan
- SSC – April Tax Revenues Exceed Projections
- SSC – Assembly Budget Subcommittee Hearing on Community Colleges
- SSC – State Revenues Continue to Outpace Projections as Economic Growth Moderates
- SSC – Effort to Limit Local Tax Increases Qualifies for November Ballot
- SSC – Top Legislative Issues—April 24, 2026
- SSC – State's Student Population Continues to Drop
- SSC – 2026-27 CalSTRS Postretirement Earnings Limitation
- SSC – Statutory COLA for 2026-27 is 2.87%
- SSC – President Trump Releases FY 2027 Budget Proposal
- SSC – Assembly Democrats' 2026-27 Budget Priorities
- SSC – Top Legislative Issues—May 8, 2026
- SSC – Ask SSC . . . Would TBL Change Minimum CCAP Minutes?
- SSC – Rising Prices and the Statutory COLA
- SSC – Initial Impressions from Governor Newsom's 2026-27 May Revision
- SSC – An Overview of the 2026-27 Governor's May Revision
- DOF – Finance Bulletin-April 2026

Attention was called to the information posted above.

May revise was issued May 14. A report to the Board of Trustees is scheduled for May 26. Additional one-time revenue is higher than projected; however, most will be placed in the rainy-day fund. An increase to COLA of 1.4 percent is proposed raising COLA to 4.31 percent but there is a requirement the district must have a 14-week pregnancy leave policy. This requirement is being researched for the impact to our district; pregnancy leave benefits are already in place and it is unknown whether this is additional or instead of and how it would be administered. The State Chancellor's office is also researching this requirement.

Preliminary P2 results were received. The number of districts growing has increased so the money is being divided across a larger base. The deficit factor is at 1.95 percent; it is unknown how this will impact RSCCD at this time.

Discussion of May revise and negotiation continues and could still change between now (May 20) and June 15. Significant changes will be incorporated in the Tentative Budget.

2. Out of State Employees Information Request

Information was requested during the April 15 meeting. Related information was also requested by the Board of Trustees. Business Services and Human Resources gathered information and it is included as part of the materials. Discussion ensued and information was provided.

VC Ingram expressed that a policy or procedure/practice should be established to avoid risk to the district. Grant pointed out job announcements and contract do not state that California residency is required or live within a particular mileage in order to come to campus in person. VC Ingram believes this suggestion has been made but it must be handled by the Human Resources Committee (HRC).

Strong shared that the tentative budget was circulated through the local Planning and Budget Committee and presented in academic senate. The broad consensus was a strong pushback on $600K payroll processing costs.

Kennedy motioned with second by Coyne that the FRC refer the issue of out-of-state employees to the Human Resources Committee to develop a procedure and path forward to deal with the issue.
Roll call vote was taken and passed unanimously.

3. 2025-26 FTES (P2) Estimated Actuals Comparison to 2024-25 (RECAL) Actuals

O'Connor pointed out this is the submitted P2. FTES of 33,147 was an increase from P1 submittal. Reported Growth by Campus over last year was just below 7 percent for both SAC and SCC. Tentative budget is based on P2. Because of the 7 percent growth at both colleges, the tentative budget looks good with both colleges in the positive. However, it is likely this will not be the case, maybe at either college, but especially at SCC. This FTES will result in more unfunded FTES if this is what is produced by the end of the year.

Questions were asked and clarification was provided.

4. 2026-27 Proposed Tentative Budget – ACTION

O'Connor highlighted changes as compared to information presented at the April meeting.
Budget assumptions were updated with May revise. COLA was revised to 4.31 percent which appears in the Governor's budget (instead of 2.87 percent that was statutory), adding approximately $5M to the revenue assumption. This number may change again before the budget is signed. This money should cover the 14-week

pregnancy leave for which no expense assumption was added as the cost has not been determined at this time. Cost incurred as a result of this leave requirement would be for backfilling the position that takes this leave.

Costs associated with payroll processing for out-of-state employees was discussed. Strong stated the issue has been discussed at the Planning & Budget Committee and Academic Senate. The fixed cost and number of units being served is understood (small number with high cost), and the addition of four full-time personnel to support 16 individuals was questioned. O'Connor explained the four support positions are one for payroll, one accountant, and two ITS. There is no capacity for this support with the current staff and it is difficult to find qualified part-time employees for this support. He also reminded the committee that RSCCD would be out of compliance by paying out-of-state employees using California rules.

O'Connor also stated that it has been requested the colleges do not hire out-of-state employees; however, this continues to occur. Grant pointed out the hiring out-of-state is not frequent and questioned the number of support personnel. O'Connor noted that colleges do continue to elect to give assignments to part-time faculty which are out-of-state. VC Ingram noted that research including contacting other districts, and with the exception of Coast, other districts do not employ out-of-state individuals. She also explained the support required for this category is specialized and not interchangeable. The associated costs are for the first employee in, and the support requirements remain the same regardless of number. Coyne stated SAC does not support the Tentative Budget if the cost associated with support of out-of-state employees is included. Kennedy pointed out preference rights exist and there are contractual obligations. It is hoped the motion to HRC for them to review and address will help to resolve the situation.

Kennedy motioned to remove out-of-state employment support from the Tentative Budget assumptions and refer the item to HRC for definitive answers. Coyne seconded the motion.

VC Ingram restated the motion as: The out-of-state payroll processing item of the proposed Tentative Budget assumptions be removed and appended to the previous request of HRC to examine and develop a process and potentially a policy for managing out-of-state employees.

Roll call vote was taken. Motion passed. 11 yes, 1 no

Discussion of the Tentative Budget continued. O'Connor pointed out total apportionment is at $273.7M, an increase based on assumptions of $15M in COLA and growth that will be added.

Board Policy Contingency remains at the same amount as the 2024-2025 Adopted Budget and the Budget Stabilization capping at $3M which is in the Budget Allocation Model. The Board Policy Contingency remains the same for the Tentative Budget but is recalculated once a year at the Adopted Budget.

The 1300 budget for both colleges has been historically under budgeted and it has been pointed out each year. This year it is estimated that actual expenses in that line item will amount to approximately $51M and the colleges are only budgeting $38.3M. Note this is under budgeted and it needs to be addressed by both colleges.

Bottom line of the assumptions page is split based on the spreadsheet putting budgeted college revenues and budgeted expenses resulting in a positive bottom line. Based on potentially inflated FTES at P2, SAC would have the greater share of the $10M added to their budget ($9.6M) and SCC shows positive by $0.5M. However, it is believed the revenue is overstated and the expenditure budget is understated. Therefore, SCC needs to continue to work on their budget issue.

VC Ingram pointed out typically when a college gets into trouble it is within the 1300 line (part-time faculty and overload). She encouraged the colleges to look at the 1300 budget and make adjustment as necessary. After the Tentative Budget is approved by the Board, changes can be made for the Adopted Budget.

Strong asked when the surplus will be known. O'Connor explained as far as budget is concerned, the COLA will be known after the state adopts their budget and it would be accounted for accordingly. However, that is not our surplus, it is our budget and there could still be a deficit factor which may not be known until February of 2028 when the actual revenue for 2026-27 is known.

Strong questioned the process for budgeting cost increases. O'Connor explained there will always be increased costs for which colleges should be budgeting (e.g. utilities, contracts with escalation costs). Cost increases related to full-time employee salaries and benefits are already part of the budget assumptions. Further discussion concerning the budget ensued.

Kennedy made a motion to approve the Tentative Budget minus the item referred to HRC. Motion was seconded by Strong.

It was moved and seconded that the 2026-27 Proposed Tentative Budget be approved.
Motion passed unanimously.

5. Updated AR 7400 Travel

This is not an action item for this meeting. O'Connor mentioned there are three versions of AR 7400. The first was the one recommended with language changes. Both colleges have discussed and made redline changes. Each of these versions is included in the materials. Discussion at SCC continues and this item is postponed to the June FRC meeting.

6. Standing Report from District Council – Tara Kubicka-Miller

District Council was held May 4.

- Reorganization 1480 was approved for the District Accounting Supervisor.
- A new AR (3750.2, Data Classification) was discussed; it has gone through both colleges and on to District Council. It was suggested that immigration status be added as a bullet point to restricted data. The AR will return for further District Council discussion after consultation with appropriate parties.
- The updated BAM was moved forward.
- The Chancellor presented the 2026-27 District Council meeting dates: July 20, August 24, October 5, November 2, December 7, January 25, March 1, March 29, May 3, and June 7.

7. Informational Handouts
   - 50% Law Calculation
   - District-wide expenditure report link: https://intranet.rsccd.edu
   - Vacant Funded Position List as of May 12, 2026
   - Monthly Cash Flow Summary as of April 30, 2026
   - SAC Planning and Budget Committee Agendas and Minutes
   - SCC Budget Committee Agendas and Minutes

O'Connor pointed out the 50% Law Calculation is based on data through April 30. We are currently at 52.4 percent as of April 30 (ahead of the law).

8. Approval of FRC Minutes – April 15, 2026 – ACTION

Motion to approve the April 15 minutes was made by Coyne with second by Kubicka-Miller.
Roll call vote was taken and passed. 10 yes, 2 abstentions

9. Other

No issues were raised.

Motion to adjourn was made by O'Connor with second by Coyne.
All in favor logged off the zoom meeting.

Meeting adjourned 2:37pm.

Next FRC Committee Meeting: July 1, 2026, 1:30-3:00 pm