

RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting

Friday, July 31, 2020 – [Zoom Conference Call](#)

Meeting ID: 925 7387 3342 - Passcode: 039075

1:00 p.m. - 3:00 p.m.

AGENDA

- I. Welcome and Call to Order
- II. Approval of Minutes
 - A. June 9, 2020
- III. State Budget Update
- IV. District Budget Update
 - A. Tentative Budget Update
 - B. COVID-19 Fiscal Impact Assessment and Mitigation Recommendations
- V. New Faculty Positions Allocation Methodology Proposal
- VI. Non-Resident Tuition Fee Revenue
- VII. Effective Use of Resources and Accountability
 - A. Periodic Reporting Structure
 - B. Carryover Request and Expenditure Plan Worksheet
- VIII. DBAC Membership Structure - Update
- IX. Next Meeting – Friday, August 21, 2020 (Tentative)
 - A. Review meeting options for FY 2020-21

*RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting*

*Friday, July 31, 2020
1:00 p.m. – 3:00 p.m.*

*Zoom Conference Call Meeting Recording:
<https://cccconfer.zoom.us/rec/share/4NNpdrzNyHxOR53B-Hv7Yax-RYrYaaa8gHUd-PoInx2k6Oi8-Fcg3mzBXcfa94sJ?startTime=1596225817000>*

MEETING MINUTES

Members Present

Aaron Brown	(District)
Majd Askar	(District)
Cyndi Gundersen	(District)
Jennifer Floerke	(Moreno Valley College)
Ivan Hess	(Student)
Nathaniel Jones	(Moreno Valley College)
Michael McQuead	(Moreno Valley College)
David Bobbitt	(Moreno Valley College)
Michael Collins	(Norco College)
Quinton Bemiller	(Norco College)
Andy Aldasoro	(Norco College)
Esmeralda Abajar	(Norco College)
Chip West	(Riverside City College)
Mark Sellick	(Riverside City College)
Asatar Bair	(Riverside City College)
Elena Santa Cruz	(Riverside City College)
Rachelle Arispe	(Recorder)

Members Not Present

Liz Tatum	(Riverside City College)
MaryAnn Doherty	(Moreno Valley College)
Courtney Buchanan	(Norco College)

Guests

Alfred Cardoza	(Moreno Valley College)
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I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

- A. Once a quorum was achieved, Bair moved and Bobbitt seconded approval of the minutes for June 9, 2020.

III. STATE BUDGET UPDATE

- A. Brown provided a brief update on State Budget.

1. The Governor's adopted budget includes deferrals instead of budget cuts. The deferrals are over \$1.5 billion statewide. For our district it is approximately \$46 million in deferrals for 2021. Deferrals would begin in February and end in June with payments in the next fiscal year. February 2021 will be deferred to November 2021. March 2021 will be deferred to October 2021 and so on through June. RCCD can borrow from internal sources, but due to the size of the deferrals will need to borrow from an external source in the form of a Tax Revenue Anticipation Note (TRAN). There is a very small cost borrowing cost associated with a TRAN. Sources to fund the TRAN can be from RCOE, a CCC Foundation program that includes the underwriter and financial consultant from our bonds, and through the State Treasurer's Office, California Schools Financing Authority (which would have a much wider participation rate). Brown explained to the members how interest payments are handled. The interest payments would be paid out of our cash flow and reimbursed through the deferral payments. The deferrals would only be outstanding for a portion of the year.
2. RCCD will be receiving most of our apportionment for FY 2019-20; however, there is a possibility we may receive more but we won't know until February 2021. Due to uncertainty Brown is adding in a .67% (\$1.3 million) deficit in the FY 2020-21 Budget.
3. No growth or COLA is included in the state budget.
4. COVID-19 Response Relief in the amount of \$120 million state wide has been added. Brown is estimating \$3 million to our district based on FTES. However, there are significant restrictions to the funds and two different components (state/federal) associated with it...different criteria and different reporting requirements. The first part of funds needs to be spent by December 30, 2020.
5. There is a downward adjustment to the CalSTRS and CalPERS rates for FY2020-21 and FY2021-22 with a savings of \$3 million.
6. Brown cautioned members that despite the State's adopted budget being better than expected due to apportionment deferrals instead of budget cuts, our district still has its own budget issues. Although our apportionment is flat, we are expecting to have a reduction in some of our revenue sources by \$3-\$4 million for such items as lottery, non-resident fees, etc. In addition, expenses are projected to increase by approximately \$8 million without a source of revenue to offset. There are also other funds that have

been negatively impacted by the pandemic and college closure by millions of dollars that will need to be addressed as well.

IV. DISTRICT BUDGET UPDATE

- A. Askar reviewed the FY2020-21 Final Budget Planning workbook with the members.
1. The projected ending balance for FY 2019-20 reflects the state updates provided by Brown.
 2. The ending balance for FY 2019-20 is approximately \$53 million with the year-end closing for revenue and expenses projected.
 3. Askar reviewed the negative impact to the following resources: Parking, Performance Riverside, Customized Solutions and Community Education. With the budget shortfall of the specified resources and projected inter-fund transfers from the general fund to cover the shortfalls, the ending balance is reduced from \$53 million to approximately \$48 million.
 - a. Brown noted that FY 2019-20 includes approximately \$4 million worth of the rollback of FTES from the summer 2018-19 and was realized revenue in the FY 2019-20.
 - b. Collins inquired on the spread of the shortfall to the colleges. Askar responded that the budget shortfalls are spread using the revenue ratio for the allocation revenue and expenses based on the revised BAM.
 4. The projected beginning balance for FY 2020-21 is \$48 million. Askar reviewed the ongoing revenue and expenses, including the one-time revenue and expenses and the shortfalls (estimated from July 2020 through February 2021) in Parking, Food Services, Customized Solutions and Child Care.
 5. Askar indicated that the DBAC Subgroup reviewed the shortfalls and were asked to review their holding accounts to find funds that could help offset the deficits. Therefore, the colleges and district office provided funds from their hold on vacant positions (\$5.7 million), holding accounts (Chancellor's Innovation \$200K and MVC \$500K), projected savings from utilities (40% reduction = \$560K) and travel (\$307K). Therefore, the net expenses are approximately \$29 million.
 - a. Aldasoro requested the vacant positions list be emailed to the group. Askar will email the entire group the vacant listing.
 6. Brown noted that the CARES Act funding for FY 2018-19 and FY 2020-21 will be reflected and adjusted in the data. There are internal discussions on how the funding will be reflected as either a transfer of expenses out or if it will be recorded in the general fund.
 7. Brown briefly reviewed the listing of estimates and concise information of the problem resources including the ERP, Retirement Incentive, Vacant Positions, etc.

- a. Sellick inquired about Step and Column increases and indicated that there should be negotiation talks if there will be reductions. Brown responded that changes to Step and Column are not being considered at this time.

V. NEW FACULTY POSITIONS ALLOCATION METHODOLOGY PROPOSAL

- A. Brown indicated that Chancellor Isaac said new faculty positions need to be tied to the BAM. In FY 2019-2020 for the 2020-21 year we used the Faculty Obligation Number (FON) information to be able to derive the faculty positions.
- B. Brown provided a worksheet for the group to review to begin discussions on an allocation methodology using BAM information. Brown explained how the data was split. Different categories of disciplines were grouped together using information from FTES associated with each base year number, FTEF and split out between full time, part time and overload. The goal is to get to 70% full time faculty and 30% part time faculty, identifying a distribution to each college.
- C. Floerke inquired and suggested there be Principles for Faculty Position Allocation or overarching principles. Sellick responded that we would use the BAM Principles which include Fairness, Equity and Transparency, rather than developing new principles for faculty. Asatar suggested that maybe adding a principle to the BAM regarding the faculty position allocation.
- D. Discussions ensued regarding the methodology.
- E. Sellick suggested that we also connect Human Resources to the principle.
- F. Floerke and Sellick will work on a few sentences to add to the BAM Principles for the Faculty Position Allocation methodology. They will email the group for review and further discussion.
- G. Askar will email the worksheet to the group for further review. Askar noted that the data is from EMD and preliminary until each of the colleges confirms.

VI. NON-RESIDENT TUITION FEE REVENUE

- A. Brown explained that each of the colleges have been working on collection of fees from students. Previously there was no process for collecting fees, however, now there is a process in place. We are having some success in receiving the fees.

VII. EFFECTIVE USE OF RESOURCES AND ACCOUNTABILITY

- A. Brown wants to explore this subject in more detail. He wants to have more transparency in reporting. Brown will include a standing agenda item that way the group can review where we stand from a fiscal standpoint relative to actual results and budget and achievement of goals and objectives in accordance to our strategic plans. This will also allow us for planning for the next fiscal year. He will be looking to the group for a reporting a-format or structure to achieve the objective.

- B. Collins responded that the colleges report out quarterly and he agrees with the reporting idea. Brown suggested for the colleges to provide their reports to the group before the end of next week that way it could be reviewed and we could discuss at the next meeting. The goal would be to begin reporting in October.
- C. Brown reviewed a template for carryover information in accordance with BAM Principle #9. It was introduced at the last DBAC Subgroup meeting. The form will identify potential carryover amounts, how they arose, reason for the rollover and what strategic initiative the funding will be used for. This template has been put in place for the next fiscal year.

VIII. DBAC MEMBERSHIP STRUCTURE - UPDATE

- A. Brown reviewed the DBAC membership list with the group.
 - 1. Sellick clarified that Floerke is the District representative for the District Academic Senate. Floerke needs to find a replacement for the Moreno Valley District Academic Senate representative.
 - 2. Bobbitt indicated that this will be his last DBAC meeting as he is retiring. Santa Cruz will appointment his replacement.

IX. NEXT MEETING

- A. Brown reviewed the potential dates for FY 2020-21 DBAC meetings. Discussions ensued regarding the meeting dates.
- B. Arispe will send out a Doodle Poll to schedule the future meetings in alignment with District Strategic Planning Committee and Information Technology Strategy Council.

X. MEETING ADJOURNED

Riverside Community College District

FY 2020/21 Net Budget Savings/Holding Account Carryover Request and Expenditure Plan

Entity: District Office

Expenditure Plan	Amount	Timeline for Completion	Funding Source	Specific Strategic Plan Reference/Number	Reason Net Budget Savings were Generated or Reason Holding Account wasn't Expended	Executive Cabinet Approval to Carryover Net Budget Savings/Holding Account Balance	Budget Code for Tracking Purposes
Total	-	-					

<p>Expenditure plan should be in excess of the 1% of 19/20 Expenditures per BAM requirement Attach project expenditure plan detail sheet including supporting documentation as it relates to the facilities master plan, schedule, project status, etc. Applies to Resource 1000 General Funds/Resource 1180 Redevelopment Funds/Resource 1190 Capital Outlay Surcharge and Scheduled Maintenance Funds</p>
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DBAC MEMBERSHIP

District Office

Vice Chancellor, Business and Financial Services – Chair (Aaron Brown)
Director, Business Services (Majd Askar)
CSEA Representative (Cyndi Gundersen)

District

DAS President** (Mark Sellick)
ASRCCD Representative (Ivan Hess)

Riverside City College

Vice President, Business Services (Chip West)
RCCAS President** (Mark Sellick)
Faculty Lead*** (Asatar Bair)
CSEA Representative (Elena Santa Cruz)
MLA or CSEA Representative* (Liz Tatum)

Moreno Valley College

Vice President, Business Services (Nathanial Jones)
MVCAS President** (Jennifer Floerke)
Faculty Lead*** (Michael McQuead)
CSEA Representative (David Bobbitt)
MLA or CSEA Representative* (MaryAnn Doherty)

Norco College

Vice President, Business Services (Michael Collins)
NCAS President** (Quinten Bemiller)
Faculty Lead*** (Courtney Buchanan)
CSEA Representative (Andy Aldasoro)
MLA or CSEA Representative* (Esmeralda Abejar)

Notes:

1. Vice Chancellor, Director of Business Services, Vice Presidents of Business Services positions are permanent members of the Council.
2. All other members commit to serving a minimum of two year terms.
3. Vice Chancellor votes on recommendations only in the event of a tie.
4. District Academic Senate (DAS) will appoint the District wide representative.
5. *College Presidents will appoint MLA or CSEA representatives.
6. **College Academic Senate (AS) Presidents will appoint faculty representatives.
7. ***Faculty Leads represent relevant area in Strategic Planning.
8. Student Trustee will appoint the student representative.
9. Members may send proxies to DBAC meetings.