FINANCIAL RESOURCE COMMITTEE MEETING
03/11/21
12:50pm to 1:50pm
ZOOM Remotely
MINUTES

Attendees: Amber Casolari, Asatar Bair, Elia Blount, Megan Bottoms, Sendy Powell, David Olukoju, Liz Tatum, Tucker Amidon, Alice Awe
Approved Meeting Minutes: Minutes from the 12/03/20 meeting was approved by consensus.

BUSINESS SERVICES – STUDENT ACCOUNTS

In December, a task force was in place to develop a plan to facilitate student payments over the coming Winter/Spring semesters in preparation for system changes for registration for Summer 2021. At the time, the RCCD student debt was $9,060,521.84.

Two notifications were developed advising students the balances they carried on their student accounts. The first letter sent to students on January 7th, 2020 who carried a balance of **$400.00 or under.** The second notification was sent on January 27, 2020 to those students who carried a balance of **$401.00 or greater**. Those particular students had the option to participate in the RCCD payment plan option. Students were advised that it was their responsibility to make payments to accounts to ensure their balances were below $100.00 by May 3, 2021 to register for Summer 2021.

Weekly reporting has been provided to the RCC leadership as well as to the Chancellor's office. Approximately 4600 RCC students who carried a balance of $401.00 or greater did not open their emails and therefore were unaware of the opportunity to participate in the RCCD payment plan. As a result, outreach efforts have been conducted by the Business Services cashiers, Enrollment Services and Food Services team members advising students of the RCCD payment plan. Many students expressed concerns, such as loss of job, single parenting with children at home, and lack of money. The debt has dropped slowly from 9 million to 8.7 million.

DBAC
Discussions continue around the budget allocation model, and especially the issue of what is a unique program. There has been a lot of talk in the committee about what defines unique and that there should be a detailed definition in order to deal with any potential controversies over the issue of how funding is allocated. For example, music classes are at all three colleges, but RCC has orchestra, jazz band, performance, etc. If it is not counted as unique (current specifications: requirements from an outside agency, more than just classroom courses and not offered at the other colleges) the larger performances, which are more expensive than just classes, would raise problems for the music program. There is a genuine need to find out what is unique, and what is not. The word unique has an established meaning and it is being used in a very particular way. Everything seems to hinge on whether a program is unique or not. Big questions to consider: What is the mission of the district? How do these different programs

fit in and it is not a problem if one program is more expensive than another? Are we mission driven or cost driven?

DBAC (subgroup)
DBAC continues its discussion of the definition of "unique". In some way, each division can argue that it is unique-what is taught and the mission is of each department. The District is trying to associate a dollar amount for unique programs and trying to identify how to properly provide revenue for these divisions, or programs that are unique. The median cost per FTS can be used to determine what the cost should be. The median cost is the driver. For example, all three campuses have Biology, and the most efficient one will establish the median cost for that program division. That will be the amount that will be provided in revenue. The district wants data to support why there is a revenue of one for one for Nursing, because nursing costs $23,000, per FTS and that's how much they're going to give us. The District wants to provide limitations on how much the department can grow or the cost of the department. Budget analysis and RCC's argument are that if the grants for Nursing happened to go away, the cost is going to go up, not because the department or the division is inefficient, but because these outside supporting resources to fund the program will no longer be there. The criteria that has come up is what is constituted by external agencies. Any program that is imposed by external agencies, anybody who has a specialized advisory board, or if there are contractual agreements, rental agreements, like Ben Clark, then those are unique programs, because they have unique costs associated with running the program. The fear is that the district is just going to group nursing into CTE or stem, which gets funded about five or $6,000, per FTS when nursing is actually 23,000.
These discussions are still in the infancy stage of getting this unique program criteria together, because it is difficult to separate costs and the outcome is intended to be a more an equitable budget distribution. Data is needed to confirm the revenue. For example, the courses that are unique in RCC's Music division, don't have a specific budget string. Extracting the cost of these programs when there isn't any identifying factors to pull that data from and really getting all the details of it is difficult.

The Budget Allocation Model is based on expenses and it informational on how much revenue is being received. This tells the district how the revenue is split and as the budget is distributed to each college, they determine how to use it. If the budget allocation model is at a set amount, the other colleges are worried they will not get their fair share. Norco and Moreno Valley's intention is to become comprehensive colleges, they want to expand their programs, and do it all. They want additional funding to be able to support programs that they want in their portfolio. The resolution has not been determined how to make this fair and equitable, which is the reason behind the new budget allocation model. The fact is that it might not be any more successful than it was two years ago. A collaboration of different divisions and departments working with business services has been needed to inform the budget allocation model. Faculty and Dean's need to be more involved, the VPA needs to be more involved with our DBAC meetings so that the budget allocation model will move forward a little more.

CARES ACT
CARES ACT funding is still on track. Lost revenue from July 1 through December was reported and recouped through CARES funding for Food service, ECS, Aquatics and any type of facility uses charges that had been planned for, but not receive, and lottery expenses, instructional supplies has been moved over. There is $1.1 million left over, but the IT department will use this and CARES II that ends May 5th and CARES III that ends May 31st, funding to replace every laptop on the campus, and upgrade every computer for faculty and staff to support the new systems. HERF funds for the 24 million, a portion of that is direct aid to students, then there's an institutional portion and an indirect cost portion which needs to be spent out by January 2022, there is an option to extend, if that is still be on the table at that time. This amount equates to almost 2 million a month.

DATABASES
The databases are being compiled from all the respective areas into one large database. Prioritization of equipment and items will be discussed with the Deans.

PROMISE PROGRAM
Still looking into having Cynthia Gonzales attend FRC meeting to explain or the possibility of having Elizabeth Hilton attend.

GRANTS
The Life Science and Physical Science building was $35 million project that was pulled together through scheduled maintenance through the bond, and through budget savings. The expenses and encumbrances that have hit that project is about 252.5 million. The project is still in the beginning stages, and it is multi-year. The district office requested that the funds be put on hold for the project. The funds are in place and are waiting for the project to go through. There is a new grant S-Stem grant that is for $1 million. This grant is mostly scholarships, supports increased graduation rates for minority students. New Nursing Program grant that is $160,000 that will support two cohorts with their electronic devices. There is $45 million in grant funding this fiscal year. Of that $45 million, there is $946,000 available in indirect costs. What has been collected, as of today, is only $92,000. The reasoning for not collecting all of the indirect costs is that Grants is having a really hard time spending out because of the pandemic, also there is no direct contact with students, no conferences are going on, and no travel. Project directors will need to email the granting agencies and get extensions for these grants or the funds will be lost.
Indirect costs explanation is that they are embedded in grants and that they are not directly related to the project or the intention of the grants. As an example, the Strong Workforce grant has 4% of the total of that grant going to indirect costs, anything having to do with finance, because a grant isn't just what you put on it, it is the special projects that go along with it that support the grant. Depending on what type of grant it is, determines how much of a percentage is received. With HEERF at 24 million, it is possible to get $4 million in indirect costs. Going over the indirect process can clearly identify how funds are going

to be used. In FY 19/20 funds were used for computer replacements, some salaries, but there is $1.6 million collected over the years that is just sitting there. The district receives a 17% split and RCC receives 83% of IDC. The district receives funds because they process payroll, AP checks and half the paperwork that is required. RCC gets the 83% because we do all the invoicing itself and do all the financial reports for it. The indirect funds could be used toward all of those unfunded database requests and growing the district Grants department with infrastructure, as well, with positions or RCC's own grants department and technology infrastructure.

A reference sheet was shared that is based on the physical plan and instructional support guidelines that come from the Community College Chancellor's Office that describes how the California Chancellor's office really separates the five categories, which is equipment and furniture, information and technologies, software, adaptive equipment, library material, and then also gives an overview of what is a non-allowable item was administrative or non-instructional. This reference sheets that we pulled out from the from the physical plan, and the structural support guide is a good summary that gives an idea of what is like allowable and what is not. This can be emailed out or put on a website.

Next Meeting April 1st at 12:50 pm.