



California School Employees Association
Chapter 477 – Rio Hondo College
SPECIAL BUDGET MEETING MINUTES
September 09, 2019

APPROVED

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2 **Call Meeting to Order:** President Sandra Rivera called the meeting to order at **12:07pm** with
3 52 members present.

4 **Pledge of Allegiance:** Steven Gonzalez led the Pledge of Allegiance.

5 **Roll Call of Officers:** Sandra Rivera, Lisa Sandoval, Janice Garcia-Lopez, Alberto Bretado
6 Andrea Rivera Ringo, Angelica Bio, Steven Gonzalez, & Yolanda Ramirez.

7 **Absent:** Rowena Mendoza.

8 **Introduction of Guests:** President Rivera introduced Yulian Ligioso, VP of Finance & Business
9 and Steven Kibui, Accounting Director. They would be presenting and asking how Classified
10 can assist Management to update our area's budget.

11 He stated there had been about 114 classified staff who attended the previous budget meetings,
12 and there were 121 attendees from all constituencies at the PFC meeting. He said that the
13 information is probably more comprehensive due to the many questions and answers that
14 followed each meeting.

15 He gave an overview of the calendar they follow to create the budget, the assumptions they
16 work with to build the 2020 budget, the process, the difference between the general funds and
17 categorical funding, the risks and the next steps and considerations.

18 1. They begin with the calendar of the Governor's Budget.

19 2. Budget Adoption

20 3. Our Budget process according to semesters

21 He said the state budget is now provided in June rather than October due to the "No budget -
22 No pay" legislature.

23 Ligioso introduced Steven Kibui to give us the overview of the assumptions, expenditures,
24 including health and welfare, pensions, and other statutory benefits under CalPERS and
25 CalSTRS. He talked about the Revenues and apportionment, and restricted funds such as
26 grants and categorical funds. He showed numbers for the Expenditures in Staff salaries, which
27 someone asked if we could have the Classified separated from the Management and
28 Confidential, so we could see an accurate amount on the costs for just the Classified. Steven
29 did not know the figure, but said he would provide it later as requested. He spoke about the
30 new Funding Formula and how it will reduce the budget from now on. FTEs based on 70%
31 FTEs, 20% Supplemental, and now 10% Performance, meaning certificates and diplomas
32 awarded.

33 They spoke about having cross-functional teams to search for solutions, revise the education
34 process to allow us to award more certificates and degrees. He stated the values for each are:
35 AD Transfer students bring in \$1,700; AA and AS degrees \$1,300; & certificates bring in \$800.
36 He explained that before the college was awarded the highest value per student. For example, a
37 student who got a certificate, and received an AA degree, and transferred, the college was
38 awarded all the amounts for that student. No longer. Now only one value per student for either
39 one certificate, one degree or transfer amount per student. We will need all of us to engage and
40 to strategize how we can get the most per student.

41 At this time the Superintendent/President showed up and he apologized for being late, because
42 Renée runs a very tight schedule. He began by saying: "Thank you for all that you do, for all
43 your contributions to the students and the college." Then, he went on to the Nitty-Gritty - Bottom
44 Line. He said, we are going to receive much less money from the state in the next 3 years.

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45 FTE's are down. He mentioned 12,800 counting 2 summers, and now it is 11,000 without a
46 summer. We have to be very creative. We need creativity to work with less. Cut down to one
47 (1) certificate per student per year. Cut more than \$2 or \$3M per year. In the future, we need to
48 be cautious in hiring. Lots of gloom and doom. We never had a workshop like this one to involve
49 everyone about the budget. Together we will make good decisions. It will take all of us,
50 especially Classified, because we see the 1000s of students who either come back or leave
51 based on how we treat them. He appreciates and he knows how important we are to the
52 mission. We are the college. Many of us have been here forever, and Management come and
53 go after 3 or 5 years. He mentioned Fire Chief Ralph Terrazas who told him that Rio Hondo is
54 the best college ever. President Reyes encouraged us to continue to "Do those things that you
55 do so well. Keep doing it, so students keep coming here to be successful. Students need to
56 know that we Love them!" He thanked everyone again and mentioned that his door is open,
57 and if we "get past Renée, then you deserve to see Me." and he left.

58 Steven Kibui reiterated that the maintenance of the budget will become a collective effort. He
59 stated that all Managers and Deans received a copy of their own budget, and we shall work
60 together to ensure we continue to supply the needs of the department. Teresa Martinez stated
61 that the requisition and accounting processes have changed a lot. She asked whether a manual
62 training or information sheet on how to follow the new process would be offered. Steven said he
63 is available to clarify any questions and accounting Staff, too.

64 Steven went on to explain the budget line per line. When he mentioned the amount accounting
65 for Staff salaries. President Sandra Rivera asked if the amount was only for Classified. Steven
66 said the amount included managers and confidential staff. Sandra asked to get the percentage
67 or actual amount that comprised the Classified Staff, only. He said he would provide it to her.
68 He went into the details of the budget's restricted funds such as grants, which cannot be spent
69 on unrestricted expenditures. Overages must be spent by a given deadline on specific
70 expenses. There is no commingling of funds. He clarified that the 011 account is restricted
71 funding, and the 010 account is unrestricted funding. Someone asked if the Restricted Column
72 included the construction and he said - No. He went over the General Fund, Special funds such
73 as the Child Care Center, the Capital Budget which covers construction and insurance. He
74 described the tentative, adopted and detailed budgets.

75 John Salgado asked a question regarding the Reserves. Steven said that risk lies in the
76 Reserves, and the Chancellor's Office requires a minimum of 5%, and we are currently at
77 7.41%. He spoke about the CSU receiving an IOU, and Rio Hondo was spared, but that might
78 happen to us. The Reserves indicate how good we look at long range issues. There might be a
79 need to get a BOND in 2020 and the auditors will look at the Reserves to see how well we
80 manage money. The last negotiated raises of 3.6% for both Faculty and Staff came out of the
81 Reserves because we did not get fully funded by the state. According to figures left by former
82 President Teresa Dreyfus, she set aside enough money to uphold the lifetime benefits out of
83 operations. Now, we need to optimize Financial Aid Awards so we can get the money. If we
84 receive money from the state, we are still coming in low.

85 The Risks - The Challenge - Apportionment is low, and declining revenues are due to declining
86 enrollment. The state has agreed to hold us harmless in 2020, but in revenue in 2021/2022 will
87 definitely be based on performance. Rising expenditures, declining Reserves, there will be
88 challenges and a possible recession. Jim Sass asked: How long before we fall below the 5%?
89 We are Ok for the next 3 years but we need to address it, while we are held harmless. We will
90 be in deficit, next year 2020. If this trend continues next, next year 2021, we may see our deficit
91 affect the Reserves.

92 What can we do? Engage in a multi-year budget planning. Get ahead of the trends to develop
93 options and long-term enrollment strategies, and based on CA population growth of 1% for the

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94 next few years we need advocacy for lifelong learning and an increase in students graduating
95 with an AA or AS degree. We need cross-functional teams to implement cost reduction and
96 efficiency measures. Priorities will be funded.

97 Angelica Bio from Admissions and Records asked about the value of students enrolling from the
98 high schools. Yulian replied that concurrent enrollment students from the High Schools bring in
99 the highest value, and we should convey the college is a safe environment for students in the
100 K8 to K12 students. We will continue to support outreach and tours for students in the Middle
101 and High Schools to remind them to select Rio Hondo as their college of choice. We are here,
102 we are accessible, we promote equity, and we must show performance.

103 **Adjournment:** President Rivera adjourned the meeting at **1:00 p.m.**